

**THE KING'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 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**")

APPLICATION UNDER: THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C., c. C-36, AS AMENDED

AFFIDAVIT OF KEITH McCONNELL
SWORN THE 28TH DAY OF NOVEMBER, 2022
DATE OF HEARING: WEDNESDAY, NOVEMBER 30 , 2022 AT 9:00 A.M.
KROFT, J.

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AFFIDAVIT OF KEITH MCCONNELL

I, KEITH MCCONNELL of the City of Winnipeg, in the
Province of Manitoba, businessman,

MAKE OATH AND SAY THAT:

1. I am employed as the Chief Executive Officer of the
Manitoba Clinic Medical Corporation ("**Medco**") and The Manitoba
Clinic Holding Co. Ltd. ("**Realco**") (hereinafter collectively identified as
the "**Manitoba Clinic**"), the Applicants of an intended application under
the *Companies' Creditors Arrangement Act* (Canada) the ("**CCAA**")
and as such have personal knowledge of the facts and matters
hereinafter deposed to by me except where stated to be based on

information and belief, and where so stated, I do verily believe the same to be true.

Introduction & Overview

Nature of the Business

2. The records of the Manitoba Clinic disclose that it has been operating since 1946. It is the largest private clinic in the Province of Manitoba and as such, it plays a significant role in Manitoba's healthcare system. The Manitoba Clinic is comprised of two related corporations: Medco which operates as a multi-specialty clinic offering diverse healthcare services and Realco holds title to the real property, certain equipment and certain financial investments.

3. Medco generates 90% of its revenue by billing the Department of Health ("**Manitoba Health**") for services performed by physicians (the "**Physicians**") who enter into service agreements (the "**Service Agreements**") with Medco. Services consist of approximately 49,000 medical procedures per year including, inter alia, endoscopes, EKG's, visual field tests, x-rays, stress tests, ophthalmology laser procedures, obstetrical ultrasounds, EMG's and

infusion of biologic medications. Currently Medco has 71 physicians under Service Agreements.

4. Realco acts as landlord pursuant to a number of commercial leases, including in respect of Medco and is shareholder in certain companies.

Background

5. In 2010, the facility in which Medco was operating at the time required significant repairs, the costs of which were higher than the estimated value of the building. As a result, plans were made to construct a state of the art, ten story, facility located at 790 Sherbrook Street, Winnipeg (the “**Facility**”) comprising approximately 232,038 square feet in size, and adding two floors to the existing parkade (the “**Parkade**”) approximately 99,596 square feet in size.

6. Initially, expansion of the Parkade was to be done in partnership with the CancerCare Manitoba Foundation (“**CancerCare**”). The first phase of construction involved building the Facility for the Manitoba Clinic and expanding the Parkade. However, the second phase of construction, which was the construction of a new facility for CancerCare did not proceed. As a result, Realco was left

with the large Parkade, which had been designed to also accommodate the parking demand for CancerCare, and for which the costs of construction totaled approximately \$5,797,000.

7. The Facility became operational in December 2017. Realco leases 124,038 square feet of the Facility to Medco pursuant to a Memorandum of Lease dated October 18, 2016 (the “**Medco Lease**”). However, a significant portion of the space leased to Medco is currently unutilized.

Financial Statements

8. Now shown to me and marked as Exhibits to this my Affidavit are true copies of the Financial Statements prepared for the year ending December 31, 2021 and in particular:

- a) Exhibit "1" – Medco;
- b) Exhibit "2" – Realco;
- c) Exhibit "3" – Combined Medco and Realco.

These financial statements are still identified as in "draft" in part because of the Auditors' stated concerns regarding whether the companies can continue operations in the foreseeable future.

9. As a result of various challenges faced by the Manitoba Clinic, detailed hereinafter, the Manitoba Clinic has suffered operating losses each year from 2018 to present. The cumulative loss to the end of 2020 was approximately \$6,726,000, plus a further loss of \$1,575,314 in 2021.

10. As a result, the Manitoba Clinic has been unable to meet its obligations to their primary secured lender, the Canadian Imperial Bank of Commerce (the “**Bank**” or “**CIBC**”).

11. The Manitoba Clinic has been attempting to restructure its operations since early 2021. Such restructuring efforts have included, *inter alia*: (i) increasing tray fees charged by Physicians; (ii) attempting to recruit more Physicians; (iii) reducing support staff; (iv) hiring a listing agent to lease vacant space in the Facility; (v) undertaking two closed sales processes; (vi) selling surplus assets; (vii) increasing parking rates; (viii) adjusting the Physicians’ rate grid (the “**Rate Grid**”); and (ix) applying for and being awarded Manitoba Government Request for Service Agreement (RFSA) awards for endoscopic and holter monitoring, all of which is hereinafter discussed in further detail.

12. Notwithstanding the Manitoba Clinic's efforts with the support of the Bank to date the Manitoba Clinic has not been able to successfully restructure its debt and operations.

Corporate Structure

13. Medco and Realco are each incorporated pursuant to the laws of Manitoba.

14. Attached hereto and marked as Exhibit "4" to this my Affidavit is a true copy of a Manitoba Companies Office Search for Medco as of November 24, 2022.

15. Attached hereto and marked as Exhibit "5" is a true copy of a Manitoba Companies Office Search for Realco as of November 24, 2022.

16. Manitoba Clinic Holding (Parent) Co. Ltd. ("**ParentCo**") is a corporation incorporated pursuant to the laws of Manitoba and is the shareholder of Realco. Attached hereto and marked as Exhibit "6" is a true copy of a Manitoba Companies Office Search for ParentCo as of November 24, 2022.

Shareholders

17. The shareholders of Medco are 26 of the Physicians (as hereinafter defined) and 7 retired/resigned doctors. ParentCo is the sole shareholder of Realco.

Directors and Officers

18. The directors of Medco are Dr. Cory Stuart Baillie, Dr. David Connor, Dr. Marni Kora-Lee Hanna, Dr. Yan Lau, Dr. George Mathew, and Dr. John Mayba (together the “**Medco Directors**”).

19. The directors of Realco are all of the Medco Directors (the “**Realco Directors**”)

20. Dr. George Mathew is the appointed chair of the Board and has held that position since October 26, 2022. Prior to that date Dr. David Connor was the Board Chair.

Employees

Staff

21. As at November 24, 2022, 170 support staff members are employed by Medco and/or MB Realco. Payroll is the Manitoba Clinic’s

largest operating expense and represents 67% of the total recovered Overhead (as hereinafter defined) in 2020 from the Physicians.

CEO

22. On December 20, 2021, I accepted the role as Chief Executive Officer of Manitoba Clinic, taking over operations from Jeff Grapentine, the former Executive Director. In that respect the evidence set out herein pre-dating my role as CEO relies upon the business records of the Manitoba Clinic, my discussions with its directors and its legal counsel.

Realco Assets

Real Property

23. The primary asset owned by Realco is real property, namely the Facility and Parkade. The Facility and Parkade are located at the civic address of 790 Sherbrook Street in Winnipeg, Manitoba and are legally described on Manitoba Land Title Registry Title No. 2821678/1 as LOT 1 PLAN 58713 WLTO IN RL 5 AND 6 PARISH OF ST JOHN.

24. Attached hereto and marked as Exhibit "7" is Title No. 2821678/1 with respect to the land (the "**Land**", and together with the Facility and Parkade, the "**Real Property**") upon which the Facility and Parkade are located.

Leases

25. In addition to the Medco Lease, Realco leases space on the main floor of the Facility (the "**Commercial Leases**") to commercial tenants (the "**Commercial Tenants**"). The Commercial Tenants include the following businesses:

- a) Susan Heidinger;
- b) Shoppers Realty Inc.
- c) 10134213 Manitoba Ltd.;
- d) Winnipeg Hearing Aid Centre Ltd.;
- e) Gamma - Dynacare Central Medical Laboratories Limited Partnership ("**Dynacare**");
- f) Orthopedic Medical Supply Source; and
- g) Imperial vision Inc.;

26. When the Facility was built it was designed to house approximately 96 Physicians. Unfortunately, for various reasons discussed below Medco has never been able to engage that many

Physicians and as a result its lease for 124,038 sq. ft. of the Facility exceeds the space it actually requires and has historically been unable to generate the revenues necessary to pay the rent accruing under the Medco Lease.

27. To date, the Facility has approximately 52,000 square feet of space available for lease or sub-lease.

Equity in Dynacare

28. Realco holds a 20% stake in the equity of Dynacare, which operates one of the largest medical testing service providers in Canada across five provinces.

Equipment

29. Realco owns a large supply of medical equipment, with a book value of \$3,574,441.00.

Medco Assets

Equity in Libre MD

30. Medco holds one third of the shares consisting of 100 Common voting shares in LibreMD Corporation (“**LibreMD**”), which is

one of four certified electronic medical record service providers in Manitoba. In addition, the Medco is entitled to a perpetual licence to use the LibreMD software for free.

Revenue

31. As discussed above, the majority of the Medco revenue comes from invoicing Manitoba Health on behalf of Medco and the Physicians, jointly pursuant to the Service Agreements for procedures performed by the Physicians. The term of the Service Agreements is one year, auto-renewing annually subject to a 90-day notice provision for termination at any time by the Physician or Medco.

32. Each year, the Physicians are provided a monthly draw on their remuneration based on a percentage of their projected annual billings. At the end of the year, a final accounting is conducted and a “true up” payment is calculated after a Rate Grid which determines the overhead (the “**Overhead**”) and certain additional costs to be charged to each Physician based on a percentage of gross billings for the year. An additional “tweak” charge (the “**Tweak**”) is charged to the Physicians to address any shortfall experienced by Medco. The balance owed to the Physician (the “**True Up Payment**”) is paid after

deducting: (i) the monthly draws paid during the year; (ii) the Overhead recovery allocation (including any Tweak charge).

Bank and Credit Facility

33. Pursuant to a credit agreement from CIBC to Medco dated August, 11, 2017 as subsequently amended by Amendment No. 1 dated January 4, 2018; Amendment No. 2 dated March 29, 2019; and Amendment No. 3 dated December 31, 2018 (together, the “**Medco Credit Agreement**”), CIBC made available loans and certain credit facilities (the “**Medco Credit Facilities**”) to Medco pursuant and subject to the terms, conditions, obligations, representations and warranties of, *inter alia*, the Medco Credit Agreement. Attached hereto and marked as Exhibit “8” is a true copy of the Medco Credit Agreement.

34. The Medco Credit Facilities include, *inter alia*, a demand operating credit (the “**Medco Operating Credit**”) presently having a limit of \$6,250,000 and a shared credit limit maximum of \$9,250,000 with the Realco Operating Credit (as hereinafter defined).

35. It should be noted that there is also Demand professional fees facility for CIBC's professional fees (“**Professional Fees**

Facility") for professional fees up to October 31, 2021 as created by the Original Forbearance Agreement (as hereinafter defined).

36. Pursuant to a credit agreement between CIBC and Realco dated August, 11, 2017 as subsequently amended by Amendment No. 1 dated January 4, 2018; Amendment No. 2 dated March 29, 2019; Amendment No. 3 dated March 29, 2019; Amendment No. 4 dated December 31, 2018; Amendment No. 5 undated; and ISDA 2002 Master Agreement dated August 9, 2017 between Realco and CIBC as Hedge Provider (the "**Hedge Provider**") and Confirmation dated September 19, 2017 between MB Realco and the Hedge Provider (together, the "**Realco Credit Agreement**"), the Bank made available loans and certain credit facilities (the "**Realco Credit Facilities**") to Realco pursuant and subject to the terms, conditions, obligations, representations and warranties of, inter alia, the Realco Credit Agreement. Attached hereto and marked as Exhibit "9" is a true copy of the Realco Credit Agreement.

