

**THE KING'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c
C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MANITOBA CLINIC MEDICAL CORPORATION AND THE MANITOBA CLINIC
HOLDING CO. LTD.

(the “Applicants”)

**SIXTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.
DATED NOVEMBER 20, 2023
DATE OF HEARING : FRIDAY, NOVEMBER 24, 2023 AT 10:00A.M.
CHARTIER, J.**

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INTRODUCTION

1. On November 30, 2022, Manitoba Clinic Medical Corporation (“**Medco**”) and The Manitoba Clinic Holding Co. Ltd. (“**Realco**”) (collectively, the “**Applicants**”, the “**Companies**” or the “**Debtors**”) were granted an initial order (“**Initial Order**”) by the Honourable Mr. Justice Kroft of the Court of King’s Bench of Manitoba (the “**Court**”) in relation to proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, Alvarez and Marsal Canada Inc., (“**A&M**”) was appointed as monitor (the “**Monitor**”) in the CCAA Proceedings.
2. On December 1, 2022, the Applicants were granted an Amended and Restated Initial Order (“**ARIO**”) by the Court, which provided for, among other things, the following relief:
 - a) enhanced powers of the Monitor;
 - b) a \$500,000 Administration Charge in favour of the Monitor, Monitor’s counsel and the Companies’ counsel;
 - c) a \$350,000 Director’s Charge in favour of the Applicants’ directors;
 - d) approval of an Interim Financing Facility of \$4 million provided by the Canadian Imperial Bank of Commerce, the secured lender (the “**Lender**” or “**CIBC**”), secured by a DIP Lender’s Charge;
 - e) approval of a key employee retention plan (“**KERP**”) and associated KERP Charge in the amount of \$100,000; and
 - f) an extension of the stay of proceedings to February 24, 2023.
3. The Monitor filed a pre-filing Monitor’s report dated November 29, 2022 (the “**Pre-Filing Report**”) in support of the November 30, 2022 and December 1, 2022 application and motion, respectively, and further information regarding the relief sought during the same can be found therein.
4. On January 24, 2023, the Applicants were granted an order by the Court for, among other things, the following relief:

- a) an extension of the stay of proceedings until April 28, 2023; and
 - b) authorization for the Monitor, with the consent the Lender, to sell any part of the Property (as that term is defined in the Initial Order) out of the ordinary course of business and without further approval of the Court, in respect of any transaction not exceeding \$50,000 and provided that the aggregate consideration for all such transactions does not exceed \$350,000.
5. The Monitor filed its first Monitor's report dated January 20, 2023 (the "**First Report**") in support of the January 24, 2023 motion. Further information regarding the relief sought during that motion can be found therein.
6. On April 21, 2023, the Debtors and the Monitor were granted further orders for, among other things, the following relief:
- a) authorization of a sale and investment solicitation process (the "**SISP**"), including the Monitor's retention of the Marketing Agent (as defined in the Second Report);
 - b) authorization of a retention payment to the Physicians who have not given notice terminating their Service Agreements; and
 - c) an extension of the stay of proceedings to August 31, 2023.
7. The Monitor filed its second Monitor's report dated April 18, 2023 (the "**Second Report**") in support of the April 21, 2023 motion. Further information regarding the relief sought during that motion can be found therein.
8. On August 2, 2023, the Court granted the Applicants an Order (the "**August 2, 2023 Order**") for, among other things, the following relief:
- a) extending the stay of proceedings to October 2, 2023; and
 - b) authorizing the Companies to execute the Second Amendment to the Interim Financing Facility.
9. The Monitor filed its third Monitor's report dated July 31, 2023 (the "**Third Report**") in support of the August 2, 2023 motion. Further information regarding the relief sought during that motion can be found therein.

10. On September 26, 2023, the Court granted the Applicants an Order (the “**September 26, 2023 Order**”), which, among other things, extended the stay of proceedings to December 15, 2023. The Monitor filed its fourth Monitor’s Report (the “**Fourth Report**”) in support of the September 26, 2023 motion.
11. On October 31, 2023, the Court granted the Monitor a sale approval and vesting order (the “**October 31, 2023 Order**”), which approved the agreement of purchase and sale (the “**Dynacare PSA**”) between the Monitor, for and on behalf of Realco, as vendor, and Dynacare (as defined in the Fifth Report), as purchaser, for the sale of Realco's Class B units in the Partnership (as defined in the Fifth Report). Additionally, the Court granted an Order sealing the Confidential Supplement to the Fifth Report, which contained the commercial terms of the Dynacare PSA (the “**October 31, 2023 Sealing Order**”). The Monitor filed its fifth Monitor’s Report (the “**Fifth Report**”) in support of the October 31, 2023 motion.

PURPOSE

12. The purpose of this report of the Monitor (the “**Sixth Report**” or this “**Report**,” and together with the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Fourth Report, and Fifth Report, the “**Reports**”) is to provide this Court information about and, where applicable, the Monitor’s views on:
 - a) the activities of the Monitor since the Fifth Report;
 - b) the conduct and conclusion of the SISP;
 - c) the Realco APA (as defined below) and the Monitor’s request for the approval of the transaction contemplated therein and a corresponding Sale Approval and Vesting Order;
 - d) the Medco APA (as defined below) and the Monitor’s request for the approval of the transaction contemplated therein and a corresponding Sale Approval and Vesting Order;

- e) a comparison of the Companies' cash receipts and disbursements as compared to the cash flow forecast appended to the Fourth Report of the Monitor for the period of October 21, 2023 to November 10, 2023;
 - f) the Monitor's request to unseal the Confidential Supplement to the Fifth Report pursuant to paragraph 2 of the October 31, 2023 Sealing Order;
 - g) the Companies' updated cash flow forecast through to February 9, 2024;
 - h) the request to further enhance the Monitor's powers;
 - i) the request to extend the stay of proceedings to February 9, 2024;
 - j) the request for approval of the professional fees and costs of the Monitor, its legal counsel, and the Debtors' legal counsel;
 - k) the request for approval of the Monitor's actions and activities as described in this Report; and
 - l) the Monitor's recommendations and conclusions in respect of the matters described above.
13. Capitalized terms not otherwise defined in this Report are as defined in the Initial Order, the ARIQ, the SISP, the other orders of this Court, and the Reports, as the case may be.

TERMS OF REFERENCE AND DISCLAIMER

14. In preparing this Report, Alvarez & Marsal Canada Inc., in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Companies, and has held discussions with the Companies' management ("**Management**") and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report in respect of the Companies' cash flow forecast:
- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or

completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

- b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
15. Future oriented financial information referred to in this Report was prepared based on the Debtors’ estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
16. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

BACKGROUND

17. As discussed in the Reports and detailed in the affidavit of Keith McConnell sworn November 28, 2022, Medco is a privately-held Canadian company, which has been operating since 1946. It operates a multi-specialty medical clinic (the “**Clinic**”) offering diverse healthcare services that is the largest private clinic in the Province of Manitoba and plays a significant role in Manitoba’s healthcare system. The privately-held related company, Realco, holds title to the real property upon which the Clinic is situated, certain equipment and certain financial investments.
18. Medco is responsible for the medical operations of the Clinic and is party to service agreements with all of the physicians providing services through the Clinic. Medco operates the Clinic from leased space in the 10 storey, 232,038 square foot facility located at 790 Sherbrook Street, Winnipeg (the “**Facility**”) owned and operated by Realco.

19. Details with respect to the Companies' business operations, corporate organization, history and other financial information, including the Debtors' assets and liabilities and key secured creditors, and further information regarding these CCAA Proceedings (e.g., Court orders, the Reports, etc.) are available on the Monitor's website at www.alvarezandmarsal.com/manitobaclinic.

ACTIVITIES OF THE MONITOR SINCE THE FIFTH REPORT

20. The Monitor's activities to date include, among others, the following:
- a) conducting ongoing discussions with Management, employees, advisors, and the Debtors' legal counsel regarding the Debtors' business and financial affairs;
 - b) hosting numerous discussions with WELL Health Clinic Network Inc., with respect to the Medco APA, related due diligence, and closing matters;
 - c) hosting various discussions with Health Sciences Centre Foundation, with respect to the Realco APA, related due diligence, and closing matters;
 - d) engaging in discussions with the Lender and its legal counsel with respect to the CCAA Proceedings;
 - e) continuing communication with and utilization of the Monitor's independent legal counsel, McDougall Gauley LLP, as necessary;
 - f) communicating with trade creditors and other stakeholders, and assisting with arrangements with various suppliers regarding ongoing services;
 - g) reviewing, tracking, and assisting Management with:
 - i) the Applicants' operational restructuring plans;
 - ii) the compilation of the weekly variance reporting as required under the terms of the Commitment Letter for the Interim Financing Facility;
 - iii) reconciling the Companies' general ledger accounts on a weekly basis; and

- iv) tracking and forecasting the Applicants' weekly cash usage and needs;
 - h) attending and being present at the Clinic, as required;
 - i) attending meetings with Management, employees, and the Physicians, as required; and
 - j) attending regular calls with the Lender, Management, and the parties' respective counsel.
- 21. In addition to the foregoing, on November 15, 2023, the Monitor closed the transaction contemplated by the Dynacare PSA. The proceeds from the transaction are being held in trust by the Monitor. As contemplated by section 18 of the Commitment Letter, the Monitor intends to utilize a portion of the sale proceeds to fully repay the Interim Financing Facility for and on behalf of the Applicants. All remaining funds held in trust by the Monitor will be delivered to the Companies to be utilized for ongoing operating expenses within the CCAA Proceedings.

SALE AND INVESTMENT SOLICITATION PROCESS

The SISP Marketing Efforts

- 22. Pursuant to the SISP, the Monitor, in coordination with the Marketing Agent and in consultation with the Lender, initiated a number of marketing activities for both Medco and Realco to ensure the investment and sale opportunities were effectively and thoroughly canvassed, which included the preparation of:
 - a) a notice of the SISP Process (the “**SISP Notice**”) that was published in The Winnipeg Free Press, The National Post (National Edition), Insolvency Insider, and Newswire, and posted on the Monitor’s website;
 - b) a teaser package (the “**Teaser**”) and non-disclosure agreement (the “**NDA**”) for both Medco and Realco;
 - c) an initial list of potential bidders, including strategic parties, capital providers, and alternative lenders (collectively, the “**Prospective**

Bidders”), who were deemed capable of, or a good strategic fit for, purchasing and/or investing in Medco or Realco, or a combination of both; and

- d) a comprehensive package of marketing materials (including the development of all relevant financial, accounting, asset and facility listings, inventory schedules, liabilities, contractual agreements, valuation materials, and other materials (the “**VDR Materials**”) to be made available in separate virtual data rooms (“**VDR**”) for each of Medco and Realco.

SISP Outcome

23. Notable events within the SISP include the following:

- a) the SISP commenced on May 1, 2023 with the placement of the SISP Notice announcing the commencement of the SISP in the media outlets discussed above;
- b) for Medco, the Monitor disseminated the Teaser to a broad but focused list of Prospective Bidders consisting of 38 strategic investors and 84 capital providers / alternative lenders, and invited them to execute an NDA with the Debtors if interested in the opportunity;
- c) for Realco, the Marketing Agent disseminated the respective Teaser to 1,311 parties, and invited them to review the Teaser and execute the NDA if interested in the opportunity;
- d) 14 and 12 parties executed an NDA with Medco and Realco, respectively, and were granted access to the VDR containing the VDR Materials with respect to each entity;
- e) all key staff of the Companies as well as the Monitor and Marketing Agent were made available to answer any questions and provide site tours for prospective bidders as part of their review and due diligence process;
- f) prospective bidders were initially required to submit non-binding letters of intent (“**LOI**”) by June 9, 2023, the initial Phase I Bid Deadline;

- g) after requests from multiple prospective bidders, the Monitor extended the Phase I Bid Deadline to June 16, 2023 for both Medco and Realco;
 - h) following the Phase I Bid Deadline, multiple prospective purchasers for both Medco and Realco were invited to participate in Phase II of the SISP;
 - i) the Phase II Bid Deadline for both Medco and Realco was initially June 23, 2023, and the Monitor subsequently extended the Phase II Bid Deadline for Medco to August 11, 2023;
 - j) the original termination date for the SISP was July 31, 2023, and the Monitor subsequently extended the termination date to August 31, 2023 to accommodate the extension of the Phase II Bid Deadline for Medco;
 - k) the Phase II Bid Deadline for Realco was not extended; rather, as discussed in more detail below, the Monitor, with the support of the Lender, executed an exclusive LOI (the "**HSCF LOI**") with HSCF Property Inc. ("**HSCF**") on July 20, 2023 for the purchase of the Facility and entered into focused negotiations with HSCF on the terms of a binding asset purchase agreement; and
 - l) multiple offers were received by the Phase II Bid Deadline for Medco.
24. The Monitor's summaries and analysis of the collective offers received for both Medco and Realco are found in the confidential supplement to this Sixth Report (the "**Confidential Supplement**").
25. After extensive negotiations, the Monitor has and entered into two asset purchase agreements for and on behalf of the Companies, the particulars of which are as follows:
- a) on August 1, 2023 the Monitor entered into an asset purchase agreement with HSCF, the nominee of Health Sciences Centre Foundation, for the purchase of the Facility (the "**Realco APA**"); and
 - b) on September 21, 2023, the Monitor entered into an asset purchase agreement with 1439573 B.C. Ltd., the nominee of WELL Health Clinic

Network Inc. (“**WELL Health**”), to purchase substantially all of Medco's assets (the “**Medco APA**”).

REALCO APA

Overview

26. A copy of the Realco APA with the purchase price and deposit redacted is attached as Appendix “**A**”. A non-redacted copy of the Realco APA is attached to the Confidential Supplement.
27. The key terms of the Realco APA are as follows:
 - (a) the Monitor is holding a deposit, the amount of which is disclosed in Confidential Supplement;
 - (b) the Realco APA is subject to the following material conditions:
 - (i) approval of this Honourable Court; and
 - (ii) Realco, as landlord, and Medco, as tenant, shall have entered into a new lease agreement on terms and conditions satisfactory to the Purchaser, acting reasonably; and
 - (c) the transaction contemplated by the Realco APA is scheduled to close the later of (i) seven days following the granting of the Sale Approval and Vesting Order; (ii) seven (7) days following the final resolution, dismissal or withdrawal of an appeal properly brought by a party with standing to appeal the Sale Approval and Vesting; or (iii) any such date agreed to by the parties.