(Medco Credit Facility and Realco Credit Facility are hereinafter referred to as "**Credit Facilities**")

37. The Realco Credit Facilities include, inter alia:
- a) A Demand Operating Credit presently having a limit of \$3,000,000 and a shared credit limit maximum of \$9,250,000 with the Medco Operating Credit (the “**Realco Operating Credit**”, and together with the Medco Operating Credit, the “**Operating Credit**”);
 - b) A Demand Instalment Loan – Old MB Clinic Loan (the “**Dynacare Instalment Loan**”) in the amount of \$4,800,000;
 - c) A Demand Non Revolving Construction Loan – New MB Clinic Construction Loan (the “**Construction Loan**”) in the amount of \$61,000,000;
 - d) Demand Revolving Equipment Financing Loan (the “**Equipment Loan #1**”) with a credit limit of up to \$2,000,000;
 - e) Demand Revolving Equipment Financing Loan (the “**Equipment Loan #2**”) with a credit limit of up to \$1,000,000;
 - f) Demand Term Loan – Covid Related (the “**Covid Loan**”) in the amount of \$792,509; and
 - g) Interest Rate Hedge (the “**Interest Hedge**”) on the terms set out in the Master Agreement.

Cross Guarantees

38. Pursuant to the Credit Facilities Medco and Realco have cross guaranteed each other's debts, in particular:

- a) Unlimited Guarantee dated August 22, 2017 by Realco in favour of CIBC regarding the indebtedness of Medco to the

Lender (the “**Realco Guarantee**”), a true copy of which is attached hereto as Exhibit "10") to this my Affidavit;

- b) Unlimited Guarantee dated August 22, 2017 by Medco in favour of CIBC regarding the indebtedness of MB Realco to the Lender (the “**Medco Guarantee**”), a true copy of which is attached hereto as Exhibit "11" to this my Affidavit;
- c) Cross-Collateralization and Cross-Default Agreement dated April 15, 2021 (the “**Cross-Collateralization Agreement**”), CIBC and the Manitoba Clinic agreed that, inter alia, any mortgage, pledge, charge and security interest in the Real Property granted to and in favour of CIBC in respect of the Realco Credit Facilities as provided in the Realco Credit Agreement shall in addition to securing the indebtedness and obligations Realco also secure all indebtedness and obligations owed by Medco, Realco and ParentCo under the Medco Credit Agreement;

39. Also, pursuant to the Credit Facilities the Manitoba Clinic granted CIBC security over all its present and after acquired property including:

- a) General Security Agreement from Medco in favour of CIBC dated August 22, 2017 (the “**Medco GSA**”), a true copy of which is attached hereto as Exhibit "12" to this my Affidavit;;
- b) General Security Agreement from Realco in favour of CIBC dated August 22, 2017 (the “**Realco GSA**”), a true copy of which is attached hereto and marked as Exhibit "13" to this my Affidavit.
- c) Demand Debenture from Realco in favour of CIBC in the amount of \$75,000,000.00 dated August 22, 2017 at the Winnipeg Land Titles Office on August 28, 2017 as No. 4879369/1 (the “**Facility Debenture**”), a true copy of which

is attached hereto and marked as Exhibit "14" to this my Affidavit;

- d) General Assignment of Leases and Rents dated August 22, 2017 by Realco in favour of CIBC;
- e) Assignment of Specific Lease or Leases dated August 22, 2017 by Realco in favour of CIBC;

(together the "**Security**")

40. Now shown to me and marked as Exhibits "15" and "16" to this my Affidavit are true copies of the Manitoba Personal Property Registry searches for Medco and Realco disclosing that CIBC a first in time charge over the personal property of the Manitoba Clinic. The only other registrations are:

- a) CSI leasing Canada Ltd. with respect to specific leased equipment;
- b) Pattison Sign Group for a signage contract.

41. Now shown to me and marked as Exhibits "17" and "18" to this my Affidavit are true copies of the Bank of Canada security searches for Medco and Redco dated November 24, 2022 confirming there are no registrations.

42. The title search previously attached as Exhibit "7" to this my Affidavit disclosed that CIBC's Debenture was registered as the first mortgagee over the Real Property.

Indebtedness Owed to CIBC

43. As at November 23, 2022 the indebtedness owed by Medco to CIBC in respect of the Medco Credit Facilities totaled \$5,108,112.58 as follows:

Medco Operating Credit	\$4,325,259.01 CAD
Professional Fees Facility	\$782,853.57 CAD

44. As at November 23, 2022 the indebtedness owed by Realco to CIBC pursuant to the Realco Credit Facilities totaled \$59,683,665.71 as follows:

Realco Operating Credit	\$2,505,005.42 CAD
Dynacare Instalment Loan	\$nil CAD
Construction CDOR Loan	\$49,892,604.43 CAD
Construction Loan	\$5,309,400.49 CAD
Equipment Loan #1	\$1,181,304.19 CAD
Equipment Loan #2	\$nil

COVID Loan	\$795,351.18 CAD
Interest Hedge	\$nil CAD

45. It is anticipated that the Interest Hedge will be terminated prior to the hearing of the within Application as it is currently in a positive position.

Priority Payables

46. As at October 31, 2022, the Manitoba Clinic is current with respect to source deductions and other priority payables except GST. With respect to GST there is approximately \$92,000.00 outstanding.

Other Creditors

47. Manitoba Clinic endeavours to keep all ordinary creditors' obligations current. As at October 31, 2022 its payables totaled \$337,932.15.

48. Pursuant to the Service Agreements Medco has identified potential True-Up Payments remaining for 2021 of \$891,000.00. The amounts for 2022 are still under review.

Other Claims

49. I am not aware of any current litigation against either Medco or Realco.

PENSIONS

50. Medco has two pension plans for its current and former employees, both administered by Canada Life. The first plan is a defined benefits plan ("**DBP**") which is fully funded and provides pension benefits to a limited number of former employees of Medco. This plan currently has a surplus and no further payments are required from Medco. The second plan is a defined contribution plan ("**DCP**") which provides pension benefits to the employees, both current and former, who are included in that plan. Medco pays in at each pay period 5% of the gross wages of the employees in the DCP. These payments are current and up to date. Medco is entitled to use the DBP surplus to the make the DCP payments and is currently doing so. It is estimated that there is sufficient surplus to fund these payments until April, 2023.

Challenges

51. As discussed above, the Facility has approximately 52,000 square feet of space available for lease or sub-lease. Despite best efforts only 2,850 square feet has been leased since Cushman (as defined and discussed further below) was retained as leasing agent.

52. In addition to the vacancies with respect to unleased space, the space currently leased to Medco has capacity to accommodate up to approximately 96 Physicians. However, as at November 15, 2022 there are only 74 Physicians engaged, 10 of whom have given notice to cease providing services or go on medical leave by February 1, 2023. The failure to recruit a full complement of Physicians has negatively impacted the Manitoba Clinic's ability to generate income through invoicing Manitoba Health and its ability to recover its Overhead.

53. While the COVID-19 Pandemic has exacerbated the challenges faced, some issues pre-date the pandemic. For instance, the Manitoba Clinic does not control who may be granted hospital privileges and the Manitoba Clinic has faced difficulty obtaining

privileges for incoming Physicians. This has been a barrier to the Manitoba Clinic hiring and offering the services of qualified Physicians.

54. Further, the Manitoba Clinic has experienced difficulty and lack of access to building relationships with residents coming from universities such as the University of Manitoba, as the Clinic does not have access to the residency program.

The Bank's Concerns

55. Attached hereto and marked as Exhibit "19" is a true copy of a Letter from CIBC dated September 4, 2020 which disclosed that as a result of, *inter alia*, Manitoba Clinic's lack of liquidity and the use of the Operating Credit to fund expenses and True Up Payments to its Physicians, the Bank had concerns with the operation of the Credit Facilities and required for information while it reserved its rights.

56. The Manitoba Clinic responded by letter in November 2020. Attached hereto and marked as Exhibit "20" is a true copy of the Manitoba Clinic's letter dated November 3, 2020.

57. As a result, CIBC transferred the Manitoba Clinic to its Special Loans department. Furthermore, on December 2, 2020 with

Manitoba Clinic's consent, CIBC engaged Alvarez & Marsal Canada Inc. ("**A&M**") to conduct a business review of the Manitoba Clinic and provide ongoing monitoring.

Default and Demand

58. Manitoba Clinic is in breach of its obligations to CIBC which defaults CIBC has not waived.

59. Now shown to me and marked as Exhibits "21" and "22" to this my Affidavit are true copies of the demand letters dated February 24, 2021 (the "**Demands**") whereby CIBC demanded payment and provided notice of intention to enforce security under section 244 of the Bankruptcy and Insolvency Act, R.S.C. 1985, C. B-3. (the "**BIA**").

60. Now shown to me and marked as Exhibit "23" to this my Affidavit are true copies of a waiver dated February 24, 2021, (the "**Waiver**") whereby Manitoba Clinic waived the notice period under section 244 of the BIA and consented to the earlier enforcement of all security held by CIBC which was provided pursuant to the Original Forbearance Agreement detailed below.

61. Manitoba Clinic is also in default of its reporting obligations to CIBC as the requirement to provide 2021 Audited Financial Statements has not been complied with.

Lender Cooperation

62. Notwithstanding the defaults and February 24, 2021 demands, CIBC and its financial and legal advisors have worked closely with the Manitoba Clinic and its advisors. For more than 20 months, the Bank, its counsel, MLT Aikins LLP (“**MLTA**”) and its advisor A&M have been working closely with the Manitoba Clinic, its counsel, Taylor McCaffrey LLP and its advisor, MNP Ltd. to restructure of the Manitoba Clinic’s debt and operations in reviewing the Manitoba Clinic’s restructuring initiatives, included but not limited attending weekly/bi-weekly conference calls and reviewing cash flows.

Original Forbearance Agreement

63. By February 2021, Manitoba Clinic was projected to exceed the maximum credit limit available on the operating credit facilities. As a result, there were issues with payment of the True Up Payments to the Physicians.

64. The historical records of Manitoba Clinic disclose that the True Up Payments were paid in full in mid-February of each year. However, beginning in 2019 due to cash flow issues, the True Up Payments were made partially in February with the balance to be paid later in the year. I am informed by Dr. Connor that the Manitoba Clinic was concerned that a lengthy deferral of True Up Payments might cause Physicians to consider terminating their individual Service Agreements with Medco. The concern was, in part, that the Physicians had already earned the payments (subject to the allocation of Overhead and the Tweak) and any undue delay, deferral or uncertainty of these payments would not only prejudice their individual financial situation but might cause them to move their practices elsewhere.

65. To facilitate the prompt payment of outstanding True Up Payments and to allow the Manitoba Clinic to develop a detailed performance improvement plan addressing and considering solutions to its business challenges (the “**Optimization Plan**”), the Manitoba Clinic entered into a Forbearance Agreement on February 24, 2021. (the “**Original Forbearance Agreement**”)

66. Pursuant to the Original Forbearance Agreement:
- a) The Bank increased the maximum limit on the Operating Facility to \$9,250,000 from \$7,000,000;
 - b) The Manitoba Clinic agreed to prepare and share with the Bank an Optimization Plan which would address the following issues: (i) cost reduction (operational and general and administrative); (ii) revenue generation mix for medical services, leasing and ancillary revenues; (iii) strategies as to cost recovery (negative to positive after debt service); (iv) a plan to address vacancy and leasing opportunities on Real Property; (v) review and evaluate the Service Agreements and calculations; and (vi) shareholder equity support thereunder by March 10, 2021.
67. The Manitoba Clinic provided the Bank with its draft Optimization Plan on March 22, 2021. I am informed by Dr. Connor that during a conference call on March 23, 2021 with CIBC and its advisors, the Bank advised that the draft Optimization Plan was not acceptable and the Clinic, as it failed to address fundamental issues and that an alternate optimization plan (the “**Alternate Optimization Plan**”) needed to be prepared.

Second Amendment

68. The Original Forbearance Agreement was amended by the Second Amending Agreement dated March 29, 2021, pursuant to which the it was agreed, *inter alia*:

- a) The Manitoba Clinic would provide the Alternate Optimization Plan to the Bank by April 9, 2021 which shall:
(i) address all of the issues required in the Optimization Plan; and (ii) shall be supported by a five (5) year business plan (the “**5 Year Business Plan**”) to be provided to the Secured Creditor by April 9, 2021;
- b) The committee struck to review and make recommendations to the Board of Medco in respect of the Overhead Rate Grid was to use commercially reasonable best efforts to provide the Bank with an outline (the “**Overhead Committee Outline**”) of its intended plan and timeline to complete by April 1, 2021 and in any event by no later than April 7, 2021.

69. The Alternate Optimization Plan was provided to CIBC by the Manitoba Clinic on April 9, 2021. I am informed by Dr. Connor that during a meeting between with CIBC on May 19, 2021, the Bank advised that the Alternate Optimization Plan was not acceptable to the Bank, because, among other reasons, pursuant to the Alternate Optimization Plan, Medco would suffer a net cash flow deficiency of approximately \$9,500,000 over the next five years.

70. I am informed by Dr. Connor that the Bank was also concerned that the former management of the Manitoba Clinic did not appreciate the urgency of the situation. CIBC advised that it was willing to continue to work with the Manitoba Clinic, but this would require it to develop a more acceptable Optimization Plan which would pull all

possible levers and implement them in a timely manner in order to make the Manitoba Clinic profitable and not simply cash flow neutral.

Amended and Restated Forbearance Agreement

71. On June 17, 2021, the CIBC and Manitoba Clinic entered into an Amended and Restated Forbearance Agreement (together with the Original Forbearance Agreement, the “**Amended Forbearance Agreement**”), which amended and restated the Original Forbearance Agreement (and amendments) and further provided, *inter alia* that the Manitoba Clinic would:

- a) Provide to the Bank a draft copy of a revised alternate optimization plan (the “**Revised Optimization Plan**”) by June 18, 2021 followed by a final copy approved by the Board by June 23, 2021, both of which shall: (i) address all of the issues required in the Optimization Plan, and (ii) shall be supported by a five (5) year business plan (“**5 Year Plan**”); and
- b) Provide the Overhead Committee Outline, which had still not been received by the Bank by June 16, 2021.

Revised Optimization Plan and Implementation

72. The Revised Optimization Plan was accepted by the Bank and in early July 2021, the Manitoba Clinic began to work on a plan to implement the Revised Optimization Plan (the “**Implementation**”).

Plan”). This was provided to CIBC on or about October 15, 2021 and included a timeline and process in which the Manitoba Clinic intended to achieve the milestones identified in the Revised Optimization Plan.

Physician Recruitment

73. The Revised Optimization Plan included the recruitment of at least 10 new Physicians to Medco. Accordingly, the Medco Board created a Physician Recruitment Committee which first met on September 13, 2021. The Recruitment Committee attempted to recruit new physicians through efforts such as: i) direct sourcing and meetings with potential recruits; ii) building relationships with physicians; and iii) sending out a “mailer” to 1500 physicians.

74. Between September 30, 2021 and July 4, 2022, 11 Physicians had terminated their respective Service Agreements and left the Manitoba Clinic, and one additional Physician gave notice of retirement for December 2022. Notwithstanding ongoing recruitment efforts, only eight new Physicians were recruited during this time period.

Leasing Vacant Space and Sales Process

75. On or about August 19, 2021, the Manitoba Clinic engaged Capital Commercial Real Estate Service Inc. to assist with leasing the unleased space in the Facility. By November 2021, none of the space had been leased. At the time, CW Stevenson Inc. ("**Cushman**") had been engaged by CIBC's legal counsel to assess how to best address the vacancy issues at the Facility. However, upon the Manitoba Clinic's request, this engagement was terminated to allow the Manitoba Clinic to engage Cushman to list the Real Property for lease.

76. In August 2021, a closed private sales process for three parties that had expressed interest was conducted. One offer was received, however it was not acceptable to either the Manitoba Clinic or CIBC.

77. In February 2022, Cushman conducted a second closed sale process for one party that had expressed an interest. To date no offer has been received.

Sale of Assets

78. On July 5, 2021, Realco entered into an Agreement for Sale and Purchase (the “**Sale Agreement**”) with respect to a surface parking lot (the “**Surface Lot**”) owned by Realco and located at the civic address 633 McDermot Avenue in Winnipeg Manitoba. The net proceeds from this sale were applied to Realco's CIBC debt.

Staff Reduction

79. A 6.25 hour per week reduction for medical office assistant staff was implemented in August 2021. Additionally, between July 1, 2021 and mid-March, 2022, staffing was reduced by 14 employees.

Task Force

80. In July 2022, the Manitoba Clinic submitted a proposal to work with the Province’s task force (the “**Task Force**”) which had been established to address backlogs in the healthcare system caused by the COVID-19 pandemic.

81. On August 15, 2022, Medco was contracted to perform endoscopies and holter by the Task Force.

Recent Events

82. On July 13, 2022 the Realco Board passed a resolution directing me to have Cushman run a third sales process (the “**Third Sales Process**”) with respect to the Real Property. However, the Bank expressed some concern that (i) Cushman had not first been retained to provide commentary on the sale process plan; and (ii) the Manitoba Clinic had not determined the amount of space required by Medco.

83. With respect to the vacant clinical spaces, the Manitoba Clinic sought to maximize the contiguous vacant space by consolidating its existing operations. Manitoba Clinic then retained a space planner who recommended relocating all staff on the 6th and 10th floors to other floors, leaving the entire 6th floor and most of the 7th and 10th floors vacant for a new tenant(s). The vacant clinical space has not yet been consolidated and 44,398 square feet of space in the Facility remains vacant and unutilized.

84. Between October 20, 2022 and November 17, 2022, thirteen additional Physicians gave notice that they would be terminating their respective Service Agreements.

85. In response, Manitoba Clinic proposed that Medco's Guarantee of Realco's debt to CIBC be capped and reduced to a "reasonable amount" and the lease be reduced by an unknown amount to strengthen Medco's balance sheet which it believes to be necessary to retain Physicians and create a stronger anchor tenant, before Realco launches into the third sale process. CIBC would not consider this request without receiving supporting cash-flows and information as to (i) the overall debt that would remain after a sale of the Facility; (ii) the terms of the restructured lease; and (iii) whether Medco could afford rent under the restructured lease. CIBC also requested Manitoba Clinic provide cash-flows and explore the possibility of selling Realco's shares in Dynacare.

86. On November 8, 2022, Manitoba Clinic provided the Bank with a cash-flow forecast in which sale of the Facility was assumed. It disclosed an approximate \$1 million loss in 2022 and a \$1.1 million loss in 2023 which would necessitate the remaining Physicians having to make Tweak payments in each of December 2022 and 2023 to make up the shortfall. Historically, the payment of Tweak amounts has been an ongoing point of issue with the Physicians.

87. Following the resignation of the Physicians Manitoba Clinic's Legal counsel and I met with CIBC and its legal and financial advisors on November 22, 2022. They informed that CIBC was no longer prepared to continue financial support without the Manitoba Clinic first entering into a formal restructuring process on or before November 30, 2022 failing which the Credit Facility would be terminated and CIBC's security enforced.

Preliminary Strategy

88. Notwithstanding the support of the Bank and the input of A&M and the following efforts made, the Manitoba Clinic has not been able to restructure its debt and operations to achieve profitability on an informal basis. Efforts have included:

- a. Engaging MNP LLP (“**MNP**”) as its advisor;
- b. Revising and implementing the Rate Grid;
- c. Reducing support staff members;
- d. Recruiting more Physicians;
- e. Hiring Cushman to list the Facility and decrease vacancies;
- f. Conducting two sales processes;
- g. Entering into multiple forbearance agreements with CIBC;
- h. Sale of the Surface Lot; and

- i. Increasing Parkade rates and adding monthly parkers.

89. The Manitoba Clinic has determined that it must make an application to this Court for an Order under the CCAA, due to, *inter alia*, the following:

- a) The Medco and Realco are insolvent;
- b) The Manitoba Clinic is responsible for providing approximately 49,000 medical procedures per year and approximately 306,000 Physician visits by patients occur each year. If the Manitoba Clinic were to cease its operations, it would cause significant stress to Manitoba's health care system, the Physicians and patients, including the inner-city community. Therefore, it is critical that the Manitoba Clinic continue its operations;
- c) The ongoing risk of further Physician resignations without addressing the Manitoba Clinic's profitability. This is an urgent and time-sensitive matter;
- d) The indebtedness owed to CIBC is significant;
- e) Each of Medco and Realco are in default of their respective obligations to CIBC;
- f) In order to protect the Manitoba Clinic's respective estates, including the Real Property and other assets and property, and to maximize recoveries therefrom;
- g) In order to protect the interests of the Manitoba Clinic, CIBC, the Physicians, staff, and other stakeholders, the Boards of Medco and Realco passed resolution that they seek an Order under the CCAA, which is in the interest of and intended to benefit all of the Manitoba Clinic's stakeholders;
- h) In order to create stability for the remaining Physicians;

- i) In order to restructure the Medco Lease in a reasonable and efficient manner;
- j) In order to conduct and consider a new sale and investment solicitation process in an efficient manner;
- k) In order to explore opportunities available with third parties such as the Province of Manitoba in an efficient and productive manner;
- l) In order to successfully restructure, the Manitoba Clinic requires stability and a coordinated process which the involvement Court-appointed Monitor with enhanced powers can help facilitate;
- m) The appointment of a Monitor is necessary in the interest of transparency and to ensure cooperation by the Manitoba Clinic and to allow access to critical information from the Manitoba Clinic;
- n) The Order proposed is in the best interests of the Manitoba Clinic and its stakeholders; and
- o) The appointment of the Monitor with enhanced powers to restructure and to conduct a sales and investment solicitation process is necessary in order to maximize the value of the Real Property and other assets and property of the Manitoba Clinic.

Proposed Monitor

90. A&M has been intimately involved with this file since Fall 2020. It would be reasonable and efficient for A&M to be appointed the Monitor with enhanced powers, given its extensive knowledge of the Manitoba Clinic and the challenges faced.

91. A&M is qualified to act as Monitor and has consented to act as Monitor if so appointed by this Court.

Financial Position

Cash-Flows

92. The Manitoba Clinic is, with A&M's assistance, preparing cash-flow forecast for the 13-week period from the week ending December 2, 2022 to the week ending in February 24, 2023 (the “**Cash-Flow Statement**”). This Cash-Flow Statement will be filed with this Court as part of A&M's Pre-filing Report and demonstrates that additional financing is urgently needed to provide the Manitoba Clinic with the required liquidity for continued operations in the ordinary course.

93. Regarding the Cash-Flow Statements:

- a) The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the notes to the Cash-Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Manitoba Clinic and provide a reasonable basis for the projections. All such assumptions are disclosed in the notes to the Cash-Flow Statement;

- b) Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material; and
- c) The projections have been prepared solely for the purpose described in the notes to the Cash-Flow Statement, using the probable and hypothetical assumptions set out in the notes. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Relief Sought

94. I have been advised by David Jackson of Taylor McCaffrey LLP that due to the 2019 amendments to the CCAA the Initial Order contemplated under the statute cannot provide for a stay of proceedings for more than 10 days which, *inter alia*, was designed in part to minimize the first-day order relief with the balance of the relief to be provided at a subsequent hearing to be scheduled before the expiry of the initial stay. I am advised by David Jackson that thanks to the CIBC's counsel's booking inquiries with the Court Registry it was determined that the Justice available to hear this matter on November 30, 2022 was only otherwise available within the 10 day period and when CIBC's counsel would be available on December 1, 2022. As such, Manitoba Clinic's intention is to conduct the initial hearing on November 30, 2022 and, assuming that the Initial Order is granted,

come back on December 1, 2022 to seek approval of an Amended and Re-stated Initial Order which provides all of the relief being sought.