Monitor’s Comments on the Realco APA

28. The Monitor is of the view is that the approval of the Realco APA is commercially reasonable in the circumstances for the following reasons:
 - (a) the Monitor was authorized by the Court to retain and work in conjunction with the Marketing Agent to market and sell the Facility pursuant to the SISP;

- (b) the Marketing Agent has extensive experience marketing properties similar to the Facility and solicited offers from large number of prospective purchasers over a reasonable timeframe;
- (c) the Realco APA arose from an extensive marketing process conducted by the Monitor and Marketing Agent in accordance with the court-approved SISP and in consultation with the Lender;
- (d) three non-binding LOIs were received at the Phase I Bid Deadline, of which two of the non-binding LOIs were considered acceptable to proceed with further negotiations;
- (e) the SISP authorized the Monitor, with the approval of the Lender, to terminate aspects of the SISP if it received a High Value LOI. As such, the Monitor, with the approval of the Lender, entered into exclusive negotiations with HSCF and entered into the HSCF LOI;
- (f) the Realco APA is considered, in the Monitor's opinion, the best and highest offer for the Facility resulting from the SISP;
- (g) the Realco APA is supported by Realco and the Lender, who is the first-ranking secured creditor of the Facility and also considered the fulcrum creditor in the CCAA Proceedings;
- (h) the Realco APA was negotiated in good faith between parties who are at arm's length; and
- (i) as required by section 36(7) of the *CCAA*, Realco has sufficient funds to satisfy the obligations associated with section 6(5)(a) of the same.

MEDCO APA

Overview

- 29. A copy of the Medco APA with the purchase price and deposit redacted is attached as Appendix "**B**". A non-redacted copy of the Medco APA is attached to the Confidential Supplement.
- 30. The key terms of the Medco APA are as follows:

- (a) the Monitor is holding a deposit, the amount of which is disclosed in the Confidential Supplement;
 - (b) the Medco APA is subject to the following material conditions:
 - (i) approval of this Honourable Court; and
 - (ii) further due diligence with respect to cyber security within 15 days of executing the Medco APA; and
 - (c) the transaction contemplated by the Medco APA is to close the later of (i) December 1, 2023; (ii) the first day of the month that is at least seven (7) days following the final resolution, dismissal or withdrawal of an appeal properly brought by a party with standing to appeal the Sale Approval and Vesting; or (iii) any such date agreed to by the parties.
31. On November 2, 2023, the Monitor and WELL Health entered into an Amendment to the Medco APA (the “**Well Health Amendment**”) to, among other things, extend the cyber security due diligence condition to 60 days following the execution of the Medco APA (i.e., November 20, 2023). A copy of the WELL Health Amendment is attached as Appendix “C”. The Monitor and WELL Health have further agreed to extend this condition to November 22, 2023.

Monitor’s Comments on the Medco APA

32. The Monitor is of the view is that the Medco APA is commercially reasonable in the circumstances for the following reasons:
- a) the Monitor was authorized by the Court to market and sell the Medco assets (the “**Medco Assets**”) pursuant to the SISP;
 - b) the Medco APA arose from an extensive marketing process conducted by the Monitor in accordance with the court-approved SISP and in consultation with the Lender, in which the Monitor solicited offers from large number of prospective purchasers over a reasonable timeframe;
 - c) the Monitor received interest from several parties; however, only three offers were submitted for the Medco Assets;

- d) in the Monitor's view, WELL Health is an established, reputable operator in the healthcare industry across Canada and this acquisition would be WELL Health's first entrance into the Manitoba market and the Monitor is advised that WELL Health intends to invest a significant amount of resources and capital with the long-term view of being critical player in the Manitoba health care system;
- e) the Monitor determined that the Medco APA:
 - i) is the highest and best offer received for the Medco Assets;
 - ii) provides the Remaining Physicians with the opportunity to continue their practices at the existing Clinic, which will benefit the patients and broader community; and
 - iii) stands to maintain the existing Medco employees' jobs;
- f) the Medco APA is supported by Medco and the Lender, who is the first-ranking secured creditor of the Medco Assets and is considered the fulcrum creditor in the CCAA Proceedings;
- g) the Medco APA was negotiated between parties at arm's length, in good faith; and
- h) as required by section 36(7) of the *CCAA*, Medco has sufficient funds to satisfy the obligations associated with section 6(5)(a) of the same.

CASH FLOW RESULTS RELATIVE TO FORECAST

33. The Debtors' cash receipts and disbursements during the period of October 21, 2023 to November 10, 2023 (the "**Reporting Period**"), as compared to the cash flow forecast presented in the Fourth Report ("**Cash Flow Forecast**"), are summarized below. A copy of the detailed cash flow actual results compared to the Cash Flow Forecast is attached as Appendix "**D**" to this Report.

Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. Consolidated Cash Flow Variance Analysis <i>in CAD \$000's</i>				
	Reporting Period			YTD
	Forecast	Actual	Variance	Actual
Medco				
Cash Receipts	908	1,406	498	29,043
Operating Disbursements	1,986	2,171	(185)	29,362
Medco Net Cash Flow from Operations	(1,079)	(765)	313	(320)
Realco				
Cash Receipts	130	110	(20)	5,415
Operating Disbursements	345	307	38	2,971
Realco Net Cash Flow from Operations	(215)	(196)	19	2,444
Net Cash Flow from Operations	(1,293)	(961)	332	2,124
Non-Operating Cash Disbursements				
Monitor's Fees	100	-	100	1,566
Monitor's Expenses	10	-	10	71
Monitor's Counsel's Fees	-	-	-	718
Companies' Counsel's Fees	-	-	-	492
MLT Legal Fees	-	-	-	215
Key Employee Retention	-	-	-	50
Interim Financing Interest	16	7	9	64
Total Non-Operating Cash Disbursements	126	7	119	3,176
Net Cash Flow	(1,420)	(969)	451	(1,051)
Opening Cash	471	717	246	-
Net Cash Flow	(1,420)	(969)	451	(1,051)
DIP Advance (Repayment)	950	450	(500)	1,250
Ending Cash	1	199	198	199
Opening DIP Facility Availability	2,923	3,173	250	3,973
DIP Borrowings	950	450	500	1,250
DIP Repayments	-	-	-	-
Closing DIP Facility Availability	1,973	2,723	750	2,723

34. Over the Reporting Period, the Debtors experienced a positive cash flow variance of approximately \$451,000, as a result of:
- a positive variance in the collection of Medco receipts which was primarily due to higher than forecast collections of professional fees;
 - a negative variance relating to Medco operating disbursements due primarily to higher than forecast physician draws, medical supplies and office expenses;

- c) a negative variance with respect to the collection of Realco receipts which is principally the result of lower than forecast lab revenue, which was offset by higher than forecast parking revenue;
 - d) a positive variance relating to certain Realco disbursements such as GST remittances and contingency expense; and
 - e) a positive variance in professional fees due to lower than forecast fees of the Monitor and Monitor's Counsel.
35. The Debtors were required to utilize \$450,000 of the Interim Financing Facility during the Reporting Period, which was \$500,000 less than forecast. As of November 10, 2023, the total amount utilized under the Interim Financing Facility is \$1.25 million leaving approximately \$2.7 million available under the Interim Financing Facility.

UPDATED FORECAST & REQUEST TO UNSEAL COURT ORDER

36. The Monitor has prepared an updated weekly cash flow forecast (the “**Updated Forecast**”) for the 13-week period from November 11, 2023 to February 9, 2024 (the “**Forecast Period**”).
37. The Updated Forecast, however, includes the particulars of the proceeds received on closing of the Dynacare PSA, which are subject to the October 31, 2023 Sealing Order.
38. A copy of the Updated Forecast is attached to the Confidential Supplement. At the upcoming hearing, the Monitor will be requesting that the Court unseal the Confidential Supplement to the Fifth Report. If that relief is granted, then the Monitor will be requesting leave to immediately file a supplement to this Sixth Report appending the Updated Forecast.
39. The Updated Forecast demonstrates that, with the collection of proceeds from the closing of the Dynacare PSA, the Companies, after repayment of all outstanding borrowings under the Interim Financing Facility, will have sufficient liquidity throughout the proposed stay extension.

40. Pursuant to the October 31, 2023 Sealing Order, the Confidential Supplement to the Fifth Report and the appendices thereto are to be filed under seal, kept confidential, and not form part of the public record. The Confidential Supplement to the Fifth Report shall only be made available or form part of the public record after these restructuring proceedings have been completed or further Order of this Court.
41. The Monitor is of the view that given the Dynacare PSA has now closed, effective November 15, 2023, it is appropriate to make the commercial terms of the transaction part of the public record. Accordingly, the Monitor is seeking an Order to lift the seal on the October 31, 2023 Sealing Order.

SEALING OF THE CONFIDENTIAL SUPPLEMENT

42. In the Monitor's view, the results of the SISP, including the details of the offers received and the purchase prices and deposit amounts set out in the Realco APA and Medco APA, constitute commercially sensitive information that should remain confidential until the closing of the contemplated transactions in order to preserve the integrity of the SISP and avoid prejudicing future sale efforts in the event the transactions do not close.
43. Additionally, certain aspects of the Updated Forecast are sealed pursuant to the October 31, 2023 Sealing Order and must not form part of the Court record until further Order of the Court.
44. As such, the Monitor is respectfully of the view that it is appropriate for this Court to seal the Confidential Supplement to this Sixth Report, which again contains:
- (a) the Monitor's summary and analysis of the offers received for both Medco and Realco during the SISP;
 - (b) the Non-Redacted Realco APA;
 - (c) the Non-Redacted Medco APA; and
 - (d) the Updated Forecast, which for the time being is subject to the October 31, 2023 Sealing Order.

EXPANDED MONITOR'S POWERS

45. Upon closing of the Realco APA and Medco APA, the Companies will no longer have employees to carry on the business of the Companies and complete the CCAA Proceedings. There are a number of tasks that will be required to complete the administration of the CCAA Proceedings, including but not limited to:
- a) collecting outstanding professional fees from Manitoba Health and various insurance companies;
 - b) remitting payments to the Companies' vendors for outstanding invoices;
 - c) finalizing the 2023 year-end financials for both Medco and Realco; and
 - d) finalizing 2023 year-end accounts for the Physicians.
46. Accordingly, given the Monitor's extensive involvement for nearly three years, acting first as the Lender's financial advisor in respect of the Companies and then as Monitor, the Monitor and the Lender believe the Monitor is best suited to carry-out the remaining duties necessary and is considered an efficient solution to conclude the CCAA Proceedings.
47. The Monitor is seeking a proposed order to enhancing the Monitor's powers (the **"Enhanced Powers Order"**) that, if granted, would authorize the Monitor to do a number of things in addition to its powers set forth in the ARIO, including the following:
- a) to take any and all actions and steps to manage, operate, and carry on the business, including, without in any way limiting the generality of the foregoing:
 - i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly liquidation of the business and conclude these proceedings;
 - ii) any actions or steps necessary to complete and disseminate the Companies' year-end financials;

- iii) any and all actions or steps the Companies are authorized, entitled, or empowered to take by virtue of the Orders made in these proceedings;
 - iv) receiving and collecting all monies currently in the Companies' possession, and receiving and collecting all monies and accounts now owed or hereafter owing to the Companies and exercising all remedies of the Companies in collecting such monies; and
 - v) applying for, surrendering, and otherwise dealing with any permits, licences, approvals, or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Monitor, in the name of the Companies;
- b) to preserve and protect the Property, or any parts thereof;
 - c) to report to, meet with, and discuss with such affected Persons as the Monitor deems appropriate on all matters relating to the Property and these proceedings, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
 - d) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
 - e) to perform such other duties as are required.

(collectively, the "**Enhanced Powers**")

48. The Enhance Powers Order contemplates the Order becoming effective upon the Monitor filing a certificate with the Court when it determines the Enhanced Powers are necessary. The Monitor anticipates filing this certificate following the closing of the Medco APA.
49. The Lender fully supports the expansion of the Monitor's powers. Given the Companies' current operational circumstances, the Monitor is prepared to accept the expanded role contemplated in the Enhanced Powers Order, should the Court

determine that this Order is in the best interest of the CCAA Proceedings and stakeholders.

APPROVAL OF PROFESSIONAL FEES

50. The Monitor seeks approval from this Court of the professional fees and disbursements of the Monitor for the period of October 16, 2023 to November 15, 2023 and the Debtors' Counsel for the period of October 19, 2023 to November 20, 2023 (the "**Interim Taxation Period**").
51. The total fees and expenses of the Monitor during the Interim Taxation Period are \$73,865.24 (exclusive of GST), which are comprised of \$68,862.80 in fees and \$5,002.94 in expenses (the "**Monitor's Fees and Costs**").
52. The total fees and expenses of the Debtors' Counsel, Taylor McCaffrey LLP, during the Interim Taxation Period are \$26,156.05 (exclusive of GST and PST), which are comprised of \$25,959.00 in fees and \$197.05 in expenses (the "**Legal Fees and Costs**").
53. A summary of the Monitor's Fees and Costs and the Legal Fees and Costs by invoice is attached as Appendix "**E**" to this Report.
54. The Monitor, its counsel, and the Debtors' counsels' invoices outline the dates of the work completed, descriptions of the work performed, the length of time taken to complete the work, and the names of the individuals who completed the work. Copies of the invoices will be brought to the Monitor's application before this Court and made available to the Court upon request.
55. The Monitor is of the view that the invoices rendered by the Monitor, its counsel, and the Debtors' counsel are commensurate with the work performed, commercially fair and reasonable and were validly incurred in accordance with the provisions of the ARIO and other orders of the Court.