DIP Charge

95. CIBC has agreed to provide an Interim Financing Facility ("**DIP Facility**") which will enable Manitoba Clinic to carry out its restructuring efforts, conditional upon its receipt and satisfaction (in its sole discretion) of the Cash-Flow Statement. Attached hereto and marked as Exhibit "24" to this my Affidavit is a true copy of the draft term letter for the DIP Facility dated November 30, 2022 (the "**Term Letter**"). The Term Letter identifies the maximum amount available at \$4,000,000.00. To my knowledge and based upon my inquiries with Manitoba Clinic's legal and financial advisors there is unlikely to be other lender who would be prepared to provide such financing on such an expedited basis other than the existing lender, CIBC.

96. The amount of the DIP Loan is reasonably necessary for the continued operation of Manitoba Clinic in the ordinary course of business and the interest rate is market rate for this type of lending.

97. The DIP Loan is conditional on, among other things, the granting of a super-priority charge over the Manitoba Clinic's Property subject only to the Administration Charge (as defined below).

Administrative Charge

98. With CIBC's permission A&M has agreed to act as Monitor in this proceedings if the Court is prepared to grant the application being sought. I am advised by Orest Konawalchuk of A&M that the Monitor will also require independent legal counsel.

99. The Applicants have previously engaged the law firm of Taylor McCaffrey LLP of Winnipeg, Manitoba as its insolvency and restructuring counsel in regard to this application.

100. Given the very difficult financial circumstances facing Manitoba Clinic both A&M and Taylor McCaffrey LLP have requested as a condition of accepting the engagement that the Manitoba Clinic's application include requests that the Initial Order include an administrative charge on its assets in priority to all of the other claims in the amount of \$500,000.00. It is to secure the payment of their professional fees and disbursements incurred for the purposes of CCAA proceedings. I understand that the quantum and priority of this

requested charge is not objected to by CIBC. The ongoing assistance of A&M, its legal counsel and Taylor McCaffrey LLP is essential to enable the Manitoba Clinic to restructure its business and financial affairs as contemplated.

Directors and Officers Protection

101. A successful restructuring of Medco and Realco will only be possible with the continued participation of their respective Boards of Directors, Officers and key management personnel. These personnel are essential to the continuing business of the Manitoba Clinic. Its directors and officers have years of experience in the medical professional. This specialized expertise and the relationship that they have forged with Manitoba Clinic's suppliers, employees and other stakeholders cannot be easily replaced.

102. I am advised by David Jackson that in certain circumstances directors can be held personally liable for certain obligations of a company owing to:

- a) Employees including unpaid wages, salaries accrued, vacation pay, certain pension amounts and other benefits;
- b) The Federal and Provincial Governments and Government Agencies including payroll remittances, sales taxes, goods

and services tax, withholding taxes and Worker's Compensation remittances.

103. Manitoba Clinic maintains directors and officers liability insurance (the "**D&O Insurance**") through Great American Insurance Group for the director and officers, a true copy of which is attached hereto and marked as Exhibit "25" to this my Affidavit.

104. The current D&O Insurance Policy provides \$2 million in coverage.

105. In addition there are contractual indemnities which have been given by the Manitoba Clinic to their directors. The Manitoba Clinic does not have sufficient funds to satisfy these indemnities should the directors be found responsible for the full amount of the potential directors' liabilities.

106. The directors of the Medco and Realco have indicated that due to the potential significant personal liability, they cannot continue their services or involvement in the restructuring unless the Initial Order under the CCAA includes a charge on the assets, property and undertaking of the Applicants in priority to all other charges except the administration charge and the DIP Charge to indemnify them for

potential liabilities. The Manitoba Clinic has worked closely with the directors and A&M in an attempt to quantify these potential directors' liabilities. While there is D&O Insurance, it is subject to numerous limitations and exclusions that may potentially leave the directors exposed to personal liability. The proposed charge is intended to protect the directors against exposure only to the extent that it is not covered otherwise by the D&O Insurance. It is proposed that the directors and officers of Manitoba Clinic be granted an officers' and directors' charge in an amount of which is still to be determined and will be provided to the Court separately ("**Director's Charge**") over Manitoba Clinic's property. The Manitoba Clinic believes the Director's Charge is fair, reasonable and necessary in the circumstances.

Other Matters

107. In order to facilitate and encourage the continued participation of Manitoba Clinic's officers and key management personnel who are required to guide Manitoba Clinic through to a successful restructuring in consultation with A&M and CIBC a key employee retention plan ("**KERP**") has been developed. In consultation with A&M and CIBC Manitoba Clinic has agreed to provide

retention bonuses to three key employees including myself to be secured by a KERP charge in the amount of \$100,000.00 which will rank after the Directors' Charge. These retention bonuses are structured such that the first tranche of \$50,000.00 will only become payable to the extent that these employees remain after week 13 of the current Cashflow Statement. The second tranche of \$50,000.00 will only become payable should the Proposed Monitor seek to initiate a sales and investor process ("SISP") (subject to Court approval) and the Key Employees remain and assist as required until the SISP is completed and a successful plan or transaction has been closed.

108. There is a similar concern with respect to the Physicians 2021 and 2022 True-Up Payments. I am concerned that failure to make True-Up Payments would discourage retention of the Physicians during the proposed restructuring. In consultation with CIBC and A&M, Manitoba Clinic proposes that the Monitor be granted the discretion during the restructuring period to make True-Up Payments to those Physicians who have not given notice terminating their Service Agreements with Medco.

Conclusion

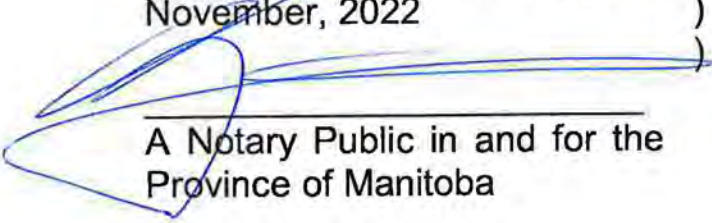
109. I submit that the granting of the Initial CCAA Order sought by the Manitoba Clinic is in its best interest of all of its stakeholders. Manitoba Clinic requires a stay of proceedings and DIP financing in order to restructure Medco and complete a sales process of the Real Property. It is my understanding that CIBC insists upon this application for its continued support provided that A&M is authorized to carry out its monitoring role and take on certain enhanced powers over cash flow, restructuring and the sales process. The additional funding necessary to maintain the liquidity of the Manitoba Clinic is only available as part of this CCAA proceeding.

110. Without the breathing space afforded by the stay of proceedings to complete the restructuring and sales process Manitoba Clinic will not be able to continue operating and would be required to wind down its operations. This would result in significant prejudice to all stakeholders.

111. I make this Affidavit *bona fide* and in support of an intended applicant under the CCAA.

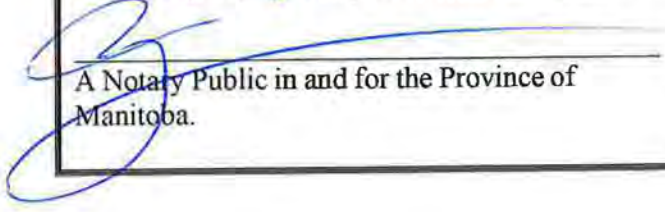
SWORN before me at the City)
of Winnipeg in the Province of)
Manitoba, this 28th day of)
November, 2022)



KEITH McCONNELL

A Notary Public in and for the
Province of Manitoba

This is **Exhibit "1"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.



A Notary Public in and for the Province of Manitoba.

Financial Statements of

MANITOBA CLINIC MEDICAL CORPORATION

December 31, 2021

PRIVATE AND CONFIDENTIAL

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Manitoba Clinic Medical Corporation

Opinion

We have audited the financial statements of Manitoba Clinic Medical Corporation (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statements of loss and deficit and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Clinic Medical Corporation as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) of the financial statements which describes the uncertainty related to the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Winnipeg, Manitoba
date

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MANITOBA CLINIC MEDICAL CORPORATION
Statement of Loss and Deficit
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
INCOME		
Fees	\$ 45,778,789	\$ 41,674,548
OPERATING EXPENSES - Schedule 1	11,717,611	9,756,785
INCOME BEFORE UNDERNOTED	34,061,178	31,917,763
MEDICAL FEES - ASSOCIATES - Schedule 2	19,669,692	15,937,759
MEDICAL SERVICE FEES - Schedule 3	15,620,090	15,980,004
	35,289,782	31,917,763
LOSS BEFORE INCOME TAXES	(1,228,604)	-
PROVISION FOR INCOME TAXES	-	-
NET LOSS	(1,228,604)	-
RETAINED EARNINGS, BEGINNING OF YEAR	12,618	12,618
(DEFICIT) RETAINED EARNINGS, END OF YEAR	\$ (1,215,986)	\$ 12,618

MANITOBA CLINIC MEDICAL CORPORATION
Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 2,124	\$ 1,797
Investment in LibreMD	100	100
Accounts receivable (Note 4)	1,394,468	3,222,077
GST receivable	11,513	-
Advances to related parties (Note 4)	400,606	-
Medical supplies, at cost	219,906	178,259
Prepaid expenses	46,470	252,541
	2,075,187	3,654,774
ADVANCES TO RELATED PARTIES (Note 4)	3,252,518	3,252,518
FIXED ASSETS (Note 3)	3,574,441	4,261,087
	\$ 8,902,146	\$ 11,168,379
LIABILITIES		
CURRENT		
Bank indebtedness (Note 5)	\$ 1,519,159	\$ 2,327,418
Accounts payable and accrued liabilities	2,524,165	3,212,027
GST payable	-	14,187
Associates medical fees payable - Schedule 2	3,138,329	2,473,063
Medical service fees payable - Schedule 3	2,394,168	2,138,835
Advances from related parties (Note 4)	279,422	727,342
	9,855,243	10,892,872
CONTINGENCY (Note 8)		
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	262,889	262,889
(Deficit) retained earnings	(1,215,986)	12,618
	(953,097)	275,507
	\$ 8,902,146	\$ 11,168,379

APPROVED BY THE BOARD:

..... Director

..... Director

MANITOBA CLINIC MEDICAL CORPORATION
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Net loss	\$ (1,228,604)	\$ -
Items not affecting cash		
Amortization of fixed assets	912,819	952,785
	(315,785)	952,785
Changes in non-cash operating working capital items		
Accounts receivable	1,827,609	1,528,583
Medical supplies, at cost	(41,647)	(67,051)
Prepaid expenses	206,071	(3,186)
Accounts payable and accrued liabilities	(687,862)	2,035,612
GST payable	(25,700)	255
Associates medical fees payable	665,266	(504,557)
Medical service fees payable	255,333	(451,314)
	1,883,285	3,491,127
FINANCING ACTIVITIES		
Decrease in bank indebtedness	(808,259)	(633,394)
Repayment of advances from related parties	(447,920)	(2,166,106)
	(1,256,179)	(2,799,500)
INVESTING ACTIVITIES		
Acquisition of fixed assets	(226,173)	(691,713)
Advances to related parties	(400,606)	-
	(626,779)	(691,713)
NET INCREASE (DECREASE) IN CASH	327	(86)
CASH, BEGINNING OF YEAR	1,797	1,883
CASH, END OF YEAR	\$ 2,124	\$ 1,797

MANITOBA CLINIC MEDICAL CORPORATION
Notes to the Financial Statements
December 31, 2021

1. DESCRIPTION OF BUSINESS

The Manitoba Clinic Medical Corporation provides medical services to the public and undertakes clinical trials on behalf of pharmaceutical companies.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises and reflect the following significant accounting policies:

a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises on a going concern basis. This presumes that the Corporation will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

However, there is doubt about the appropriateness of the going concern assumption given the Corporation has a decrease in revenue, including the significant negative impact of the Covid-19 pandemic, and a significant working capital deficiency. Further, the Corporation guarantees the debt of Manitoba Clinic Holding Co. Ltd., which has operating losses and a working capital deficiency.