EXTENSION OF THE STAY OF PROCEEDINGS

56. Pursuant to the September 26, 2023 Order, the stay of proceedings expires on December 15, 2023. The Companies are seeking an extension of the stay of proceedings to February 9, 2024 (the “**Stay Extension**”).
57. The Monitor supports the Stay Extension for the following reasons:
- a) it will provide sufficient time for the Monitor to:
 - i) close the Realco APA;
 - ii) close the Medco APA; and
 - iii) finalize the administration of the CCAA proceedings;
 - b) the Debtors are forecast to have sufficient liquidity to continue to operate in the ordinary course of business during the requested Stay Extension;
 - c) the Lender has expressed its support for the Stay Extension;
 - d) the Monitor is unaware of any creditor of the Debtors who will be materially prejudiced by the proposed extension of the Stay Period; and
 - e) in the Monitor’s opinion, the Debtors have acted in good faith and with due diligence in these CCAA Proceedings since the date of the Initial Order.

CONCLUSIONS AND RECOMMENDATIONS

58. The Monitor respectfully recommends that this Honorable Court approve:
- a) the Monitor's actions, activities and conduct described herein;
 - b) the Sale Approval and Vesting Order with respect to the Realco APA;
 - c) the Sale Approval and Vesting Order with respect to the Medco APA;
 - d) the unsealing of the October 31, 2023 Sealing Order;
 - e) the Sealing Order;
 - f) the Enhanced Powers Order;

- g) the professional fees and costs of the Debtors' counsel, the Monitor and its counsel during the Interim Taxation Period; and
- h) the Stay Extension.

All of which is respectfully submitted this 20th day of November, 2023.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of
the Companies and not in its personal or
corporate capacity**



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



Cassie Riglin, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX A
Realco APA (Redacted)

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of the 1st day of August, 2023 (the "**Effective Date**") among:

The Manitoba Clinic Holding Co. Ltd., by and through
the court-appointed monitor, Alvarez & Marsal Canada Inc.,
and not in its personal or corporate capacity

(the "**Vendor**")

– and –

HSCF Property Inc.

(the "**Purchaser**")

WHEREAS pursuant to the Order of the Honourable Mr. Justice Kroft of the Manitoba Court of King's Bench (the "**Court**") issued November 30, 2022 (the "**Filing Date**") (as amended and restated on December 1, 2022, the "**Initial Order**"), Manitoba Clinic Medical Corporation ("**MedCo**") and The Manitoba Clinic Holding Co. Ltd. ("**RealCo**") and collectively with MedCo, the "**Companies**") were granted, among other things, creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**"). Alvarez & Marsal Canada Inc. was appointed as the monitor of the Companies (in such capacity, the "**Monitor**");

AND WHEREAS in connection with the proceedings initiated by the Initial Order (the "**CCAA Proceedings**"), on April 21, 2023, the Monitor sought and obtained approval of the Court to run a sale and investment solicitation process (the "**SISP**") intended to solicit interest in, and opportunities for: (a) a restructuring, recapitalization or other form of reorganization of the business and affairs of the Companies as a going concern; (b) a sale of some or all of the business or assets of the Companies; or (c) some combination thereof;

AND WHEREAS pursuant to the SISP, the Monitor, in consultation with the Vendor's first secured creditor, Canadian Imperial Bank of Commerce ("**CIBC**"), has reviewed and evaluated all qualified bids received, and has identified the Purchaser's bid for the Purchased Assets (defined herein) as a Successful Bid on the terms set out in this Agreement;

AND WHEREAS on the terms set out herein, the Vendor has agreed to sell, transfer and assign to the Purchaser, and the Purchaser has agreed to purchase, accept and assume from the Vendor, all of the Vendor's right, title, interest and obligation in and to the Purchased Assets and Assumed Liabilities, subject to and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the "**Parties**", and each, a "**Party**") hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

"Affiliate" has the meaning given to the term "affiliate" in *The Corporations Act* (Manitoba).

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

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

"Approval and Vesting Order" means an order by the Court, in substantially the same form as the Manitoba Approval and Vesting Order (Standard Form Order), among other things, approving and authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title, interest and obligation of the Vendor in and to the Purchased Assets, free and clear from any Encumbrances other than the Permitted Encumbrances and the Assumed Liabilities.

"Assigned Contracts" means those Contracts set out and listed in Schedule "C". For certainty, the Assigned Contracts do not include the Excluded Contracts.

"Assignment and Assumption Agreement" means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendor's rights, benefits and interests in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assigned Contracts.

"Assignment Order" means an Order of the Court issued in form and substance satisfactory to the Parties, each acting reasonably, assigning to the Purchaser the Vendor's right, benefit and interest in and to any of the Assigned Contracts for which any necessary consent to assign has not been obtained, in form and substance satisfactory to the Parties, acting reasonably.

"Assumed Liabilities" means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "D"; (b) all Liabilities relating to the Purchased Assets or related to the Business arising on or after the Closing Date; and (c) all Liabilities which relate to the Assigned Contracts; in each case solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing. For certainty, the Assumed Liabilities do not include the Excluded Liabilities.

"Authorization" means any authorization, approval, consent, concession, exemption, licence, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or

building permit) or from any Person in connection with any easements, contractual rights or other matters.

"Books and Records" means the Vendor's files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), which are in the possession of the Vendor and are materially relevant to the Assigned Contracts, the Business, or the Purchased Assets. For greater certainty, Books and Records shall not include any such books and records related to the Dynacare Agreements or Dynacare Interest.

"Business" means the business conducted by the Vendor, namely, owning and operating a multi-unit commercial property and parkade.

"Business Day" means a day on which banks are open for business in Winnipeg, Manitoba, but does not include a Saturday, Sunday or statutory holiday in the Province of Manitoba.

"Cash Purchase Price" has the meaning set out in Section 3.2(b).

"CCAA" has the meaning set out in the recitals hereto.

"CCAA Proceedings" has the meaning set out in the recitals hereto.

"CIBC" has the meaning set out in the recitals hereto.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

"Claims" means claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, arbitrations, information or other similar processes, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, guarantees, warranties, expenses, costs, damages or losses, contingent or otherwise (whether contractual, statutory, or otherwise), of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether arising by subrogation, set-off, right of indemnification or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing and any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

"Closing" means the completion of the purchase and sale of the Purchased Assets and assumption of the Assumed Liabilities in accordance with the provisions of this Agreement.

"Closing Date" means, subject to the terms hereof, the date that is the later of (a) seven (7) days after which the Approval and Vesting Order is granted by the Court; (b) the date that is seven (7) days following the final resolution, dismissal or withdrawal of an appeal properly brought by a party with standing to appeal the Approval and Vesting Order and/or Assignment Order; or (c) such other date as the Parties may agree to writing from time to time.

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

"Contracts" means all pending and executory contracts, agreements, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures, understandings, arrangements and all other legally binding arrangements (whether oral or written) to which the Vendor is a party or by which the Vendor is bound or in which the Vendor has, or will at Closing have, any rights or by which any of its property or assets are or may be affected.

"Court" has the meaning set out in the recitals hereto.

"Cure Costs" means (a) with respect to any Assigned Contract for which a required consent to assignment has not been obtained and is to be assigned to the Purchaser in accordance with the terms of the Assignment Order, the amounts, if any, required to be paid to remedy all of the Vendor's monetary defaults existing as at the Closing Date under the applicable Assigned Contract (or such other amounts as may be agreed by the Purchaser and the counterparty to the Assigned Contract); and (b) with respect to any Assigned Contract to be assigned on consent, where consent is required, the amount, if any, required to be paid to a counterparty to secure its consent to the assignment of the applicable Assigned Contract by any of the Vendor to the Purchaser (which amount shall be set out on the form of contractual consent agreed to by the applicable Vendor and the counterparty to such Assigned Contract and approved by the Monitor).

"Deposit" has the meaning ascribed thereto in Section 3.2 hereof.

"Dynacare" means Dynacare-Gamma Laboratory Partnership and Gamma Dynacare Central Medical Laboratories GP Inc., as applicable.

"Dynacare Agreements" means all agreements between Dynacare and RealCo from time to time, as may be amended or restated from time to time.

"Dynacare Interest" means all of Vendor's right, title and interest in and to the securities in the capital of Dynacare from time to time.

"Effective Date" has the meaning set out in the preamble hereto.

"Encumbrance" means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any security interest, lien, Claim, charge, right of retention, deemed trust, judgment, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of creating a security interest in, against or affecting the

Purchased Assets (including any conditional sale or title retention agreement, or any capital or financing lease).

"ETA" means the *Excise Tax Act*, RSC 1985, c E-15 and the regulations thereunder.

"**Excluded Assets**" means all of Vendor's right, title and interest in the properties, rights, assets and undertakings that are not identified as Purchased Assets and shall be deemed to include: (i) the Dynacare Interest; and (ii) all security deposits in respect of the Assigned Contracts.

"**Excluded Contracts**" means all Contracts that are not identified as Assigned Contracts and shall be deemed to include all Dynacare Agreements other than the lease agreement between The Manitoba Clinic Holding Co. Ltd. and Dynacare listed in Schedule "C".

"**Excluded Liabilities**" means all Liabilities of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against the Vendor that are not Assumed Liabilities.

"**Filing Date**" has the meaning given to it in the recitals;

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

"**GST**" means all goods and services tax and harmonized sales tax imposed under Part IX of the ETA.

"**Initial Order**" has the meaning set out in the recitals hereto.

"**Interim Period**" means the period between the date of this Agreement and the Closing Date.

"**Leases**" means all existing letters of intent, offers to lease, agreements to lease, leases, subleases, renewals of leases, and other rights or licenses granted by or on behalf of the Vendor or its predecessors in title to possess or occupy space within the Property, now or hereafter, in each case as amended, renewed or otherwise varied to the date hereof.

"**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, legal, beneficial or equitable, present or future, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person, and includes, without limiting the generality of the foregoing, any debt, dues, guarantee, surety, indemnity obligation or other obligation.

"**MedCo**" has the meaning set out in the recitals hereto.

"**MedCo Lease**" has the meaning set out in Section 6.1(f)

"**Monitor**" has the meaning set out in the recitals hereto.

"Monitor's Certificate" has the meaning set out in Section 6.1(e).

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

"Outside Date" means October 2, 2023, or such earlier or later date as the parties may agree upon in writing.

"Parties" has the meaning set out in the recitals hereto.

"Party" has the meaning set out in the recitals hereto.

"Permitted Encumbrances" means the following Encumbrances in respect of the Purchased Assets:

- (a) the reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other Person and any implied conditions set out in *The Law of Property Act* (Manitoba) as amended, replaced or restated from time to time or any other similar Applicable Law;
- (b) encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business;
- (c) all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Purchased Assets in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of the Crown, any province or municipality or any other Governmental Authority;
- (d) rights of expropriation, access or use or any similar right conferred or reserved by any Applicable Law;
- (e) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements;
- (f) any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land (including, without limitation, easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables); and
- (g) without limiting the generality of the foregoing, all additional Encumbrances listed on Schedule "B".

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

"Personal Information" means any factual or subjective information, recorded or not, about an employee, contractor, agent, consultant, officer, director, executive, client, customer, supplier or

natural person who is natural person or a natural person who is a shareholder or employee of the Vendor, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual.

"Purchase Price" has the meaning set out in Section 3.1.

"Purchased Assets" means all of Vendor's right, title and interest, if any, in and to the properties, rights, assets and undertakings listed in Schedule "A". For certainty, the Purchased Assets do not include the Excluded Assets.

"Purchaser's Solicitors" means Pitblado LLP, Attention: Philip M. Sheps / Michael P. Puchniak.

"Property" has the meaning ascribed in Schedule "A" hereof.

"Sanctions" has the meaning ascribed in Section 7.2(i) hereof.

"SISP" has the meaning ascribed to it in the preamble hereto.

"Successful Bid" has the meaning set out in the SISP.

"Taxes" means, with respect to any Person, all national, federal, provincial, local or other taxes, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and includes, without limitation, property taxes, income taxes, branch taxes, profit taxes, capital gains taxes, gross receipt taxes, windfall profit taxes, value added taxes, severance taxes, ad valorem taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, transmission fees, withholding or similar taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/PST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority.

"Tenants" means all persons or parties having a right to occupy any rentable area of the Property pursuant to a Lease, and singularly, each a **"Tenant"**.

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

"Transfer Taxes" means all applicable Taxes, including any applicable GST/PST/HST, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording, transfer or transmission fees payable in connection with the instruments of transfer provided for in this Agreement.

"Vendor's Solicitors" means McDougall Gauley LLP, Attention: Ian Sutherland / Craig Frith.

"Warranties" means any existing warranties and guarantees in favour of the Vendor in connection with the Purchased Assets, if and to the extent that same are assignable without a Court order.

1.1 Interpretation Not Affected by Headings, etc.

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

1.2 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.3 Extended Meanings

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

1.4 Currency

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

1.5 Statutes

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

1.6 Schedules

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

SCHEDULES

<u>Schedule "A"</u>	-	Purchased Assets
<u>Schedule "B"</u>	-	Permitted Encumbrances
<u>Schedule "C"</u>	-	Assigned Contracts
<u>Schedule "D"</u>	-	Assumed Liabilities

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement will apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

1.7 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets and assumed the Assumed Liabilities shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Assets

Subject to the terms and conditions of this Agreement, effective as of the Closing Time, the Vendor shall sell, assign and transfer the Purchased Assets and Assumed Liabilities to the Purchaser, and the Purchaser shall purchase, accept, assume and receive from the Vendor, all of the Purchased Assets and Assumed Liabilities. For certainty, the Purchased Assets: (a) shall be free and clear of all Encumbrances that are not Permitted Encumbrances and (b) do not include the Excluded Assets.

2.2 Assumption of Assumed Liabilities

At the Closing Time, the Purchaser shall assume and agree to pay when due and perform and discharge in accordance with their terms, the Assumed Liabilities. Notwithstanding any other provision of this Agreement, the Purchaser shall not assume any Liabilities hereunder other than the Assumed Liabilities, except as required under Applicable Law.