The Corporation is dependent upon the continued support of its shareholders and lender, and on its ability to achieve and maintain profitable operations. Management is confident that the Corporation will continue to receive the support necessary from its shareholders and is working with the lender and advisors to enact operational changes to restore and then maintain its profitability.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management believes that the measures described above that it took or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

b) Fixed assets

Fixed assets are recorded at cost and are being amortized on a diminishing-balance basis with the exception of EMR Software, which is amortized on a straight line basis over ten years. In the year of acquisition, one-half of the rate is applied. The applied rates are described in Note 3.

c) Risk management

Financial risk

The financial risk is the risk to the Corporation's earnings that arises from fluctuations in interest rates and the degree of volatility of those rates. The Corporation does not use derivative instruments to reduce its exposure to interest risk.

MANITOBA CLINIC MEDICAL CORPORATION
Notes to the Financial Statements
December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Risk management (continued)

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. In addition, the Corporation is exposed to credit risk from its customers. However, a significant portion of the Corporation's accounts receivable are from Manitoba Health which minimizes credit risk.

d) Income taxes

The Corporation has elected to account for income taxes using the taxes payable method and does not recognize future income tax assets and liabilities.

e) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts and the useful life of fixed assets. Actual results could differ from these estimates.

f) Revenue recognition

The Corporation recognizes revenue when persuasive evidence of an arrangement exists, medical services are performed, the fee for the service is fixed or determinable and collection is reasonably assured.

g) Pension plan

The Corporation has a defined benefit plan and a defined contribution plan. The defined benefit plan is a multi-employer plan, however, insufficient information is available to use defined benefit plan accounting, and therefore, the defined benefit plan is accounted for as a defined contribution plan.

h) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Corporation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

MANITOBA CLINIC MEDICAL CORPORATION
Notes to the Financial Statements
December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Corporation recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

3. FIXED ASSETS

	2021			2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 2,780,566	\$ 2,172,285	\$ 608,281	\$ 744,718
Medical equipment	7,908,710	5,917,356	1,991,354	2,399,709
Computer software	859,179	859,179	-	60
EMR software	1,031,812	406,557	625,255	728,437
Computer hardware	2,196,042	1,846,491	349,551	388,163
	\$ 14,776,309	\$ 11,201,868	\$ 3,574,441	\$ 4,261,087

MANITOBA CLINIC MEDICAL CORPORATION
Notes to the Financial Statements
December 31, 2021

4. RELATED PARTY BALANCES AND TRANSACTIONS

The advances to / from related parties are non-interest bearing, have no terms of repayment, and are unsecured.

	2021	2020
<i>Advances to related parties are as follows:</i>		
Long-term		
Manitoba Clinic Holding (Parent) Co. Ltd.	\$ 3,252,518	\$ 3,252,518
Current		
Manitoba Clinic Holding Co. Ltd.	400,606	-
	\$ 3,653,124	\$ 3,252,518
<i>Advances from related parties are as follows:</i>		
Current		
Manitoba Clinic Holding Co. Ltd.	\$ -	\$ 447,920
Furby Management Services Limited Partnership	279,422	279,422
Balance, end of year	\$ 279,422	\$ 727,342

	2021	2020
<i>Accounts receivable</i>		
Manitoba Clinic Holding Co. Ltd.	\$ 142,249	\$ 1,457,412
<i>Accounts payable</i>		
Manitoba Clinic Holding Co. Ltd.	\$ 330,840	\$ -

These balances are subject to normal trade terms and have arisen from the provision of services referred to below.

	2021	2020
<i>Related party transactions</i>		
Manitoba Clinic Holding Co. Ltd. -		
Administrative fees recorded as income	\$ 253,176	\$ 253,176
Rental and parking expense	\$ 4,156,617	\$ 2,756,947

The entities are related due to having common control by a similar ownership group.

These transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

MANITOBA CLINIC MEDICAL CORPORATION
Notes to the Financial Statements
December 31, 2021

5. BANK INDEBTEDNESS

The Corporation and The Manitoba Clinic Holding Co. Ltd. have an available combined operating line of \$9,250,000. This operating line is due on demand, and bears interest at prime.

As at year end the Corporation has drawn upon \$1,295,705 of this credit facility, with the remaining balance of bank indebtedness being represented by outstanding cheques. The Manitoba Clinic Holding Co. Ltd. had drawn upon \$2,876,638 of the operating line.

Security for the operating line, as well as the credit facilities of The Manitoba Clinic Holding Co. Ltd., is provided by a general security agreement, creating in favour of the lender, a first-priority security interest over all of the tangible and intangible assets of both the Corporation and The Manitoba Clinic Holding Co. Ltd.

As part of the terms of the CIBC lending facility agreement, the Corporation is subject to certain restrictive financial covenants. At December 31, 2021, the Corporation was in compliance with the financial covenants.

6. STAFF PENSION PLANS

The Corporation and The Manitoba Clinic Holding Co. Ltd. have a defined benefit pension plan covering 8 current and 21 former employees. All other employees are members of a defined contribution pension plan.

The defined benefit plan includes employees from both the Corporation and The Manitoba Clinic Holding Co. Ltd., and insufficient information is available to use defined benefit plan accounting. Therefore, the defined benefit plan is accounted for as a defined contribution plan.

Based on the actuarial valuation report as at December 31, 2018, the present value of the accumulated benefits for the defined benefit plan was \$4,845,000, and the market value of the assets available to provide these benefits was \$5,598,000 resulting in a pension plan solvency excess of \$733,000 after expense reserve as at December 31, 2018. During the year, the board of the Corporation approved a plan to restructure the types of investments made by the Plan, to annuitize any current obligation to all participants and to wind up the defined benefit plan when the last active plan member is annuitized.

The net expense for the Corporation's benefit plans is as follows:

	2021	2020
Defined benefit plan	\$ -	\$ -
Defined contribution plan	9,140	274,524
	<u>\$ 9,140</u>	<u>\$ 274,524</u>

MANITOBA CLINIC MEDICAL CORPORATION
Notes to the Financial Statements
December 31, 2021

7. SHARE CAPITAL

Authorized	
Unlimited	Class A voting preference shares, with no dividend entitlement, redeemable and retractable at \$.10 per share
Unlimited	Class B non-voting preference shares, non-cumulative dividends of between 1% and 12% of the redemption price, redeemable and retractable at \$1 per share
Unlimited	Class C non-voting preference shares, non-cumulative dividends of between 1% and 12% of the redemption price, redeemable and retractable at issuance price
Unlimited	Common voting shares

	2021	2020
Issued		
33 Common Shares (2020 - 33)	\$ 262,889	\$ 262,889

During the year nil common shares (2020 – nil) were issued and nil common shares (2020 - nil) were redeemed for net cash consideration of \$Nil (2020 – \$nil).

8. CONTINGENCY

The Corporation has undertaken to guarantee, to an unlimited extent, the bank indebtedness and long-term debt of The Manitoba Clinic Holding Co. Ltd. At December 31, 2021, the total of bank indebtedness and long-term debt of The Manitoba Clinic Holding Co. Ltd. was \$61,623,665 (2020 - \$63,544,492).

9. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Corporation in future periods.

MANITOBA CLINIC MEDICAL CORPORATION
Statement of Operating Expenses
Year Ended December 31, 2021

Schedule 1

	2021	2020
Amortization of fixed assets	\$ 912,819	\$ 952,785
Audit and legal	318,600	32,498
Bank charges	19,845	21,380
Computer consulting and repairs	124,111	138,873
Courier service	7,706	7,337
Insurance	244,144	239,478
Interest	94,162	110,403
Laundry	26,658	21,994
Linen	32,500	63,770
Maintenance and service agreements	111,462	110,222
Medical instruments and supplies	484,055	449,520
Miscellaneous recoveries	(396,222)	(312,374)
Printing, postage and stationery	264,570	231,534
Rent - building and parking (Note 4)	4,156,617	2,756,947
Repairs and maintenance	14,901	22,698
Salaries & benefits	5,300,010	5,599,911
Government subsidies	(148,818)	(837,992)
Staff meetings	30	4,787
Telephone	150,461	138,259
Travel	-	4,755
	\$ 11,717,611	\$ 9,756,785

MANITOBA CLINIC MEDICAL CORPORATION
Statement of Associate Medical Fees Payable
December 31, 2021

Schedule 2

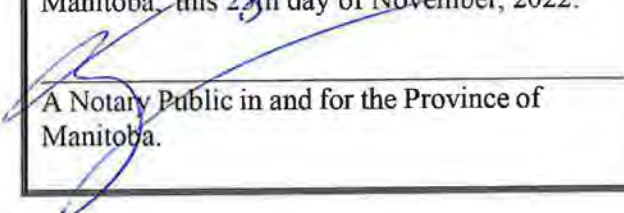
	Medical Service Fees net of overhead	Payments	Payable at December 31, 2021	Payable at December 31, 2020
Dr. A Al-Kaabi	\$ 402,994	\$ 346,140	\$ 56,854	\$ 5,385
Dr. Ibrahim Abdelgadir Medical Corporation	496,847	482,979	13,868	28,309
Dr. Muhammad Zahid Ansari Medical Corporation	504,089	385,069	119,020	102,439
Dr. Robert A. Beldavs Medical Corporation	1,292,691	1,193,456	99,235	18,384
Dr. Brian Blakely	286	286	-	480
Dr. N. Bowman	4,975	4,942	33	4,485
Christopher Michael Hohl Medical Corporation	11,651	9,823	1,828	2,448
Dr. Amber Cogar	207,200	172,354	34,846	57,393
Coombs Medical Corporation	154,375	112,210	42,165	14,233
Dr. Faith Cormier	148,257	139,266	8,991	45,013
Dr. W. Czamecki Medical Corporation	-	-	-	3,565
Dr. Aran Lindsay Dangerfield	387,569	305,636	81,933	40,424
Dr. Andrea Dambrough	349,270	281,360	67,910	64,766
Dr. Heather Diamond Medical Corporation	257,018	202,770	54,248	13,292
Dr. Anna Drewniak	237,934	231,471	6,463	8,810
Dr. Evan Elias	372,797	257,547	115,250	-
Dr. Devon Evans Medical Corporation	9,385	9,385	-	37,584
Feierstein Medical Corporation	122,909	89,709	33,200	35,913
Fishman Medical Corporation	282,167	243,232	38,935	52,305
Dr. F. Fleming	49,662	28,179	21,483	92,064
Frohlich Medical Corporation	419,380	345,601	73,779	37,827
Dr. Rachael Elizabeth Gardner Medical Corporation	295,407	260,074	35,333	60,580
Dr. M. Hanna Medical Corporation	434,708	376,770	57,938	44,381
Dr. T. Hansen	337,508	278,930	58,578	104,902
Dr. C. Hayes	631,655	460,585	171,070	96,527
Dr. L. Horgan	336,188	336,188	-	-
Haiart Medical Corporation	18	-	18	-
Dr. E. Paige Isabey	125,140	103,755	21,385	-
Dr. C. Jaeger	263,502	233,310	30,192	91,132
Jastrzebski Medical Corporation	1,214,643	1,005,735	208,908	122,949
Dr. Rageen Kanjee Medical Corporation	776,848	659,838	117,010	117,153
Dr. P. E. Kellen Medical Corporation	-	-	-	4,003
Dr. Shahab Khanahmadi Medical Corporation	764,012	643,247	120,765	67,281
Dr. J. Langrell	395,852	350,206	45,646	143,143
Dr. M. Leibl	431,737	297,213	134,524	30,610
Dr. William Tong Li	285,436	220,284	65,152	59,234
Dr. A. Madison Medical Corporation	420,873	353,015	67,858	106,554
Dr. Anet Maksymowicz	394,832	336,165	58,667	11,783
Dr. Ada Wing Yan Man Medical Corporation	263,172	211,274	51,898	25,994
Dr. J. Manusow	2,226,577	2,140,427	86,150	156,721
Dr. Andre Matteliano	966,260	804,674	161,586	125,721
Dr. Norman John McLean Medical Corporation	372,398	268,330	104,068	73,513
Nguyen Medical Corporation	275,805	241,214	34,591	80,476
Dr. Christopher Parr	163,729	107,985	55,744	-
Dr. K. Pernarowski	(56)	(56)	-	-
Dr. C. Richards	61,883	58,096	3,787	17,629
Dr. J. Richelle	424,556	286,997	137,559	37,160
Dr. F.K. Ross	259,847	167,029	92,818	70,933
Dr. Lonny Ross Medical Corporation	100,312	100,312	-	438
Dr. J. Scott-Herridge	451,532	352,769	98,763	31,086
Dr. Paul Shelton	96,152	92,284	3,868	13,657
Dr. Lisa M. Spangelo	14,719	14,719	-	4,282
Dr. Lyle Stronger Medical Corporation	235,612	182,529	53,083	60,620
Dr. A. Thielmann	64,236	64,236	-	759
Dr. Nicholas Tkaczyk	661,060	489,466	171,594	29,591
Dr. A. Wang	186,054	166,813	19,241	4,335
Dr. Sara Weselake	1,362	1,359	3	13,937
Dr. Merrilee Zetarak	24,667	24,176	491	860
	\$ 19,669,692	\$ 16,531,363	\$ 3,138,329	\$ 2,473,063

MANITOBA CLINIC MEDICAL CORPORATION
Statement of Medical Service Fees Payable
December 31, 2021

Schedule 3

	Medical Service Fees net of overhead	Payments	Payable at December 31, 2021	Payable at December 31, 2020
Ali Medical Corporation	\$ 186,026	\$ 186,026	\$ -	\$ -
Alto Medical Corporation	-	-	-	9,013
Dr. Cory Baillie Medical Corporation	353,078	298,747	54,331	40,650
Bernier Medical Corporation	200,866	155,043	45,823	78,442
Boroditsky Medical Corporation	252,231	228,947	23,284	27,279
Nestor Cisneros Medical Corporation	655,062	555,090	99,972	98,112
Connor Medical Corporation	651,815	545,943	105,872	61,215
Corbett Medical Corporation	671,014	558,857	112,157	119,161
Drexler Medical Corporation	359,601	332,943	26,658	47,732
Dr. M. England	15,894	15,894	-	-
Gertenstein Medical Corporation	412,818	294,756	118,062	115,101
Dr. J. Grabowski	532,466	474,576	57,890	38,635
Dr. P.E. Harris	562,964	541,577	21,387	30,098
Irving Medical Corporation	23,736	23,736	-	926
Kellen, R.I. Medical Corporation	11,193	11,193	-	-
Dr. Chung Hung-Yan Lau Med Corp.	587,430	481,620	105,810	112,849
Dr. Vivian K. Lee Med Corp.	584,230	523,178	61,052	65,553
Dr. H. Levin	11,275	10,090	1,185	17,391
Lipnowski Medical Corporation	434,470	316,350	118,120	78,794
Logan Medical Corporation	844	844	-	32,142
Dr. Grant L. MacDougall Med Corp.	451,629	382,795	68,834	70,783
McCarthy Medical Corporation	975,687	861,473	114,214	153,445
Mathew Medical Corporation	506,677	405,892	100,785	71,456
Mayba Medical Corporation	1,438,045	1,222,952	215,093	168,728
Mellon Medical Corporation	518,417	475,336	43,081	86,452
Dr. A. Mis	384,279	342,546	41,733	11,297
Nazar Medical Corporation	485,358	378,517	106,841	93,801
Dr. Carrie Samara Palantnick Medical Corporation	484,424	385,326	99,098	118,656
Dr. B. Pollock Medical Corporation	424,971	322,602	102,369	83,655
Rogozinska Medical Corporation	195,620	161,104	34,516	38,238
Dr. D. Ruddock	332,429	282,839	49,590	84,089
Stockl Medical Corporation	2,317,307	1,977,237	340,070	94,397
Dr. J. Tapper Medical Corporation	598,234	471,893	126,341	90,745
	\$ 15,620,090	\$ 13,225,922	\$ 2,394,168	\$ 2,138,835

This is **Exhibit "2"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 23rd day of November, 2022.



A Notary Public in and for the Province of Manitoba.

Financial Statements of
**THE MANITOBA CLINIC
HOLDING CO. LTD.**

December 31, 2021

PRIVATE & CONFIDENTIAL

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Manitoba Clinic Holding Co. Ltd.

Opinion

We have audited the financial statements of Manitoba Clinic Holding Co. Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statements of loss and retained earnings, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) of the financial statements which describes the uncertainty related to the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Winnipeg, Manitoba

date

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Statement of Cash Flows	3
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Statement of Operating Expenses – Schedule 2	14
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THE MANITOBA CLINIC HOLDING CO. LTD.
Statement of Loss and Retained Earnings
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE - Schedule 1	\$ 5,928,488	\$ 4,799,605
OPERATING EXPENSES - Schedule 2	6,840,381	5,917,832
LOSS BEFORE OTHER ITEMS AND INCOME TAXES	(911,893)	(1,118,227)
OTHER ITEMS		
Gain on disposal of fixed assets	565,183	-
NET LOSS	(346,710)	(1,118,227)
RETAINED EARNINGS, BEGINNING OF YEAR	10,797,198	11,915,425
RETAINED EARNINGS, END OF YEAR	\$ 10,450,488	\$ 10,797,198

THE MANITOBA CLINIC HOLDING CO. LTD.
Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 559	\$ 602
Accounts receivable (Note 8)	436,191	1,174,902
Prepaid expenses	14,599	50,345
	463,803	1,225,849
 DUE FROM RELATED PARTIES (Note 8)	 178,352	 626,272
INVESTMENT IN DYNACARE MEDICAL LABORATORY LIMITED PARTNERSHIP	5,509,599	5,509,599
FIXED ASSETS (Note 3)	71,457,095	72,804,432
	\$ 77,608,849	\$ 80,166,152
 LIABILITIES		
CURRENT		
Bank indebtedness (Note 5)	\$ 2,953,438	\$ 2,610,391
Accounts payable and accrued liabilities (Note 8)	984,521	1,655,917
GST payable	-	17,848
Due to Manitoba Clinic Medical Corporation (Note 8)	400,606	-
Due to Manitoba Clinic Holding (Parent) Co. Ltd. (Note 8)	1,278,639	1,279,767
Current portion of long-term debt (Note 4)	58,670,227	60,934,101
Due to Shareholders (Note 8)	34,183	34,183
	64,321,614	66,532,207
 SHAREHOLDERS' EQUITY		
Share capital		
Authorized (Note 7)		
Issued		
323.18 common shares	211,814	211,814
200,000 Class A preference shares	226,932	226,932
(Redeemable at the option of the holder for \$627,000)		
3,283,401 Class A voting preference shares	171,874	171,874
Retained earnings	10,450,488	10,797,198
	13,287,235	13,633,945
	\$ 77,608,849	\$ 80,166,152

APPROVED BY THE BOARD

..... Director
..... Director

THE MANITOBA CLINIC HOLDING CO. LTD.**Statement of Cash Flows****Year Ended December 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Net loss	\$ (346,710)	\$ (1,118,227)
Items not affecting cash:		
Gain on disposal of fixed assets	(565,183)	-
Amortization	1,363,080	1,383,663
Amortization of deferred financing fees	110,347	109,946
	561,534	375,382
Changes in non-cash operating working capital items:		
Accounts receivable	738,711	(641,540)
Prepaid expenses	35,746	(10,251)
Accounts payable and accrued charges	(671,396)	(1,823,546)
GST payable	(17,848)	(47,986)
	634,293	(2,147,941)
FINANCING ACTIVITIES		
Change in due to Manitoba Clinic Medical Corporation	400,606	-
Change in due to Manitoba Clinic Holding (Parent) Co. Ltd.	(1,128)	(1,128)
Increase in bank indebtedness	343,047	463,324
Proceeds from long-term debt	-	1,133,403
Repayment of long-term debt	(2,374,221)	(1,557,216)
Deferred financing fees	-	(2,002)
	(1,631,696)	36,381
INVESTING ACTIVITIES		
Acquisition of fixed assets	(42,575)	(54,391)
Proceeds on disposal of fixed assets	592,015	-
Change in due from related parties	447,920	2,165,874
	997,360	2,111,483
NET DECREASE IN CASH POSITION	(43)	(77)
CASH, BEGINNING OF YEAR	602	679
CASH, END OF YEAR	\$ 559	\$ 602

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

1. DESCRIPTION OF BUSINESS

The Company was incorporated under The Corporations Act of Manitoba in 1946. The Company owns and manages a commercial rental property, and operates parking facilities, a cardiac laboratory, medical laboratories, and an x-ray clinic.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises and reflect the following significant accounting policies:

Adoption of the amendments to Section 3856, Financial Instruments, for retractable or mandatorily redeemable shares issued in a tax planning arrangement

Effective January 1, 2021, the Company has adopted the amendments to Handbook Section 3856, *Financial Instruments* ("Section 3856") related to the accounting for retractable or mandatorily redeemable shares issued in a tax planning arrangement, referred to herein as the "tax planning share amendments".

These amendments to Section 3856 establish new guidance for determining the classification and measurement of retractable or mandatorily redeemable shares issued in a tax planning arrangement. The tax planning share amendments indicate that only when these shares meet all of the following conditions, can the shares be classified as equity and measured at their par, stated or assigned value:

- (i) Control of the enterprise is retained by the shareholder receiving the shares;
- (ii) Only shares are exchanged (or no consideration is received by the issuing enterprise); and
- (iii) No other written or oral arrangement exists, such as a redemption schedule, that gives the holder the contractual right to require the enterprise to redeem the shares on a fixed or determinable date (or within a fixed or determinable period).

If any of these conditions are not met, the shares are classified as a financial liability at their redemption amount. Shares classified as a financial liability must be presented separately on the balance sheet and cannot subsequently be reclassified to equity.

The amendments provide guidance on the accounting for redemption of the shares, as well as events or transactions that may indicate the conditions for equity classification are no longer met and also set out additional disclosure requirements. Prior to the amendments, redeemable preferred shares issued in a tax planning arrangement were classified in equity if they were issued under certain specified sections of the *Income Tax Act*.

The Company has applied the tax planning share amendments in accordance with the transition provisions of Section 3856. The amendments include transition relief through a choice of when to record the cumulative effect of applying the amendments (either at the beginning of the current year or at the beginning of the prior year) and a choice of where to record the cumulative effect of applying the amendments (in retained earnings or in a separate component of equity). When shares were issued before January 1, 2018, transition relief was also provided such that it was not necessary to assess condition (ii) noted above for these shares.

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company has chosen to apply the tax planning share amendments at the beginning of the current year.

The Company determined that the retractable or mandatorily redeemable shares continue to qualify for equity classification at their par, stated or assigned value. As a result, there is no impact on the current period or prior period results as reported.

a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises on a going concern basis. This presumes that the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

However, there is doubt about the appropriateness of the going concern assumption given the Company has experienced losses from operations for three years, including the significant negative impact of the Covid-19 pandemic in the current year, negative operating cash flows, and has a working capital deficiency.

The Company is dependent upon the continued support of its shareholders and lender, and on its ability to achieve and maintain profitable operations. Management is confident that the Company will continue to receive the support necessary from its shareholders and is working with the lender and advisors to enact operational changes to restore and then maintain its profitability.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management believes that the measures described above that it took or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

b) Share capital

The Company presents preferred shares issued in tax planning arrangements under the Income Tax Act as equity.

c) Income taxes

The Company has elected to account for income taxes using the taxes payable method and does not recognize future income tax assets and liabilities.

d) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Company recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

e) Investment in Dynacare Medical Laboratory Limited Partnership

The investment in Dynacare Medical Laboratory Limited Partnership is accounted for using the cost method.

f) Fixed assets

Fixed assets, other than clinic site land (see Note 3), are recorded at cost. Amortization is recorded on a straight-line basis for the building and on a declining-balance basis for the parking lots, parkade, medical equipment and furniture and equipment, at rates described in Note 3. Non-deployed assets are not amortized until ready for service.

g) Risk management

Financial risk

The financial risk is the risk to the Company's earnings that arises from fluctuations in interest rates and the degree of volatility of those rates. The Company does not use derivative instruments to reduce its exposure to interest risk.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. In addition, the Company is exposed to credit risk from its customers. However the Company has a varied number of customers which minimizes the concentration of credit risk.