2.3 Assignment of Contracts

- (a) Cure Costs. To the extent that any Cure Costs are payable with respect to any Assigned Contract, the Purchaser shall: (i) where such Assigned Contract is assigned pursuant to an Assignment Order, pay all such Cure Costs in accordance with the Assignment Order; and (ii) where such Assigned Contract is not assigned pursuant to an Assignment Order, pay all such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty. The Cure Costs as paid by the Purchaser shall be in addition to the Cash Purchase Price received by the Vendor for the Purchased Assets.
- (b) Assignment. At the Closing Time, on and subject to the terms and conditions of this Agreement (including Section 2.3(c) below), the Approval and Vesting Order and the Assignment Order (if applicable), all of the Vendor's rights, benefits, interests and obligations in, to and under the Assigned Contracts shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.
- (c) Where Consent Required. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another Person, unless such consent has been obtained or the assignment is subject to an Assignment Order.
- (d) No Adjustment. For greater certainty, if the consent of any Person is required to assign an Assigned Contract, but such consent is not obtained prior to Closing and such Contract is not assigned pursuant to an Assignment Order, such Contract shall not form part of the Assigned Contracts and: (i) neither Party shall be considered to be in breach of this Agreement; (ii) the failure to assign or otherwise transfer such Assigned Contract shall not be a condition to Closing; (iii) the Purchase Price shall not be subject to any adjustment; and (iv) the Closing shall not be delayed.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

- (a) The purchase price payable by the Purchaser for the Purchased Assets shall be [REDACTED], subject to adjustment as provided in this Agreement (the "**Purchase Price**"). For certainty, the Purchase Price shall be exclusive of applicable Taxes.
- (b) The Purchase Price shall be adjusted to proportionally allocate between the Parties all Taxes, local improvement charges, utilities, pre-paid rent and interest in accordance with Section 3.6 of this Agreement.
- (c) The adjustments shall be for the Vendor's account as to both revenue and expenses up to 12:01 a.m. on the Closing Date, and thereafter for the Purchaser's account.
- (d) The Purchase Price shall be exclusive of the Cure Costs and the adjustment specified in Section 3.6 of this Agreement.

3.2 Satisfaction of Purchase Price

The Purchaser shall satisfy the purchase, at the Closing Time, in accordance with the following:

- (a) Deposit. The Parties acknowledge that the Purchaser has paid a deposit in the amount of [REDACTED] (the "**Deposit**"), and shall be credited against the Purchase Price at Closing.
- (b) [REDACTED]
- (c) Cash Purchase Price. An amount equal to the remaining Purchase Price less the Deposit and [REDACTED] plus any Transfer Taxes (the "**Cash Purchase Price**"), as adjusted pursuant to Section 3.6, shall be paid by the Purchaser to the Monitor via certified cheque, bank draft or wire transfer or immediately available funds, for the benefit of the Vendor, at the Closing Time.
- (d) Cure Costs. The Cure Costs shall be paid by the Purchaser to the Monitor via certified cheque, bank draft or wire transfer or immediately available funds, at the Closing Time.
- (e) Assumed Liabilities. An amount equal to the amount of the remaining Assumed Liabilities [REDACTED] which the Purchaser shall assume on the Closing Date, and which shall be satisfied by the Purchaser becoming liable for and performing the Assumed Liabilities.

3.3 Deposit

- (a) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (b) If this Agreement is terminated:

- (i) pursuant to Sections 5.3, 7.2 and 8.1(a)(ii), the Monitor (on behalf of the Vendor) shall be entitled to retain the Deposit and the full amount of the Deposit shall be forfeited to the Vendor; or
- (ii) for any other reason, the Deposit shall be returned to the Purchaser; and
- (iii) subject to Section 8.1, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 8.1 pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any Claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.4 Allocation of the Purchase Price

The Vendor and the Purchaser agree to allocate the Purchase Price to the Purchased Assets held by the Vendor for tax purposes in a manner to be agreed to by the Parties, each acting reasonably, at least three (3) days before Closing, and to report the sale and purchase of the Purchased Assets for all federal, provincial and local tax purposes in a manner consistent with such allocation.

3.5 Section 167 Tax Election.

If available and requested by the Purchaser on Closing, the Vendor and the Purchaser shall execute jointly an election under Section 167 of the ETA to have the sale of the Purchased Assets take place on a GST-free basis under Part IX of the ETA. The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation.

3.6 Adjustments

- (a) Adjustments for the Purchased Assets shall be made as of the Closing Date and the Purchase Price will be adjusted accordingly. Except as otherwise provided in this Agreement, the Vendor will be responsible for all expenses and will be entitled to all revenues accrued with respect to the Purchased Assets for the period ending on the day before the Closing Date and, for the period from and including the Closing Date, the Purchaser will be responsible for all expenses and will be entitled to all revenues accruing with respect to the Purchased Assets. All real property taxes and local improvement levies that are not being recovered under the Assigned Contracts, shall be adjusted as at the Closing Date for the calendar year of sale.
- (b) The adjustments with respect to the Assigned Contracts and the Purchased Assets will include all arrears in rent (basic, additional rent and other charges) not exceeding thirty (30) days, all current rents (including current basic rent, current additional rent, current percentage rent and other current charges), prepaid rents and other prepaid charges, management fees, and all other items normally adjusted between a vendor and purchaser in respect of the sale of property similar to the Property; provided, however, that there shall be no adjustment on account of any security deposits, which are Excluded Assets.
- (c) A Statement of Adjustments will be delivered to the Purchaser by the Vendor at least five (5) Business Days prior to the Closing Date and shall have annexed to it details of the

calculations used to arrive at all debits and credits on the Statement of Adjustments. The Vendor will give the Purchaser and its representatives copies of all working papers and back-up materials requested by the Purchaser in writing, acting reasonably, in order to verify the Statement of Adjustments.

ARTICLE 4 COVENANTS

4.1 Closing Date

- (a) The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing.
- (b) Each of the Parties shall, as promptly as possible, make, or cause to be made, all filings and submissions, as applicable, required under any Applicable Law to effect the Closing.

4.2 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order), the Vendor shall, unless consented to by the Purchaser, continue to maintain the Business and operations of the Vendor in substantially the same manner as conducted on the Effective Date and in compliance with Applicable Laws in all material respects.

4.3 Access During Interim Period

During the Interim Period, the Vendor shall, subject to any confidentiality, privacy or safety restrictions, give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business as the Purchaser reasonably deems necessary or desirable to further familiarize itself with the Business. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and which are included in the data room; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the Vendor's customers and contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Vendor's operations and the Vendor shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. For greater certainty, in no circumstances will the Purchaser be granted access to personal health information (as defined in *The Personal Health Information Act* (Manitoba)) in the possession of the Vendor or be granted access to patient areas while in use.

4.4 Assigned Contracts

- (a) The Purchaser, with the Vendor's consent, will request any consents necessary to permit the assignment to the Purchaser of the Assigned Contracts. The Vendor will provide its reasonable cooperation to assist the Purchaser to obtain such consents, including providing financial and other information of the Vendor requested by the Purchaser or party to such Assigned Contract. For certainty, the Purchaser will be responsible for all Cure Costs in respect of any Assigned Contracts.

- (b) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contracts for which any requisite consent or approval has not been obtained or which as a matter of Applicable Law or by its terms is not assignable.

4.5 Insurance Matters

Until Closing, the Vendor shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice of the Vendor and the Vendor in the ordinary course of business.

4.6 Risk of Loss

The Purchased Assets shall be at the risk of the Vendor until Closing. If, between the date hereof and Closing, any of the Purchased Assets are destroyed, lost or materially damaged (each a “**Casualty**”), the Purchaser shall still complete the purchase of the Purchased Assets on an “as is, where is” basis without any adjustment to the Purchase Price payable hereunder and take an assignment from the Vendor of all insurance proceeds payable to the Vendor in respect of the Casualty. For greater certainty, in no event shall the aggregate total of the insurance proceeds assigned to the Purchaser in accordance with this Section and the fair market value of Purchased Assets exceed the Purchase Price.

4.7 Indemnity

The Purchaser hereby indemnifies the Vendor, including both the Monitor (in its personal and corporate capacity) and RealCo and its respective representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any Transfer Taxes (including penalties and interest) which may be assessed against any of the Vendor, including, notwithstanding anything to the contrary in this Agreement, any Taxes which may be assessed against any of the Vendor in the event that any election made pursuant to Section 3.5 challenged by the relevant Tax authority as being inapplicable to the transactions under this Agreement, or as a result of the Purchaser’s failure to file such elections within the prescribed time;
- (b) the Purchaser’s access in accordance in Section 4.3;
- (c) the collection, use or disclosure of Personal Information or Personal Health Information, as defined in the *Personal Health Information Act* (Manitoba) by the Purchaser and its representatives; and
- (d) the Purchaser’s failure to pay when due and failure to perform and discharge the Assumed Liabilities in accordance with their terms.

ARTICLE 5 CLOSING ARRANGEMENTS

5.1 Closing

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

5.2 Vendor Closing Deliveries

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

- (a) the Purchased Assets, with delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;
- (b) a certified true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (c) a true copy of any Assignment Order, if applicable, in respect of any Assigned Contracts for which consents to assignment were required but not obtained;
- (d) a statement of adjustment for the Purchased Assets in accordance with Section 3.6;
- (e) the Assignment and Assumption Agreement, duly executed by the Vendor;
- (f) notices to any Tenants informing them of the change in ownership and directing payment of all future amounts to the Purchaser or as the Purchaser otherwise directs;
- (g) all keys to the common areas of buildings located on the Property in the Vendor's possession;
- (h) the election referred to in Section 3.4 of this Agreement, if applicable;
- (i) [REDACTED]
- (j) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

5.3 Purchaser's Closing Deliveries

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

- (a) the Cash Purchase Price referred to in Section 3.2(b), including 3.2(d) the payment of all Transfer Taxes (if any) required to be paid on Closing, which shall be made to the Monitor in trust;
- (b) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (c) the Cure Costs referred to in Section 3.2(d);
- (d) [REDACTED]
- (e) [REDACTED]
- (f) [REDACTED]

- (g) bring-down certificate executed by a senior officer of the Purchaser (without personal liability) dated as of the Closing Date, in form and substance satisfactory to the Vendor, acting reasonably, certifying that: (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date; and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects;
- (h) the election referred to in Section 3.4 of this Agreement, if applicable;
- (i) proof of title insurance for the full value of the Purchased Assets; and,
- (j) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

5.4 Personal Information Privacy

The Purchaser shall at all times comply with all Applicable Laws governing the protection of personal information with respect to Personal Information disclosed or otherwise provided to the Purchaser by the Vendor and Monitor under this Agreement. The Purchaser shall only collect, use or disclose such Personal Information for the purposes of investigating the Business as contemplated in this Agreement and completing the transactions contemplated in this Agreement. The Purchaser shall safeguard all Personal Information collected from the Vendor and/or the Monitor in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. The Purchaser shall not make copies of the Personal Information or any excerpts thereof or in any way re-create the substance or contents of the Personal Information if the purchase of the Purchased Assets is not completed for any reason and shall return all Personal Information to the Vendor or destroy such Personal Information at the Vendor's request.

ARTICLE 6 CONDITIONS OF CLOSING

6.1 Mutual Conditions of Closing

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

- (a) Approval and Vesting Order. The Court shall have pronounced the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) Assignment Order. The Court shall, if applicable, have pronounced the Assignment Order, which Assignment Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

- (c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority (other than the Court or other court with standing) or otherwise in effect that restrains or prohibits the completion of the Transaction.
- (d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority (other than the Court or other court with standing) to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (e) Monitor's Certificate. The Monitor shall have provided an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the "**Monitor's Certificate**") confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.
- (f) Manitoba Clinic Medical Corporation Lease. On or before the Closing Date:
 - (i) RealCo, as landlord, and MedCo, as tenant, shall have entered into a new lease agreement (the "**MedCo Lease**") on terms and conditions satisfactory to the Purchaser, acting reasonably; and,
 - (ii) upon the purchase of MedCo pursuant to the SISF, the MedCo Lease shall have been assigned to the purchaser on terms and conditions satisfactory to CIBC and the Purchaser, acting reasonably.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 6.1 is not satisfied, performed or mutually waived on or prior to the Closing Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

6.2 Purchaser's Conditions of Closing

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

- (a) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 5.2.
- (b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 7.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 6.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. In the event any condition set out in this Section 6.2 is not satisfied or performed by the Closing Date, the Purchaser may elect on written notice to the Vendor to terminate the Agreement.

6.3 Vendor's Conditions of Closing

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

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Monitor at the Closing all the documents and payments contemplated in Section 5.3.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 7.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 6.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 6.3 is not satisfied or performed by the Closing Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of the Vendor

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

- (a) Authority. Subject to Court approval of this Agreement, it has the authority pursuant to the Initial Order to sell the Purchased Assets to the Purchaser on the terms and conditions of this Agreement and to apply for the Approval and Vesting Order.
- (b) Residency. The Vendor is not a non resident of Canada within the meaning of section 116 of the *Income Tax Act* (Canada).

7.2 Representations and Warranties of the Purchaser

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

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the Province of Manitoba as of the date hereof, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser, before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) Funding Available. The Purchaser has available sufficient funding to enable the Purchaser to consummate the purchase of the Purchased Assets on the terms set forth herein and otherwise to perform all of the Purchaser's obligations under this Agreement. For certainty, such funding shall not be conditional on either: (a) title to the Purchased Assets being transferred to the Purchaser or other third party prior to the Purchase Price being advanced to the Vendor and the Monitor's Certificate being issued; and (b) security being registered against the Purchased Assets prior to Closing.
- (g) Excise Tax Act. The Purchaser is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 799031554 RT0001.
- (h) Residency. The Purchaser is not a non resident of Canada within the meaning of section 116 of the *Income Tax Act* (Canada).
- (i) No Sanctions. None of the Purchaser, any of its subsidiaries or, to the knowledge of the Purchaser, any director, officer, agent, employee, Affiliate or representative of the Purchaser or any of its subsidiaries is, or is controlled or 50% or more owned by or is acting on behalf of, an individual or entity (a "**Sanctioned Person**") currently the subject of applicable economic sanctions including those administered or enforced by the government of Canada, the United States of America, or the United Kingdom (collectively, "**Sanctions**"). None of the Purchaser or any of its subsidiaries is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. To the Purchaser's knowledge, neither it nor any of its subsidiaries has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person. The Purchaser has procedures and policies in place designed to ensure compliance with Sanctions.

7.3 "As is, Where is"

- (1) Except as contemplated in Section 7.1, the Purchaser acknowledges and agrees that it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an "as is, where is" basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets, Assumed Liabilities and all other relevant matters and has determined to proceed

with the Transaction contemplated herein and will accept the same at the Closing Time in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.

(2) Except as otherwise expressly provided in Section 7.1, no representation, warranty or condition whether statutory (including under *The Sale of Goods Act* (Manitoba), *The International Sale of Goods Act* (Manitoba), the *International Sale of Goods Contracts Convention Act* (Canada) or any other Canadian (including federal, provincial or municipal) or international acts which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the United Nations Convention on Contracts for the International Sale of Goods), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given by the Vendor or the Monitor including as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical and environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities pursuant to this Agreement.

(3) The description of the Purchased Assets and Assumed Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by the Vendor. Except as otherwise explicitly set forth in Section 7.1 no representation, warranty or condition has been given by the Vendor or the Monitor concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Vendor or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Vendor.

(4) Any documents, materials and information provided by the Vendor or Monitor to the Purchaser with respect to the Purchased Assets or Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor and/or Monitor have not made and are not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor and/or Monitor and their respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information. The Purchaser further acknowledges that the use of the documents may not be possible without the Purchaser obtaining reliance or other assurances from the author of such documents directly and further that the documents may be subject to copyright or other property rights which may preclude their use by the Purchaser in whole or in part.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated prior to the Closing Date:

- (a) by the Vendor upon written notice to the Purchaser if:

- (i) the Closing has not occurred by the Outside Date; or
- (ii) the Purchaser has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from Vendor;

provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Vendor; or

- (b) by the Purchaser upon written notice to the Vendor if: (i) the Closing has not occurred by the Outside Date; or (ii) the Vendor has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from Purchaser; provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Purchaser.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of Sections 4.7 (Indemnity), 5.4 (Personal Information Privacy), 9.3 (Public Announcements) and 9.9 (Governing Law).

ARTICLE 9 GENERAL

9.1 Access to Books and Records

For a period of two (2) years from the Closing Date or for such longer period as may be reasonably required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

9.2 Notice

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

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

HSCF Property Inc.
 PW112-700 William Avenue
 Winnipeg, Manitoba R3E 0Z3
 Attention: Paul Cadieux, Chief Financial Officer
 Email: PCadieux@hscfoundation.mb.ca

with a copy (which shall not constitute notice) to:

Pitblado LLP

2500-360 Main Street
Winnipeg, Manitoba R3C 4H6
Attention: Philip M. Sheps / Michael P. Puchniak
Email: sheps@pitblado.com / puchniak@pitblado.com

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

The Manitoba Clinic Holding Co. Ltd.
c/o Alvarez and Marsal Canada Inc.
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Attention: Orest Konowalchuk / Cassie Riglin
Email: okonowalchuk@alvarezandmarsal.com / criglin@alvarezandmarsal.com

with a copy (which shall not constitute notice) to:

McDougall Gauley LLP
500 – 616 Main Street
Saskatoon, Saskatchewan S7H 0J6
Attention: Ian Sutherland / Craig Frith
Email: isutherland@mcdougallgauley.com / cfrith@mcdougallgauley.com

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

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

9.3 Public Announcements

The Monitor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the Monitor in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings at: <https://www.alvarezandmarsal.com/manitobaclinic>. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Vendor or any of its Affiliates under Applicable Laws or stock exchange rules, the Parties shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

9.4 Time

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

9.5 Survival

All representations, warranties and covenants of Vendor contained in this Agreement shall merge and terminate on Closing. Notwithstanding the foregoing, the representations, warranties and covenants of the Purchaser contained herein shall not merge on Closing and shall survive and remain in full force and effect.

9.6 Benefit of Agreement

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

9.7 Entire Agreement

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

9.8 Paramountcy

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

9.9 Governing Law

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

9.10 Assignment

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendor or the Monitor, provided that: (a) such assignee is a related party or subsidiary of the Purchaser; (b) the Purchaser provides prior notice of such assignment to the Monitor; and (c) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder; and the Purchaser may assign the benefits of this Agreement to a lender or lenders as security for obligations owed to it or them, all without the consent of (but upon notice to) the Vendor and the Monitor.

9.11 Further Assurances

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

9.12 Counterparts

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

9.13 Severability

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

9.14 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

9.15 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in this CCAA Proceedings, the Purchaser acknowledges and agrees that the Monitor, acting in its capacity as Monitor and not in its corporate or personal capacity, will have no Liability to the Purchaser in connection with this Agreement or the Transaction contemplated herein.

9.16 Real Estate Commissions

The Vendor shall be solely responsible, at its own sole cost and expense, for payment of any real estate commissions, fees and other amounts payable to Cushman & Wakefield Winnipeg/Stevenson and/or any other broker, agent or finder engaged by the Vendor and/or the Companies to act on the Vendor's behalf in connection with the sale of the Purchased Assets. The Vendor hereby agrees to indemnify and save the Purchaser harmless from and against any and all Liability that may be suffered or incurred by the Purchaser in connection with the payment of any such real estate commissions, fees and other amounts payable to any broker, agent or finder engaged by the Vendor and/or the Companies.

9.17 Electronic Signatures

Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

[Signature Page Follows]

- 24 -

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

HSCF PROPERTY INC.

By:

DocuSigned by:
Paul Cadieux
3740C5CEBEFE494...

Name: Paul Cadieux

Title: Chief Financial Officer

By:

Name:

Title:

I/We have authority to bind the Corporation

**THE MANITOBA CLINIC HOLDING CO.
LTD., by and through the court-appointed
monitor, ALVAREZ & MARSAL CANADA
INC., and not in its personal or corporate capacity**

By:

Name: Orest Konowalchuk

Title: Managing Director

I have authority to bind the Corporation.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

HSCF PROPERTY INC.

By:

Name: Paul Cadieux

Title: Chief Financial Officer

By:

Name:

Title:

I/We have authority to bind the Corporation

**THE MANITOBA CLINIC HOLDING CO.
LTD., by and through the court-appointed
monitor, ALVAREZ & MARSAL CANADA
INC., and not in its personal or corporate capacity**



By:

Name: Orest Konowalchuk, LIT

Title: Senior Vice President

I have authority to bind the Corporation.

SCHEDULE "A"

PURCHASED ASSETS

“Purchased Assets” means:

- (a) the lands known municipally as 790 Sherbrook Street, Winnipeg, Manitoba (the **“Property”**), legally described as follows, free and clear of all encumbrances other than the Permitted Encumbrances:

Legal Description:

LOT 1 PLAN 58713 WLTO

IN RL 5 AND 6 PARISH OF ST JOHN

- (b) the building(s) constructed on the Property and all other structures and fixed improvements, HVAC and plumbing, electrical and other utility distribution systems located on, in or under the Property;
- (c) the Vendor’s entire right, title and interest in Assigned Contracts;
- (d) any chattel property legally and beneficially owned by the Vendor and used in connection with the operation and maintenance of the Purchased Assets, as more particularly described in the attached Appendix “1”; and,
- (e) the Warranties.

APPENDIX "1"

CHATTEL PROPERTY LEGALLY AND BENEFICIALLY OWNED BY THE VENDOR AND USED IN CONNECTION WITH THE OPERATION AND MAINTENANCE OF THE PURCHASED ASSETS

All chairs, desks, book cases, filing cabinets, procedure carts, scales, modular millwork, modular furniture, modular storage boxes, computers and monitors, non-electrical/mechanical examination beds, chart projectors and other furniture.

For greater certainty, the chattel property legally and beneficially owned by the Vendor and used in connection with the operation and maintenance of the Purchased Assets does not include:

1. any chattels located within the leased premises occupied by Manitoba Clinic Medical Corporation; or
2. any medical equipment, regardless of location and level of affixation to the Property, which includes, but is not limited to, x-ray equipment, electrical/mechanical exam tables, examination lights and beds, stainless steel procedure carts, blood pressure machines, ophthalmology equipment, ENT chairs, wall mounted equipment, audiology units, and massage tables.

SCHEDULE "B"

PERMITTED ENCUMBRANCES

The following instruments registered against the title(s) to the Purchased Assets:

Caveat No. 2135458/1

Caveat No. 2312825/1

Caveat No. 4686039/1

Caveat No. 4686040/1

SCHEDULE "C"

ASSIGNED CONTRACTS

- Lease Agreement between The Manitoba Clinic Holding Co. Ltd., as landlord, and Gamma-Dynacare Central Medical Laboratory Limited Partnership by its general partner Gamma-Dynacare Central Medical Laboratories GP Inc., as tenant, date the 22nd day of September, 2022.
- Lease Agreement between The Manitoba Clinic Holding Co. Ltd., as landlord, and Susan Heidinger, as tenant, date the 30th day of July, 2022.
- Lease Agreement between The Manitoba Clinic Holding Co. Ltd., as landlord, and Winnipeg Hearing Aid Centre Ltd., as tenant, date the 10th day of November, 2017.
- Offer to Lease between The Manitoba Clinic Holding Co. Ltd., as landlord, Shoppers Realty Inc., as tenant, and Shoppers Drug Mart Inc., as covenantor, date the 28th day of June, 2017.
- Lease Agreement between The Manitoba Clinic Holding Co. Ltd., as landlord, and Orthopedic Medical Supply Source, a joint venture comprising Anderson's House of Orthopedic Appliance, a partnership, 6770525 Manitoba Ltd. and 6928731 Manitoba Ltd., collectively as tenant, undated.
- Lease Agreement between The Manitoba Clinic Holding Co. Ltd., as landlord, and Imperial Vision Inc., as tenant, undated.
- Lease Agreement between The Manitoba Clinic Holding Co. Ltd., as landlord, and Manitoba Clinic Medical Corporation, as tenant, date the day of , 2023.
- Offer to Lease between The Manitoba Clinic Holding Co. Ltd., as landlord, 10134213 Manitoba Ltd., as tenant, and Monica Czezowski, as indemnifier, date the 18th day of October, 2016.

SCHEDULE "D"

ASSUMED LIABILITIES

[REDACTED]

Any and all debts, liabilities and obligations of the Vendor arising under the Assigned Contracts for the period from and including the Closing Date, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law.

Subject to any other adjustments provided for in this Agreement, the Vendor shall be responsible for all Liabilities arising with respect to the Assigned Contracts for the period ending on the day before the Closing Date.

For greater certainty, "Assumed Liabilities" does not include any Liability arising from or in relation to Manitoba Clinic Medical Corporation, except as may be arising pursuant to any revised lease agreement between the Purchaser and Manitoba Clinic Medical Corporation or [REDACTED]

[REDACTED]

APPENDIX B
Medco APA (Redacted)

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of the 21st day of **September**, 2023 (the "**Effective Date**") among:

Alvarez & Marsal Canada Inc., in its capacity as court-appointed monitor of Manitoba Clinic Medical Corporation, and not in its personal or corporate capacity

(the "**Vendor**")

– and –

1439573 B.C. Ltd,

a British Columbia corporation with a head office located at
550-375 Water Street Vancouver BC V6B 5C6

(the "**Purchaser**")

WHEREAS pursuant to the Order of the Honourable Mr. Justice Kroft of the Manitoba Court of King's Bench (the "**Court**") issued November 30, 2022 (the "**Filing Date**") (as amended and restated on December 1, 2022, the "**Initial Order**"), Manitoba Clinic Medical Corporation ("**MCMC**") and The Manitoba Clinic Holding Co. Ltd. (collectively, the "**Companies**") were granted, among other things, creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**"). Alvarez & Marsal Canada Inc. was appointed as the monitor of the Companies (in such capacity, the "**Monitor**");

AND WHEREAS in connection with the proceedings initiated by the Initial Order (the "**CCAA Proceedings**"), on April 21, 2023, the Monitor sought and obtained approval of the Court to run a sale and investment solicitation process (the "**SISP**") intended to solicit interest in, and opportunities for: (a) a restructuring, recapitalization or other form of reorganization of the business and affairs of the Companies as a going concern; (b) a sale of some or all of the business or assets of the Companies; or (c) some combination thereof;

AND WHEREAS pursuant to the SISP, the Monitor, in consultation with the Vendor's first secured creditor, Canadian Imperial Bank of Commerce, has reviewed and evaluated all qualified bids received, and has identified the Purchaser's bid for the Purchased Assets (defined herein) as a Successful Bid on the terms set out in this Agreement;

AND WHEREAS on the terms set out herein, the Vendor has agreed to sell, transfer and assign to the Purchaser, and the Purchaser has agreed to purchase, accept and assume from the Vendor, all of MCMC's right, title, interest and obligation in and to the Purchased Assets and Assumed Liabilities, subject to and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the "**Parties**", and each, a "**Party**") hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

"Affiliate" has the meaning given to the term "affiliate" in *The Corporations Act* (Manitoba).

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

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

"Approval and Vesting Order" means an order by the Court, in substantially the same form as the Manitoba Approval and Vesting Order (Standard Form Order), among other things, approving and authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title, interest and obligation of MCMC in and to the Purchased Assets, free and clear from any Encumbrances other than the Permitted Encumbrances and the Assumed Liabilities.

"Assigned Contracts" means those Contracts set out and listed in Schedule "B". For certainty, the Assigned Contracts do not include the Excluded Contracts.

"Assignment and Assumption Agreement" means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of MCMC's rights, benefits and interests in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assigned Contracts.

"Assignment Order" means an Order of the Court issued in form and substance satisfactory to the Parties, each acting reasonably, assigning to the Purchaser MCMC's right, benefit and interest in and to any of the Assigned Contracts for which any necessary consent to assign has not been obtained, in form and substance satisfactory to the Parties, acting reasonably.