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Revenue recognition

The Company recognizes revenue, other than rental revenue, when persuasive evidence of an arrangement exists, service has been provided, the price is fixed or determinable and collection is reasonably assured. Rental revenue is recognized on a straight-line basis over the term of the lease.

i) Pension plan

The Company has a defined benefit plan and a defined contribution plan. The defined benefit plan is a multi-employer plan. Insufficient information is available to use defined benefit plan accounting, and therefore, the defined benefit plan is accounted for as a defined contribution plan.

j) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include the useful life of fixed assets. Actual results could differ from these estimates.

3. FIXED ASSETS

	2021			2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates
Land	\$ 5,829,109	\$ -	\$ 5,829,109	\$ 5,829,109	
Buildings	64,769,721	4,399,942	60,369,779	61,434,501	60 year SL
Parking lots	-	-	-	27,904	8%
Parkade	7,952,697	2,994,140	4,958,557	5,166,458	4%
Medical equipment	940,489	731,010	209,479	234,215	30%
Furniture and equipment	239,857	149,686	90,171	112,245	20%
	\$ 79,731,873	\$ 8,274,778	\$ 71,457,095	\$ 72,804,432	

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

4. LONG-TERM DEBT

	2021	2020
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$20,651 plus interest due September 30, 2024.	\$ 143,379	\$ 991,231
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$8,333 plus interest due September 30, 2023.	141,667	241,667
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$3,582 plus interest due April 11, 2027.	236,417	279,402
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$6,667 plus interest due September 30, 2028.	513,333	593,333
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$3,889 plus interest due September 30, 2033.	532,778	579,444
CIBC, demand flexi-swap mortgage bearing interest at 4.12% per annum, repayable in monthly blended payments of \$264,170 due April 1, 2048.	50,893,406	51,943,109
CIBC, demand credit facility bearing interest at the prime rate plus 0.25% per annum, repayable in monthly payments of \$17,251 plus interest due April 1, 2048.	5,479,396	5,686,410
CIBC, demand non-revolving term loan for Covid relief, bearing interest at the prime rate per annum, repayable in monthly payments of interest only due on demand.	792,509	792,509
Canada Emergency Business Account (CEBA) interest-free loan of \$40,000, unsecured. \$10,000 is forgivable if repaid by December 31, 2022	40,000	40,000
	58,772,885	61,147,105
Less: deferred financing fees	102,658	213,004
Less current portion	58,670,227	60,934,101
	\$ -	\$ -

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

4. LONG-TERM DEBT (continued)

The entire balance of the long-term debt has been classified as current as all balances are due on demand. The scheduled repayments on the long-term debt for each of the next five years is as follows:

2022	\$ 1,714,942
2023	1,557,977
2024	1,564,160
2025	1,614,019
2026	1,637,316

Security provided for the long-term debt and bank indebtedness (Note 5) consists of the following:

- a. General security agreement over all tangible and intangible assets of the Company and Manitoba Clinic Medical Corporation.
- b. Fixed charge debenture of \$75,000,000, from the borrower, together with a general assignment of rents and leases.
- c. Unlimited guarantees by the Manitoba Clinic Medical Corporation and the Manitoba Clinic Holding (Parent) Co. Ltd.
- d. Pledge of shares from Manitoba Clinic Holding (Parent) Co. Ltd. of all its shares it owns in the borrower.
- e. Environmental Indemnity Agreement from the Borrower.
- f. Specific assignment of lease respecting Borrower's lease with Manitoba Clinic Medical Corporation.
- g. Pledge of ownership interest in Dynacare Central Medical Laboratory Limited Partnership.

As part of the terms of the CIBC lending facility agreement, the Company is subject to certain restrictive financial covenants. At December 31, 2021, the Company was in compliance with the financial covenants.

5. BANK INDEBTEDNESS

Manitoba Clinic Holding Co. Ltd. has an available operating line of \$3,000,000, subject to an aggregate combined limit of \$9,250,000, between the Company and Manitoba Clinic Medical Corporation. The operating line is due on demand and bears interest at prime.

As at year end the Company accessed \$2,876,638 of this credit facility, with the remaining balance of bank indebtedness balance represented by outstanding cheques. Manitoba Clinic Medical Corporation has drawn upon \$1,295,705 of this operating line.

Security for this credit facility is outlined in Note 4.

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

6. STAFF PENSION PLANS

The Company and Manitoba Clinic Medical Corporation have a defined benefit pension plan covering approximately 8 current and 21 former employees. All other employees are members of a defined contribution pension plan.

The defined benefit plan includes employees from both The Manitoba Clinic Holding Co. Ltd. and Manitoba Clinic Medical Corporation. There is insufficient information is available to use defined benefit plan accounting. Therefore, the defined benefit plan is accounted for as a defined contribution plan.

Based on the actuarial valuation report as at December 31, 2018, the present value of the accumulated benefits for the defined benefit plan was \$4,845,000, and the market value of the assets available to provide these benefits was \$5,598,000 resulting in a pension plan solvency excess of \$733,000 after expense reserve as at December 31, 2018. During the year, the board of the Corporation approved a plan to restructure the types of investments made by the Plan, to annuitize any current obligation to all participants and to wind up the defined benefit plan when the last active plan member is annuitized.

The net expense for the Company's benefit plans is as follows:

	2021	2020
Defined contribution plan	\$ 23,004	\$ 22,889

7. SHARE CAPITAL

The following class of shares have been authorized:

- Unlimited number of common shares
- 200,000 Class A non-voting preference shares with non-cumulative, retractable dividends, redeemable at \$3.135 per share
- 3,283,401 Class A voting preference shares redeemable at \$1 per share

8. RELATED PARTY BALANCES AND TRANSACTIONS

The Company is related with the following entities as they are controlled by a common ownership group: The Manitoba Clinic Medical Corporation, Pearl Management Ltd. Furby Management Services Limited Partnership and Manitoba Clinic Holding (Parent) Co. Ltd.

Effective January 1, 2017, the Company purchased the partnership units of Dynacare Medical Laboratory Limited Partnership from Furby Management Services Limited Partnership in exchange for the assumption of long-term debt in the amount of \$1,988,616, partner loans in the amount of \$1,122,983, and 3,283,401 Class A voting preference shares with a stated value of \$2,398,000, \$171,874 of which has been recorded as preference shares with the balance of \$2,226,127 as contributed surplus. The transaction was recorded at the carrying value of the partnership units of Furby Management Services Limited which was \$5,509,599.

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	2021	2020
<i>Advances to related parties are as follows:</i>		
Furby Management Services Limited Partnership	\$ 177,353	\$ 177,353
Manitoba Clinic Medical Corporation Ltd.	-	447,920
Pearl Management Ltd.	999	999
Balance, end of year	\$ 178,352	\$ 626,272

Advances from related parties are as follows:

Manitoba Clinic Medical Corporation Ltd.	\$ 400,606	\$ -
--	------------	------

	2021	2020
<i>Accounts receivable</i>		
Manitoba Clinic Medical Corporation Ltd.	\$ 330,840	\$ -

Accrued Liabilities

Manitoba Clinic Medical Corporation Ltd.	\$ 142,249	\$ 1,457,412
--	------------	--------------

These balances are subject to normal trade terms and have arisen from the provision of services referred to below.

The Company had the following significant transactions with related parties:

	2021	2020
<i>Manitoba Clinic Medical Corporation Ltd.</i>		
Rental and parking income	\$ 4,156,617	\$ 2,756,947
Administrative fees recorded as general expense	\$ 253,176	\$ 253,176

These transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The balances due from (to) related parties, and amounts due to shareholders are non-interest bearing, have no terms of repayment, and are unsecured.

THE MANITOBA CLINIC HOLDING CO. LTD.
Notes to the Financial Statements
December 31, 2021

9. INCOME TAXES

The income tax provision reported differs from the amount computed by applying the Canadian statutory rate to earnings before income taxes for the following reasons:

	<u>2021</u>	<u>2020</u>
Tax at applicable rate of 27.0% (2020 - 27%)	\$ (93,612)	\$ (301,921)
Temporary differences	(441,047)	(539,388)
Non-capital losses not previously recognized	534,659	841,309
Balance, end of year	\$ -	\$ -

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THE MANITOBA CLINIC HOLDING CO. LTD.

Schedule 1

Statement of Revenue**Year Ended December 31, 2021**

	2021	2020
BUILDING RENTALS		
Manitoba Clinic Medical Corporation	\$ 4,098,369	\$ 2,701,921
Third party tenants	372,845	372,456
NET EARNINGS FROM PARKING - Schedule 3	292,396	322,413
NET EARNINGS (LOSS) FROM CARDIAC LABORATORY AND X-RAY - Schedule 4	88,878	(48,122)
DISTRIBUTION OF INCOME FROM DYNACARE MEDICAL LABORATORY LIMITED PARTNERSHIP	1,076,000	1,450,937
	\$ 5,928,488	\$ 4,799,605

THE MANITOBA CLINIC HOLDING CO. LTD.
Statement of Operating Expenses
Year Ended December 31, 2021

Schedule 2

	<u>2021</u>	<u>2020</u>
Amortization - building	\$ 1,102,378	\$ 1,079,070
Amortization - deferred financing fees	110,347	109,946
Amortization - equipment	-	28,110
Audit and legal	1,081,266	61,314
Bank charges	4,323	6,988
Business tax	152,748	145,172
Cleaning	388,753	376,531
General	75,955	128,137
Insurance	79,153	73,440
Interest - building	2,347,794	2,349,290
Interest - equipment	36,661	48,227
Gas, electricity and water	394,777	398,290
Realty taxes	644,933	666,184
Repairs and maintenance	154,955	158,546
Salaries and benefits	130,282	152,915
Security	134,964	134,580
Telephone	1,092	1,092
	<u>\$ 6,840,381</u>	<u>\$ 5,917,832</u>

THE MANITOBA CLINIC HOLDING CO. LTD.
Statement of Net Earnings from Parking
Year Ended December 31, 2021

Schedule 3

	<u>2021</u>	<u>2020</u>
REVENUE	\$ 936,137	\$ 991,663
EXPENSES		
Amortization	211,559	221,925
Business tax	44,902	44,492
General	61,560	61,560
Maintenance	65,386	68,636
Parking attendants	35,413	34,762
Realty tax	224,921	237,875
	<u>643,741</u>	<u>669,250</u>
NET EARNINGS FROM PARKING	\$ 292,396	\$ 322,413

THE MANITOBA CLINIC HOLDING CO. LTD.

Schedule 4

Schedule of Net Earnings (Loss) from Cardiac Laboratory and X-Ray
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE		
Fees	\$ 798,664	\$ 689,488
EXPENSES		
Amortization	49,143	54,558
Business service charge	46,649	46,649
General	1,376	2,214
Interest	49,074	49,347
Laundry	10,816	9,697
Postage and stationery	12,699	12,795
Radiologist fees	171,616	161,092
Repairs and maintenance	6,081	2,432
Salaries and benefits	345,926	386,107
Supplies	13,718	9,738
Telephone	2,688	2,688
	<u>709,786</u>	<u>737,610</u>
NET EARNINGS (LOSS) FROM		
CARDIAC LABORATORY AND X-RAY	\$ 88,878	\$ (48,122)

This is **Exhibit "3"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

Combined Financial Information of

**MANITOBA CLINIC MEDICAL CORPORATION
AND
THE MANITOBA CLINIC HOLDING CO. LTD.**

December 31, 2021

PRIVATE & CONFIDENTIAL

Deloitte LLP
360 Main Street
Suite 2300
Winnipeg MB R3C 3Z3
Canada

Tel: (204) 942-0051
Fax: (204) 947-9390
www.deloitte.ca

COMPILATION ENGAGEMENT REPORT

To the Board of Directors of Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.