"Assumed Liabilities" means: (a) all Liabilities relating to the Purchased Assets or related to the Business arising on or after the Closing Date; (b) all Liabilities which relate to the Assigned Contracts and the Transferring Employees, and (c) the Employee Priority Claims. For further certainty, the Assumed Liabilities do not include the Excluded Liabilities.

"Authorization" means any authorization, approval, consent, concession, exemption, licence, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

"Books and Records" means MCMC's files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), which are in the possession of MCMC and are materially relevant to the Assigned Contracts, the Business, the Assumed Liabilities, or the Purchased Assets, and for greater certainty, excludes all Patient Records (which is addressed in Section 5.5);

"Business" means the business conducted by MCMC, namely, operating a multi-specialty clinic that provides healthcare services.

"Business Day" means a day on which banks are open for business in Winnipeg, Manitoba, but does not include a Saturday, Sunday or statutory holiday in the Province of Manitoba.

"Cash Purchase Price" has the meaning set out in Section 3.2(b).

"CCAA" has the meaning set out in the recitals hereto.

"CCAA Proceedings" has the meaning set out in the recitals hereto.

"Claims" means claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, arbitrations, information or other similar processes, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, guarantees, warranties, expenses, costs, damages or losses, contingent or otherwise (whether contractual, statutory, or otherwise), of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether arising by subrogation, set-off, right of indemnification or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing and any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

"Closing" means the completion of the purchase and sale of the Purchased Assets and assumption of the Assumed Liabilities in accordance with the provisions of this Agreement.

"Closing Date" means, subject to the terms hereof, the date that is the later of (a) December 1, 2023; (b) the first day of the month that is at least seven (7) days following the final resolution, dismissal or withdrawal of an appeal properly brought by a party with standing to appeal the Approval and Vesting Order and/or Assignment Order; or (c) such other date as the Parties may agree to in writing from time to time.

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

"Collective Agreement" means any collective agreement, letter of understanding, letter of intent or other written communication or contract with any trade union or association that may qualify as a trade union, council of trade unions, employee bargaining agent or affiliated bargaining agent, which would cover any of MCMC's employees.

"Contracts" means all pending and executory contracts, agreements, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures, understandings, arrangements and all other legally binding arrangements (whether oral or written) to which the Vendor is a party or by which MCMC is bound or in which MCMC has, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

"Court" has the meaning set out in the recitals hereto.

"Cure Costs" means (a) with respect to any Assigned Contract for which a required consent to assignment has not been obtained and is to be assigned to the Purchaser in accordance with the terms of the Assignment Order, the amounts, if any, required to be paid to remedy all of MCMC's monetary defaults existing as at the Closing Date under the applicable Assigned Contract (or such other amounts as may be agreed by the Purchaser and the counterparty to the Assigned Contract); and (b) with respect to any Assigned Contract to be assigned on consent, where consent is required, the amount, if any, required to be paid to a counterparty to secure its consent to the assignment of the applicable Assigned Contract by the Vendor to the Purchaser (which amount shall be set out on the form of contractual consent agreed to by the Vendor and the counterparty to such Assigned Contract and approved by the Monitor and the Purchaser).

"Deposit" has the meaning ascribed thereto in Section 3.2 hereof.

"Effective Date" has the meaning set out in the preamble hereto.

"Employee" means any individual who is employed by MCMC as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short-term or long-term leave pursuant to Division 9 of *The Employment Standards Code* (Manitoba).

"Employee Priority Claim" means any Claim for (a) accrued and unpaid wages and vacation pay owing to the Transferring Employees, and (b) unpaid amounts provided for in section 6(5)(a) of the CCAA.

"Encumbrance" means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any security interest, lien, Claim, charge, right of retention, deemed trust, judgment, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of creating a security interest in, against or affecting the Purchased Assets (including any conditional sale or title retention agreement, or any capital or financing lease).

"ETA" means the *Excise Tax Act*, RSC 1985, c E-15 and the regulations thereunder.

"Excluded Assets" means all of MCMC's right, title and interest in the properties, rights, assets and undertakings of MCMC that are not identified as Purchased Assets.

"Excluded Contracts" means all Contracts that are not identified as Assigned Contracts, which shall be deemed to include any medical professional insurance in place in respect of MCMC.

"Excluded Liabilities" means all Liabilities of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against MCMC that are not Assumed Liabilities.

"Filing Date" has the meaning given to it in the recitals;

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

"GST" means all goods and services tax and harmonized sales tax imposed under Part IX of the ETA.

"Initial Order" has the meaning set out in the recitals hereto.

"Interim Period" means the period between the date of this Agreement and the Closing Date.

"Liability" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, legal, beneficial or equitable, present or future, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person, and includes, without limiting the generality of the foregoing, any debt, dues, guarantee, surety, indemnity obligation or other obligation.

"LibreMD" means LibreMD Corporation.

"LibreMD Agreements" means all agreements between LibreMD and MCMC from time to time, as may be amended or restated from time to time.

"LibreMD Interest" means all of MCMC's right, title and interest in and to the securities in the capital of Libre MD from time to time.

"MCMC Lease" means the lease agreement dated August 1, 2023 between the Manitoba Clinic Holding Co. Ltd., as landlord, and MCMC, as tenant, for part of the lower floor, part of the main floor, all of floors 5 and 9, and part of floor 10 of 790 Sherbrook Street, Winnipeg, Manitoba.

"Monitor" has the meaning set out in the recitals hereto.

"Monitor's Certificate" has the meaning set out in Section 6.1(a).

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

"Outside Date" means January 1, 2024.

"Parties" has the meaning set out in the recitals hereto.

"Party" has the meaning set out in the recitals hereto.

"Patient Records" means all files, documents, instruments, papers, books and records that contain "personal health information", as that term is defined in *The Personal Health Information Act* (Manitoba) of any current or former patient of MCMC or any doctor operating out of or through MCMC.

"Permitted Encumbrances" means the following Encumbrances in respect of the Purchased Assets:

- (a) the reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other Person and any implied conditions set out in *The Law of Property Act* (Manitoba) as amended, replaced or restated from time to time or any other similar Applicable Law;
- (a) encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business;
- (b) all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Purchased Assets in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of the Crown, any province or municipality or any other Governmental Authority;
- (c) rights of expropriation, access or use or any similar right conferred or reserved by any Applicable Law;
- (d) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements; and
- (e) any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land (including, without limitation, easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

"Personal Information" means any factual or subjective information, recorded or not, about an employee, contractor, agent, consultant, officer, director, executive, client, customer, supplier or natural person who is natural person or a natural person who is a shareholder, employee or patient of MCMC, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual.

"Purchase Price" has the meaning set out in Section 3.1.

"Purchased Assets" means all of MCMC's right, title and interest, if any, in and to the properties, rights, assets and undertakings of MCMC listed in Schedule "A". For certainty, the Purchased Assets do not include the Excluded Assets.

"Sanctions" has the meaning ascribed in Section 7.2(j) hereof.

"SISP" has the meaning ascribed to it in the preamble hereto.

"Successful Bid" has the meaning set out in the SISP.

"Taxes" means, with respect to any Person, all national, federal, provincial, local or other taxes, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and includes, without limitation, property taxes, income taxes, branch taxes, profit taxes, capital gains taxes, gross receipt taxes, windfall profit taxes, value added taxes, severance taxes, ad valorem taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, transmission fees, withholding or similar taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/PST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority.

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

"Transfer Taxes" means all applicable Taxes, including any applicable GST/PST/HST, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording or transmission fees payable in connection with the instruments of transfer provided for in this Agreement.

"Transferred Employees" means all Employees who accept the Purchaser's offer of employment under Section 5.4.

1.2 Interpretation Not Affected by Headings, etc.

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

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

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

1.5 Currency

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

1.6 Statutes

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

1.7 Schedules

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

SCHEDULES

Schedule "A" - Purchased Assets

Schedule "B" - Assigned Contracts

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement will apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

1.8 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets and assumed the Assumed Liabilities shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Assets

Subject to the terms and conditions of this Agreement, effective as of the Closing Time, the Vendor shall sell, assign and transfer the Purchased Assets and Assumed Liabilities to the Purchaser, and the Purchaser shall purchase, accept, assume and receive from the Vendor, all of the Purchased Assets and Assumed Liabilities. For certainty, the Purchased Assets: (a) shall be free and clear of all Encumbrances that are not Permitted Encumbrances and (b) do not include the Excluded Assets.

2.2 Assumption of Assumed Liabilities

At the Closing Time, the Purchaser shall assume and agree to pay when due and perform and discharge in accordance with their terms, the Assumed Liabilities. Notwithstanding any other provision of this Agreement, the Purchaser shall not assume any Liabilities hereunder other than the Assumed Liabilities, except as required under Applicable Law.

2.3 Assignment of Contracts

- (a) Cure Costs. To the extent that any Cure Costs are payable with respect to any Assigned Contracts, the Purchaser shall: (i) where such Assigned Contract is assigned pursuant to an Assignment Order, pay all such Cure Costs in accordance with the Assignment Order; and (ii) where such Assigned Contract is not assigned pursuant to an Assignment Order, pay all such Cure Costs in the manner set out in the consent of the applicable counterparty or

as otherwise may be agreed to by the Purchaser and such counterparty. The Cure Costs as paid by the Purchaser shall be in addition to the Cash Purchase Price received by the Vendor for the Purchased Assets.

- (b) Assignment. At the Closing Time, on and subject to the terms and conditions of this Agreement (including Section 2.3(c) below), the Approval and Vesting Order and the Assignment Order (if applicable), all of the Vendor's rights, benefits, interests and obligations in, to and under the Assigned Contracts shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.
- (c) Where Consent Required. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another Person, unless such consent has been obtained or the assignment is subject to an Assignment Order.
- (d) No Adjustment. For greater certainty, if the consent of any Person is required to assign an Assigned Contract, but such consent is not obtained prior to Closing and such Contract is not assigned pursuant to an Assignment Order, such Contract shall not form part of the Assigned Contracts and: (i) neither Party shall be considered to be in breach of this Agreement; (ii) the failure to assign or otherwise transfer such Assigned Contract shall not be a condition to Closing; (iii) the Purchase Price shall not be subject to any adjustment; and (iv) the Closing shall not be delayed.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

- (a) The purchase price payable by the Purchaser for the Purchased Assets shall be [REDACTED] subject to adjustment as provided in this Agreement (the "**Purchase Price**"). For certainty, the Purchase Price shall be exclusive of applicable Taxes.
- (b) The Purchase Price shall be adjusted to proportionally allocate between the Parties all Taxes, local improvement charges, utilities, and rent.
- (c) The adjustments shall be for the Vendor's account as to both revenue and expenses up to 12:01 a.m. on the Closing Date, and thereafter for the Purchaser's account.
- (d) The Purchase Price shall be exclusive of the Cure Costs and the adjustment specified in Section 3.1(b).

3.2 Satisfaction of Purchase Price

The Purchaser shall satisfy the purchase, at the Closing Time, in accordance with the following:

- (a) Deposit. The Parties acknowledge that the Purchaser has paid a deposit in the amount of [REDACTED] being twenty percent (20%) of the Purchase Price (the "**Deposit**"), and shall be credited against the Purchase Price at Closing.
- (b) Cash Purchase Price. An amount equal to the remaining Purchase Price less the Deposit, plus any Transfer Taxes (the "**Cash Purchase Price**"), as adjusted pursuant to 3.1(b), shall

be paid by the Purchaser to the Monitor via certified cheque, bank draft or wire transfer or immediately available funds, for the benefit of the Vendor, at the Closing Time.

- (c) Cure Costs. The Cure Costs shall be paid by the Purchaser to the Monitor via certified cheque, bank draft or wire transfer or immediately available funds, at the Closing Time.
- (d) Assumed Liabilities. An amount equal to the amount of the Assumed Liabilities which the Purchaser shall assume on the Closing Date, and which shall be satisfied by the Purchaser becoming liable for and performing the Assumed Liabilities.

3.3 Deposit

- (a) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (b) If this Agreement is terminated:
 - (i) pursuant to Section 8.1(a), the Monitor (on behalf of the Vendor) shall be entitled to retain the Deposit and the full amount of the Deposit shall be forfeited to the Vendor; or
 - (ii) for any other reason, the Deposit shall be returned to the Purchaser within five (5) business days of the termination of the Agreement; and
 - (iii) subject to Section 8.1, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 8.1 pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any Claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.4 Intentionally Removed.

3.5 Section 167 Tax Election.

If available and requested by the Purchaser on Closing, the Vendor and the Purchaser shall execute jointly an election under Section 167 of the ETA to have the sale of the Purchased Assets take place on a GST-free basis under Part IX of the ETA. The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation.

ARTICLE 4 COVENANTS

4.1 Closing Date

- (a) The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing.

- (b) Each of the Parties shall, as promptly as possible, make, or cause to be made, all filings and submissions, as applicable, required under any Applicable Law to effect the Closing.

4.2 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order), the Vendor shall, unless consented to by the Purchaser, continue to maintain the Business and operations of the Vendor in substantially the same manner as conducted on the Effective Date and in compliance with Applicable Laws in all material respects.

4.3 Access During Interim Period

During the Interim Period, the Vendor shall, subject to any confidentiality, privacy or safety restrictions, give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business as the Purchaser reasonably deems necessary or desirable to further familiarize itself with the Business. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to the premises to investigate all equipment, inventory, and documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees, including financial statements, contracts and other documents requested by Purchaser; (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the MCMC's customers and contractual counterparties; and (c) the Purchaser shall have access to the MCMC's servers and systems to conduct cyber security, technology architecture, technology infrastructure, source code, object code and privacy investigations to product a list of cyber security, systems, and privacy measures to be rectified by the Closing (collectively, "**Further Due Diligence**"). Such Further Due Diligence shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with MCMC's operations and the Vendor shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. Provided, however, notwithstanding the foregoing, in no circumstances will the Purchaser be granted access to Patient Records, personal health information (as defined in *The Personal Health Information Act* (Manitoba)) in the possession of MCMC or be granted access to patient areas while in use.

4.4 Assigned Contracts

- (a) The Purchaser, with the Vendor's consent, will request any consents necessary to permit the assignment to the Purchaser of the Assigned Contracts. The Vendor will provide its reasonable cooperation to assist the Purchaser to obtain such consents, including providing financial and other information of the Vendor requested by the Purchaser or party to such Assigned Contract. For certainty, the Purchaser will be responsible for all Cure Costs in respect of any Assigned Contracts.
- (b) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contracts for which any requisite consent or approval has not been obtained or which as a matter of Applicable Law or by its terms is not assignable.

4.5 Insurance Matters

Until Closing, the Vendor shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice of the Vendor

and the Vendor in the ordinary course of business. Following Closing, the Purchaser shall be solely responsible for obtaining all insurance required to operate as a medical clinic in the Province of Manitoba.

4.6 Risk of Loss

The Purchased Assets shall be at the risk of the Vendor until Closing. If, between the date hereof and Closing, the Purchased Assets are destroyed, lost or materially damaged (each a "**Casualty**"), the Purchaser shall have the right to (i) complete the purchase of the Purchased Assets on an "as is, where is" basis without any adjustment to the Purchase Price payable hereunder and take an assignment from the Vendor of all insurance proceeds payable to the Vendor in respect of the Casualty, or (ii) the right to terminate the Agreement and not proceed with the Closing, without any financial penalty or other recourse from the Vendor or Monitor (including having the Deposit returned). For greater certainty, in no event shall the aggregate total of the insurance proceeds assigned to the Purchaser in accordance with this Section and the fair market value of Purchased Assets exceed the Purchase Price.

4.7 Indemnity

The Purchaser hereby indemnifies the Vendor and MCMC and its respective representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any Transfer Taxes (including penalties and interest) which may be assessed against MCMC, including, notwithstanding anything to the contrary in this Agreement, any Taxes which may be assessed against MCMC in the event that any election made pursuant to Section 3.5 challenged by the relevant Tax authority as being inapplicable to the transactions under this Agreement, or as a result of the Purchaser's failure to file such elections within the prescribed time;
- (b) the Purchaser's access in accordance in Section 4.3;
- (c) the collection, use or disclosure of Personal Information or Personal Health Information, as defined in the *Personal Health Information Act* (Manitoba) by the Purchaser and its representatives as a result of the Further Due Diligence and for any other reason after the Closing Time; and
- (d) the Purchaser's failure to pay when due and failure to perform and discharge the Assumed Liabilities in accordance with their terms.

ARTICLE 5 CLOSING ARRANGEMENTS

5.1 Closing

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

5.2 Vendor Closing Deliveries

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

- (a) the Purchased Assets, with delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;
- (b) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (c) a true copy of any Assignment Order, if applicable, in respect of any Assigned Contracts for which consents to assignment were required but not obtained;
- (d) the election referred to in Section 3.5 of this Agreement, if applicable; and
- (e) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

5.3 Purchaser's Closing Deliveries

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

- (a) the Cash Purchase Price referred to in Section 3.23.2(b);
- (b) the Cure Costs referred to in Section 3.2(c);
- (c) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (d) the payment of all Transfer Taxes (if any) required to be paid on Closing, which shall be made to the Monitor in trust;
- (e) bring-down certificate executed by a senior officer of the Purchaser dated as of the Closing Date, in form and substance satisfactory to the Vendor, acting reasonably, certifying that: (a) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date; and (b) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects
- (f) the Transferring Employee List;
- (g) the election referred to in Section 3.5 of this Agreement, if applicable; and
- (h) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

5.4 Transferring Employees

At least five (5) business days prior to the Closing Date, the Purchaser shall provide the Monitor with a list (the "**Transferring Employee List**") of employees of the Vendor that the Purchaser will employ following Closing (as applicable, the "**Transferring Employees**"). The Vendor shall terminate all Transferring Employees effective as of the Closing Date and the Purchaser shall offer employment to each Transferring Employee effective from and after Closing on the following terms and conditions: (a) to employees who were part of a bargaining unit in respect of which a Collective Agreement is in force, or has expired, the terms and conditions provided for in such Collective Agreement, or expired Collective Agreement if such terms and conditions remain in effect by operation of law, subject to any amendments or alterations to the

terms of the Collective Agreement to which the bargaining agent under the agreement or expired agreement consents; and (b) to all other employees, on terms and conditions that are, in the aggregate, no less favourable than the terms and conditions on which such employees are employed by the Vendor immediately before the Closing Date.

5.5 Personal Information Privacy

The Purchaser shall at all times comply with all Applicable Laws governing the protection of personal information with respect to Personal Information disclosed or otherwise provided to the Purchaser by the Vendor under this Agreement. The Purchaser shall only collect, use or disclose such Personal Information for the purposes of investigating the Business as contemplated in this Agreement and completing the transactions contemplated in this Agreement. The Purchaser shall safeguard all Personal Information collected from the Vendor in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. The Purchaser shall not make copies of the Personal Information or any excerpts thereof or in any way re-create the substance or contents of the Personal Information if the purchase of the Purchased Assets is not completed for any reason and shall return all Personal Information to the Vendor or destroy such Personal Information at the Vendor's request.

The Purchaser and the Vendor agree to take such actions as may be required by the college of Physicians and Surgeons of Manitoba (the "**College**"), *The Regulated Health Professions Act* (Manitoba), the *College of Physicians and Surgeons of Manitoba Standards of Practice Regulation*, and *The Personal Health Information Act* (Manitoba), to facilitate the transfer of Patient Records from the Vendor to the Purchaser on the Closing Date. The Purchaser further specifically represents and warrants to the Vendor that it is, or will be, a "trustee" as that term is defined under *The Personal Health Information Act* (Manitoba) on the Closing Date.

ARTICLE 6 CONDITIONS OF CLOSING

6.1 Mutual Conditions of Closing

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

- (a) Approval and Vesting Order. The Court shall have pronounced the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) Assignment Order. The Court shall, if applicable, have pronounced the Assignment Order, which Assignment Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority (other than the Court or other court with standing) or otherwise in effect that restrains or prohibits the completion of the Transaction.

- (d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority (other than the Court or other court with standing) to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (e) Monitor's Certificate. The Monitor shall have provided an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the "**Monitor's Certificate**") confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 6.1 is not satisfied, performed or mutually waived on or prior to the Closing Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

6.2 Purchaser's Conditions of Closing

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

- (a) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 5.2.
- (b) New Lease Term. MCMC's landlord shall have agreed to amend Section 7 of the Term Sheet to the MCMC Lease to provide for a five year term commencing August 1, 2023 and ending on July 31, 2028.
- (c) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 7.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (d) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.
- (e) Employment Agreements. The Purchaser will have also specifically entered into an Employment Agreement (dually executed) with Keith McConnell prior to Closing unless Purchaser elects not to employ Keith McConnell after Closing.
- (f) No Additional Costs. The Assignment Order, the Approval and Vesting Order, or any other order issued by the Court will not impose any additional financial obligations on the Purchaser or require the Purchaser to pay any additional amounts other than Cure Costs as a condition of closing the transaction contemplated by this Agreement.
- (g) Further Due Diligence. Following the execution of this Agreement, the Purchaser will have 15 calendar days to complete the Further Due Diligence. If the Purchaser identifies a cyber security, architecture, infrastructure or privacy deficiency, which it considers to be material (as determined in the Purchaser's sole and absolute discretion), the Purchaser shall have the right to terminate this Agreement and have the Deposit returned to it. If the Purchaser does not deliver written notice of termination to the Vendor within 15 calendar days of executing this Agreement, this condition will be deemed to be irrevocably waived.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 6.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in this Section 6.2 is not satisfied or performed by the Closing Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

6.3 Vendor's Conditions of Closing

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

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Monitor at the Closing all the documents and payments contemplated in Section 5.3.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 7.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 6.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 6.3 is not satisfied or performed by the Closing Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants that, subject to Court approval of this Agreement and the granting of the Approval and Vesting Order, it has the authority pursuant to the Initial Order to sell the Purchased Assets to the Purchaser on the terms and conditions of this Agreement and to apply for the Approval and Vesting Order.

7.2 Representations and Warranties of the Purchaser

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

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the laws of British Columbia as of the date hereof, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

- (b) Corporate Status. The Purchaser intends to be extra provincially registered to do business in Manitoba by the time of Closing, and shall be permitted under *The Regulated Health Professions Act* (Manitoba) and its regulations to carry on the practice of medicine once it registers.
- (c) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (d) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (e) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (f) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser, before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (g) Funding Available. The Purchaser has available sufficient funding to enable the Purchaser to consummate the purchase of the Purchased Assets on the terms set forth herein and otherwise to perform all of the Purchaser's obligations under this Agreement.
- (h) Excise Tax Act. The Purchaser is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 78911 8759 RC 0001
- (i) Residency. The Purchaser is not a non resident of Canada within the meaning of section 116 of the *Income Tax Act* (Canada).
- (j) No Sanctions. None of the Purchaser, any of its subsidiaries or, to the knowledge of the Purchaser, any director, officer, agent, employee, Affiliate or representative of the Purchaser or any of its subsidiaries is, or is controlled or 50% or more owned by or is acting on behalf of, an individual or entity (a "**Sanctioned Person**") currently the subject of applicable economic sanctions including those administered or enforced by the government of Canada, the United States of America, or the United Kingdom (collectively, "**Sanctions**"). None of the Purchaser or any of its subsidiaries is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. To the Purchaser's knowledge, neither it nor any of its subsidiaries has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person. The Purchaser has procedures and policies in place designed to ensure compliance with Sanctions.

7.3 "As is, Where is"

- (1) The Purchaser acknowledges and agrees that it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an "as is, where is" basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets, Assumed

Liabilities and all other relevant matters and has determined to proceed with the Transaction contemplated herein and will accept the same at the Closing Time in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.

(2) Except as otherwise expressly provided in Section 7.1, no representation, warranty or condition whether statutory (including under *The Sale of Goods Act* (Manitoba), *The International Sale of Goods Act* (Manitoba), the *International Sale of Goods Contracts Convention Act* (Canada) or any other Canadian (including federal, provincial or municipal) or international acts which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the United Nations Convention on Contracts for the International Sale of Goods), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given by the Vendor or the Monitor including as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical and environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities pursuant to this Agreement.

(3) The description of the Purchased Assets and Assumed Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by MCMC. Except as otherwise explicitly set forth in Section 7.1 no representation, warranty or condition has been given by the Vendor or the Monitor concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of MCMC or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Vendor.

(4) Any documents, materials and information provided by the Vendor or Monitor to the Purchaser with respect to the Purchased Assets or Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor and/or Monitor have not made and are not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor and/or Monitor and their respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information. The Purchaser further acknowledges that the use of the documents may not be possible without the Purchaser obtaining reliance or other assurances from the author of such documents directly and further that the documents may be subject to copyright or other property rights which may preclude their use by the Purchaser in whole or in part.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of Sections **Error! Reference source not found.** (Indemnity), **Error! Reference source not found.** (Personal Information Privacy), 9.3 (Public Announcements) and 9.9 (Governing Law).

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated prior to the Closing Date:

- (a) By the Vendor upon written notice to the Purchaser if: (i) the Closing has not occurred by the Outside Date; or (ii) the Purchaser has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from Vendor; provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Vendor or as a result of Purchaser exercising its rights not to Close pursuant to the terms of this Agreement; or
- (b) by the Purchaser upon written notice to the Vendor if: (i) the Closing has not occurred by the Outside Date; (ii) the Vendor has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from Purchaser; provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Purchaser; or (iii) the closing conditions set out in Section 6.1 or 6.2 are not satisfied and the Purchaser elects not to waive such closing conditions. For clarity, the Purchaser not waiving any of the closing conditions shall be an acceptable reason not to close the Agreement and the Purchaser shall be entitled to a full return of its Deposit.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of Sections 9.3 (Public Announcements) and 9.9 (Governing Law).

ARTICLE 9 GENERAL

9.1 Access to Books and Records

For a period of two (2) years from the Closing Date or for such longer period as may be reasonably required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

9.2 Notice

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

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

1439573 B.C. Ltd dba The Manitoba Clinic

Attention: Jeremy Mickolwin
Email: Jeremy.mickolwin@well.company (cc: Legal@well.company)

with a copy (which shall not constitute notice) to:

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

Manitoba Clinic Medical Corporation
c/o **Alvarez and Marsal Canada Inc.**
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Attention: Orest Konowalchuk / Cassie Riglin
Email: okonowalchuk@alvarezandmarsal.com / criglin@alvarezandmarsal.com

with a copy (which shall not constitute notice) to:

McDougall Gauley LLP
500 – 616 Main Street
Saskatoon, Saskatchewan S7H 0J6
Attention: Ian Sutherland / Craig Frith
Email: isutherland@mcdougallgauley.com / cfrith@mcdougallgauley.com

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

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

9.3 Public Announcements

The Monitor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the Monitor in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings at: <https://www.alvarezandmarsal.com/manitobaclinic>. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Vendor or any of its Affiliates under Applicable Laws or stock exchange

rules, the Parties shall not issue (prior to the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed. Any public statement made by the Purchaser after the Closing Date about the Transaction shall not disclose any confidential or sensitive information about the Agreement or the Business; however, for clarity, any information published on the Monitor's website or pleaded in Court shall not be considered confidential or sensitive and Purchaser will be free to publicly discuss it.

9.4 Time

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

9.5 Survival

All representations, warranties and covenants of Vendor contained in this Agreement shall merge and terminate on Closing. Notwithstanding the foregoing, the representations, warranties and covenants of the Purchaser contained herein shall not merge on Closing and shall survive and remain in full force and effect.

9.6 Benefit of Agreement

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

9.7 Entire Agreement

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

9.8 Paramountcy

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

9.9 Governing Law

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

9.10 Assignment

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendor or the Monitor, provided that: (a) such assignee is a related party or subsidiary of the Purchaser; (b) the Purchaser provides prior notice of such assignment to the Monitor; and (c) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder; and the Purchaser may assign the benefits of this Agreement to a lender or lenders

as security for obligations owed to it or them, all without the consent of (but upon notice to) the Vendor and the Monitor.

9.11 Further Assurances

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

9.12 Counterparts

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

9.13 Severability

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

9.14 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

9.15 Monitor's Capacity

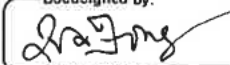
In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in this CCAA Proceedings, the Purchaser acknowledges and agrees that the Monitor, acting in its capacity as Monitor and not in its corporate or personal capacity, will have no Liability to the Purchaser in connection with this Agreement or the Transaction contemplated herein.

[Signature Page Follows]

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IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

1439573 B.C. Ltd

By:  DocuSigned by:
1AF8C6F8113F4E6...
Name: Eva Fong
Title: Director

I/We have authority to bind the Corporation

**ALVAREZ & MARSAL CANADA INC., in its
capacity as court-appointed monitor of
MANITOBA CLINIC MEDICAL
CORPORATION, and not in its personal or
corporate capacity**

By: 
Name: O. KONOWALCHUK, LIT
Title: SENIOR VICE PRESIDENT
I have authority to bind the Corporation.

SCHEDULE "A"

PURCHASED ASSETS

Subject to the terms and conditions set forth in the Agreement, at the Closing, the Vendor shall sell, assign, transfer, convey and deliver to the Purchaser, and the Purchaser agrees to purchase, accept, assume and receive all of the Companies' partial, divided, or wholly owned interest in the following, which make up the "**Purchased Assets**":

- (a) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, computers, telephones, hardware, software, and relevant other miscellaneous tangible and intangible assets owned by the Companies (the "**Equipment**");
- (b) all medical, office, scientific, testing or other materials and supplies owned by the of the Companies (the "**Inventory**");
- (c) any permits or licenses issued by the College, all permits which are held by the Companies and required to operate the Business, or which are required for the ownership and use of the Business (which can be assigned or transferred) ("**Permits**");
- (d) the Assigned Contracts;
- (e) all rights to any Action of any nature available to or being pursued by the Companies as a plaintiff to the extent related to the Purchased Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise;
- (f) all Patient Records;
- (g) all of the Companies' rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets;
- (h) all of the Companies' insurance benefits, including all rights and proceeds, arising from or relating to the Business, the Purchased Assets or the Assumed Liabilities;
- (i) the Books and Records;
- (j) the Business' goodwill, which is based on the relationship between the Companies and the Patients and referral sources of the Business (the "**Goodwill**"); and
- (k) the LibreMD Interest.

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SCHEDULE "B"

ASSIGNED CONTRACTS

- MDR – Getinge Sterilizer – 3522
- MDR – Getinge Sterilizer – 533HC
- MDR – Steris – Scope Washer – SDDEdge
- Ophthalmology – Clarion – Ellex Laser
- Ophthalmology – Zeiss Agreement
- Research – Fisher Scientific – Refrigerated Centrifuge
- Urology – Olympus – Cystoscope Lease Agreement
- Prefix – Service Agreement
- MCMC Lease

APPENDIX C
Amendment to Medco APA

AMENDMENT TO THE ASSET PURCHASE AGREEMENT

This Amendment to the Asset Purchase Agreement dated as of the 2nd day of November, 2023 (the "**Effective Date**") among:

Alvarez & Marsal Canada Inc., in its capacity as court-appointed monitor of Manitoba Clinic Medical Corporation, and not in its personal or corporate capacity

(the "**Vendor**")

– and –

1438573 B.C. LTD.

a British Columbia corporation with a head office located at
550-375 Water Street Vancouver BC V6B 5C6

(the "**Purchaser**")

WHEREAS:

- A. Pursuant to an Asset Purchase Agreement dated September 21, 2023 (the "**APA**"), the Purchaser agreed to purchase from the Vendor, and the Vendor agreed to sell to the Purchaser, all of Manitoba Clinic Medical Corporation's ("**MCMC**") right, title, and interest in and to the Purchased Assets and to assume MCMC's obligations in respect of the Assumed Liabilities;
- B. Section 6.2(g) of the APA provides that the Purchaser's obligation to complete the Transaction is subject to the Purchaser:
 - (i) completing the Further Due Diligence within 15 calendar days of executing the APA;
 - (ii) having the right to terminate the APA and have its Deposit returned if it identifies a cyber security, architecture, infrastructure, or privacy deficiency, which it considers to be material as part of the Further Due Diligence; and
 - (iii) being deemed to have irrevocably waived the condition if the Purchaser does not deliver written notice of termination to the Vendor within 15 days of executing the APA;
- C. For reasons beyond the Vendor and Purchaser's control, the Purchaser has been unable to complete the Further Due Diligence in the timeframe contemplated by the APA;

- D. The Vendor and Purchaser have agreed to extend the deadline for the Purchaser to complete the Further Due Diligence, as well as amend Schedule "A" to the APA to more specifically identify certain of the Purchased Assets; and
- E. The Vendor and Purchaser therefore wish to amend the terms of the APA in accordance with the terms of this Amendment to the Asset Purchase Agreement (the "**Amending Agreement**").

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the "**Parties**", and each, a "**Party**") hereby acknowledge and agree as follows:

ARTICLE 1 GENERAL

1.1 Interpretation

This Amending Agreement is supplemental to and shall form one agreement with the APA and the APA and this Amending Agreement shall be read together and have effect so far as practicable as though all the provisions thereof and hereof were contained in one instrument. All terms not otherwise defined herein shall have the meaning given to them in the APA.

1.2 Governing Law

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

1.3 Entire Agreement

This Amending Agreement, together with the APA, constitutes the entire agreement between the Parties pertaining to the subject matter of this Amending Agreement and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties, and there are no representations, warranties, or other agreements between the Parties, express or implied, in connection with the subject matter of this Amending Agreement except as specifically set out in this Amending Agreement. No Party has been induced to enter into this Amending Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice, or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Amending Agreement.

1.4 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Amending Agreement and the APA, the provisions of this Amending Agreement shall prevail to the extent of such conflict or inconsistency.

1.5 Time

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

1.6 Further Assurances

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

1.7 Counterparts

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

ARTICLE 2 AMENDMENTS TO THE ASSET PURCHASE AGREEMENT

2.1 Amendment to Article 6

Section 6.2(g) of the APA is hereby deleted in its entirety and replaced with the following:

"(g) Further Due Diligence. Following the execution of this Agreement, the Purchaser will have 60 calendar days to complete the Further Due Diligence. If the Purchaser identifies a cyber security, architecture, infrastructure or privacy deficiency, which it considers to be material (as determined in the Purchaser's sole and absolute discretion), the Purchaser shall have the right to terminate this Agreement and have the Deposit returned to it. If the Purchaser does not deliver written notice of termination to the Vendor within 60 calendar days of executing this Agreement, this condition will be deemed to be irrevocably waived."

2.2 Amendment to Schedule "A"

Schedule "A" of the APA is hereby deleted in its entirety and replaced with the following:

"Subject to the terms and conditions set forth in the Agreement, at the Closing, the Vendor shall sell, assign, transfer, convey and deliver to the Purchaser, and the Purchaser agrees to purchase, accept, assume and receive all of MCMC's partial,


divided, or wholly owned interest in the following, which make up the “**Purchased Assets**”:

- (a) All furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, computers, telephones, hardware, software, and relevant other miscellaneous tangible and intangible assets owned by MCMC and which are located within the leased premises occupied by MCMC (the “**Equipment**”);
- (b) all medical, office, scientific, testing or other materials and supplies owned by MCMC and which are located within the leased premises occupied by MCMC (the “**Inventory**”);
- (c) any permits or licenses issued by the College, all permits which are held by MCMC and required to operate the Business, or which are required for the ownership and use of the Business (which can be assigned or transferred) (“**Permits**”);
- (d) the Assigned Contracts;
- (e) all rights to any Action of any nature available to or being pursued by MCMC as a plaintiff to the extent related to the Purchased Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise;
- (f) all Patient Records;
- (g) all of MCMC’s rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets;
- (h) all of MCMC’s insurance benefits, including all rights and proceeds, arising from or relating to the Business, the Purchased Assets or the Assumed Liabilities;
- (i) the Books and Records;
- (j) the Business’ goodwill, which is based on the relationship between MCMC and the Patients and referral sources of the Business (the “**Goodwill**”); and
- (k) the LibreMD Interest."

[The next page is the signature page.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

1439573 B.C. LTD.

By:  DocuSigned by:
7EBA1FDDFAC7490...
Name: Jeremy Mickolwin
Title: VP Clinic Operations

I have authority to bind the Corporation

**ALVAREZ & MARSAL CANADA INC., in
its capacity as court-appointed monitor of
MANITOBA CLINIC MEDICAL
CORPORATION, and not in its personal or
corporate capacity**

By: _____
Name:
Title:

I have authority to bind the Corporation.

IN WITNESS WHEREOF **the Parties have executed this Agreement as of the Effective Date.**

1439573 B.C. LTD.

By:

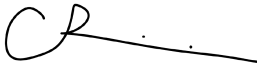
Name:

Title:

I have authority to bind the Corporation

**ALVAREZ & MARSAL CANADA INC., in
its capacity as court-appointed monitor of
MANITOBA CLINIC MEDICAL
CORPORATION, and not in its personal or
corporate capacity**

By:



Name: Cassie Riglin

Title: Senior Vice President

I have authority to bind the Corporation.

APPENDIX D
Cash Flow Budget to Actual Results

Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.
Consolidated Cash Flow Variance Analysis
in CAD \$000's

	Reporting Period			YTD Actual
	Forecast	Actual	Variance	
Medco				
Cash Receipts	908	1,406	498	29,043
Operating Disbursements	1,986	2,171	(185)	29,362
Medco Net Cash Flow from Operations	(1,079)	(765)	313	(320)
Realco				
Cash Receipts	130	110	(20)	5,415
Operating Disbursements	345	307	38	2,971
Realco Net Cash Flow from Operations	(215)	(196)	19	2,444
Net Cash Flow from Operations	(1,293)	(961)	332	2,124
Non-Operating Cash Disbursements				
Monitor's Fees	100	-	100	1,566
Monitor's Expenses	10	-	10	71
Monitor's Counsel's Fees	-	-	-	718
Companies' Counsel's Fees	-	-	-	492
MLT Legal Fees	-	-	-	215
Key Employee Retention	-	-	-	50
Interim Financing Interest	16	7	9	64
Total Non-Operating Cash Disbursements	126	7	119	3,176
Net Cash Flow	(1,420)	(969)	451	(1,051)
Opening Cash	471	717	246	-
Net Cash Flow	(1,420)	(969)	451	(1,051)
DIP Advance (Repayment)	950	450	(500)	1,250
Ending Cash	1	199	198	199
Opening DIP Facility Availability	2,923	3,173	250	3,973
DIP Borrowings	950	450	500	1,250
DIP Repayments	-	-	-	-
Closing DIP Facility Availability	1,973	2,723	750	2,723

Manitoba Clinic Medical Corporation ("Medco")**Cash Flow Variance***in CAD \$000's*

	Reporting Period			YTD Actual
	Forecast	Actual	Variance	
Cash Receipts				
Professional Fees	832	1,269	438	27,122
Sundry, Injectables and Tray Fees	53	66	13	1,027
Research/Clinical Trial Revenue	13	57	43	467
EKG Revenue	9	14	4	267
Equipment Sales	-	-	-	160
Total Cash Receipts	908	1,406	498	29,043
Operating Cash Disbursements				
Physician Draw	1,196	1,393	(197)	17,092
True-Up Payments	323	323	-	2,142
Tweak Revenue Offset	-	-	-	-
Payroll and All Benefits	354	342	12	5,566
Medical Supplies	31	51	(20)	712
Office Supplies	15	32	(17)	460
Repairs and Maintenance	10	-	10	38
Non-Salary Research Clinic Trial	3	2	2	285
Rent	-	-	-	2,956
Audit and Legal Fees	-	-	-	6
Insurance	25	28	(2)	87
GST	4	-	4	19
Contingency	25	-	25	-
Total Operating Cash Disbursements	1,986	2,171	(185)	29,362
Net Cash Flow from Operations	(1,079)	(765)	313	(320)

Manitoba Clinic Holding Co. Ltd. ("RealCo")**Cash Flow Variance***in CAD \$000's*

	Reporting Period			YTD
	Forecast	Actual	Variance	Actual
Cash Receipts				
Parking Revenue	-	86	86	917
Lab Revenue	90	-	(90)	900
MBMC Rent	-	-	-	2,956
Other Lease Income	40	24	(16)	454
X-Ray Income	-	-	-	185
Other Income	0	-	(0)	3
Total Cash Receipts	130	110	(20)	5,415
Operating Cash Disbursements				
R/M, security, cleaning, supplies	31	53	(22)	731
Salaries and Benefits	13	8	4	235
Radiologist Fees	-	-	-	68
Repairs and Maintenance	-	6	(6)	128
Audit and Legal Fees	15	1	14	25
Insurance	13	13	(0)	244
Utilities	41	38	3	440
Office Supplies, Expense, & Consulting	1	0	1	17
Business and Property taxes	186	186	-	1,037
GST Remittance	20	-	20	46
Contingency	25	-	25	-
Total Operating Cash Disbursements	345	307	38	2,971
Net Cash Flow from Operations	(215)	(196)	19	2,444

APPENDIX E
CCAA Professional Fees and Costs

Manitoba Clinic Medical Corporation and the Manitoba Clinic Holding Co. Ltd.
Summary of Monitor's Fees and Disbursements
October 16, 2023 to November 15, 2023

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
#13	October 16, 2023 to October 31, 2023	41,556.30	1,655.39	43,211.69	2,160.60	45,372.29
#14	November 1, 2023 to November 15, 2023	27,306.00	3,347.55	30,653.55	1,532.68	32,186.23
	Total	68,862.30	5,002.94	73,865.24	3,693.28	77,558.52

Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.
Summary of the Debtor's Counsel's Fees and Disbursements
October 19, 2023 to November 20, 2023

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST & PST	Total
691434	November 9, 2023	18,645.00	176.70	18,821.70	2,238.76	21,060.46
691994	November 20, 2023	7,314.00	20.35	7,334.35	877.70	8,212.05
	Total	25,959.00	197.05	26,156.05	3,116.46	29,272.51