On the basis of information provided by management, we have compiled the combined statement of financial position of Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. as at December 31, 2021, the combined statements of loss and retained earnings and cash flows for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Chartered Professional Accountants

Winnipeg, Manitoba
date

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Combined Statement of Financial Position	2
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**MANITOBA CLINIC MEDICAL CORPORATION AND
THE MANITOBA CLINIC HOLDING CO. LTD.
Combined Statement of Loss and Retained Earnings
Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
REVENUE		
Fees	\$ 46,577,453	\$ 42,364,036
Rent	372,845	372,456
Parking	936,137	991,663
Distribution of income from Dynacare Medical Laboratories Limited Partnership	1,076,000	1,450,937
	<u>48,962,435</u>	<u>45,179,092</u>
OPERATING EXPENSES		
Salaries and benefits	5,989,063	6,352,088
Government subsidies	(148,818)	(837,992)
Utilities	549,018	540,329
Realty and business taxes	1,067,504	1,093,723
Maintenance	1,084,198	1,117,610
General	339,249	369,450
Insurance	324,271	341,692
Professional fees	1,399,866	93,812
Parking attendants	35,413	34,762
Medical instruments and supplies	484,055	449,813
Miscellaneous recoveries	(396,222)	(312,374)
Radiologist fees	171,616	161,092
	<u>10,899,213</u>	<u>9,404,005</u>
MEDICAL FEES - ASSOCIATES	19,669,692	15,937,759
MEDICAL SERVICE FEES	15,620,090	15,980,004
	<u>35,289,782</u>	<u>31,917,763</u>
OTHER ITEMS		
Gain on disposal of fixed assets	(565,183)	-
Amortization of fixed assets	2,275,899	2,308,338
Amortization of deferred financing fees	110,347	109,946
Interest	2,527,691	2,557,267
	<u>(1,575,314)</u>	<u>(1,118,227)</u>
NET LOSS	(1,575,314)	(1,118,227)
RETAINED EARNINGS, BEGINNING OF YEAR	10,809,816	11,928,043
RETAINED EARNINGS, END OF YEAR	<u>\$ 9,234,502</u>	<u>\$ 10,809,816</u>

**MANITOBA CLINIC MEDICAL CORPORATION AND
THE MANITOBA CLINIC HOLDING CO. LTD.**

Combined Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 2,683	\$ 2,399
Investment in LibreMD	100	100
Accounts receivable (Note 2)	1,357,570	2,939,567
Medical supplies, at cost	219,906	178,259
Prepaid expenses	61,073	302,891
	1,665,299	3,423,216
DUE FROM RELATED PARTIES	2,152,233	2,151,105
INVESTMENT IN DYNACARE MEDICAL LABORATORY LIMITED PARTNERSHIP	5,509,599	5,509,599
FIXED ASSETS (Note 3)	75,031,536	77,065,519
	\$ 84,358,667	\$ 88,149,439
LIABILITIES		
CURRENT		
Bank indebtedness (Note 5)	\$ 4,472,597	\$ 4,937,809
Accounts payable and accrued charges	3,035,603	3,410,539
GST payable	-	32,035
Associates medical fees payable	3,138,329	2,473,063
Medical service fees payable	2,394,168	2,138,835
Due to related parties	279,422	279,422
Current portion of long-term debt (Note 4)	58,670,227	60,934,101
Due to shareholders	34,183	34,183
	72,024,529	74,239,987
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	873,509	873,509
Contributed surplus	2,226,127	2,226,127
Retained earnings	9,234,502	10,809,816
	12,334,138	13,909,452
	\$ 84,358,667	\$ 88,149,439

APPROVED BY THE BOARD

..... Director

..... Director

**MANITOBA CLINIC MEDICAL CORPORATION AND
THE MANITOBA CLINIC HOLDING CO. LTD.**
Notes to the Combined Financial Information
December 31, 2021

1. ACCOUNTING POLICIES

Description of the basis of accounting

The basis of accounting applied in the preparation of the combined statement of financial position of Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd as at December 31, 2021 and the combined statements of loss and retained earnings and cash flows for the year then ended in on the historical cost basis, reflecting cash transactions with the additions of:

- Accounts receivable
- Inventory
- Prepaid expenses
- Fixed assets amortized over their useful lives described in Note 3
- Accounts payable and accrued liabilities
- Revenue recorded when the services have been performed and collection is reasonably assured

2. ACCOUNTS RECEIVABLE

	2021	2020
Trade receivables	\$ 280,357	\$ 1,820,405
Doctor's billings receivable	1,077,213	1,119,162
	\$ 1,357,570	\$ 2,939,567

3. FIXED ASSETS

	2021	2020	
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 5,829,109	\$ -	\$ 5,829,109
Buildings	64,769,721	4,399,942	60,369,779
Parking lots	-	-	27,904
Parkade	7,952,697	2,994,140	4,958,557
Medical equipment	8,849,199	6,648,366	2,200,833
Computer software	859,179	859,179	-
EMR software	1,031,812	406,557	625,255
Computer Hardware	2,196,042	1,846,491	349,551
Furniture and equipment	3,020,423	2,321,971	698,452
	\$ 94,508,182	\$ 19,476,646	\$ 75,031,536
			\$ 77,065,519

**MANITOBA CLINIC MEDICAL CORPORATION AND
THE MANITOBA CLINIC HOLDING CO. LTD.**
Notes to the Combined Financial Information
December 31, 2021

4. LONG-TERM DEBT

	2021	2020
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$20,651 plus interest due September 30, 2024.	\$ 143,379	\$ 991,231
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$8,333 plus interest due September 30, 2023.	141,667	241,667
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$3,582 plus interest due April 11, 2027.	236,417	279,402
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$6,667 plus interest due September 30, 2028.	513,333	593,333
CIBC, demand non-revolving credit facility, bearing interest at the prime rate per annum, repayable in monthly payments of \$3,889 plus interest due September 30, 2033.	532,778	579,444
CIBC, demand flexi-swap mortgage bearing interest at 4.12% per annum, repayable in monthly blended payments of \$264,170 due April 1, 2048.	50,893,406	51,943,109
CIBC, demand credit facility bearing interest at the prime rate plus 0.25% per annum, repayable in monthly payments of \$17,251 plus interest due April 1, 2048.	5,479,396	5,686,410
CIBC, demand non-revolving term loan for Covid relief, bearing interest at the prime rate per annum, repayable in monthly payments of interest only due on demand.	792,509	792,509
Canada Emergency Business Account (CEBA) interest-free loan of \$40,000, unsecured. \$10,000 is forgivable if repaid by December 31, 2022	40,000	40,000
	58,772,885	61,147,105
Less: deferred financing fees	102,658	213,004
Less current portion	58,670,227	60,934,101
	\$ -	\$ -

**MANITOBA CLINIC MEDICAL CORPORATION AND
THE MANITOBA CLINIC HOLDING CO. LTD.**
Notes to the Combined Financial Information
December 31, 2021

4. LONG-TERM DEBT (continued)

The entire balance of the long-term debt has been classified as current as all balances are due on demand. The scheduled repayments on the long-term debt for each of the next five years is as follows:

2022	\$ 1,714,942
2023	1,557,977
2024	1,564,160
2025	1,614,019
2026	1,637,316

As part of the terms of the CIBC lending facility agreement, the Company is subject to certain restrictive financial covenants. At December 31, 2021, the Company was in compliance with the financial covenants.

5. BANK INDEBTEDNESS

Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Company limit have an available combined operating line of \$9,250,000. The operating line is due on demand and bears interest at prime.

Manitoba Clinic Medical Corporation has drawn upon \$1,295,705 of this operating line, while Manitoba Clinic Holding Company has accessed \$2,876,638. The remaining balance of bank indebtedness balance is represented by outstanding cheques.

6. SHARE CAPITAL

Authorized share capital for the Companies are as follows:

Manitoba Clinic Medical Corporation

Authorized

Unlimited	Class A voting preference shares, with no dividend entitlement, redeemable and retractable at \$.10 per share
Unlimited	Class B non-voting preference shares, non-cumulative dividends of between 1% and 12% of the redemption price, redeemable and retractable at \$1 per share
Unlimited	Class C non-voting preference shares, non-cumulative dividends of between 1% and 12% of the redemption price, redeemable and retractable at issuance price
Unlimited	Common voting shares

**MANITOBA CLINIC MEDICAL CORPORATION AND
THE MANITOBA CLINIC HOLDING CO. LTD.**
Notes to the Combined Financial Information
December 31, 2021

6. SHARE CAPITAL (continued)

The Manitoba Clinic Holding Company Ltd.

Authorized

Unlimited number of common shares

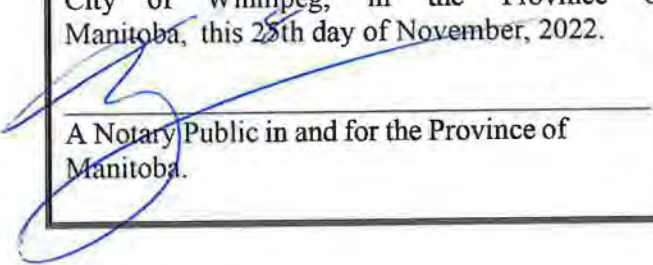
200,000 Class A non-voting preference shares with non-cumulative, retractable dividends,
redeemable at \$3.135 per share

3,283,401 Class A voting preference shares redeemable at \$1 per share

Issued share capital for the companies is as follows:

	2021	2020
Manitoba Clinic Medical Corporation		
33 Common Shares (2020 - 33)	\$ 262,889	\$ 262,889
The Manitoba Clinic Holding Company Ltd.		
323.18 Common shares (2020 - 323.18)	211,814	211,814
200,000 Class A preference shares (Redeemable at the option of the holder for \$627,000)	226,932	226,932
2,283,401 Class A voting preference shares (Redeemable at the option of the holder for \$3,283,401)	171,874	171,874
	610,620	610,620
	\$ 873,509	\$ 873,509

This is **Exhibit "4"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.


A Notary Public in and for the Province of Manitoba.



File Summary

Registry No : 4849567
Entity Name : MANITOBA CLINIC MEDICAL CORPORATION

As of : 24-Nov-2022

Entity Name : MANITOBA CLINIC MEDICAL CORPORATION
Registry No : 4849567
Business No : 870896511MC0002
Current Status : Active

Entity Type : BUSINESS CORPORATION
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 01-Jan-2004
Home Jurisdiction : MANITOBA
Annual Return/Renewal Date : 28-Feb-2023
Year of Last A/R - Renewal : 2022
Nature of Business : PHYSICIANS AND SURGEONS OFFICE
NAICS Code : 62111

Registered Office Address :

Effective date, if changing address : 26-Aug-2019
Address : 2200-201 PORTAGE AVENUE
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3B 3L3

Mailing Address :

Name :
Address : TAYLOR MCCAFFREY LLP, 2200 - 201 PORTAGE AVENUE
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3B 3L3

Director Information :

Date Became : 01-Jul-2021
Name : BAILLIE, CORY STUART
Address : 101 GIRTON BOULEVARD
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3P 0A4

Name : CONNOR, DAVID
Address : 179 RIVER RD
City/Province : ST ANDREWS, MB
Country/Postal Code : CANADA, R1A 2V8

Date Became : 10-Mar-2022
Date Ceased : 16-Nov-2022
Name : CORBETT, CAROLINE
Address : 133 CAMPBELL STREET
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3N 1B3

Date Became : 24-May-2017
Name : HANNA, MARNI KORA-LEE

Address : 22 GRAND OAKS COVE
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3K 0V7
 Date Became : 01-Nov-2020
 Name : LAU, YAN
 Address : 360 OXFORD STREET
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3M 3J7
 Date Ceased : 16-Nov-2022
 Name : LEE, VIVIAN KWAN
 Address : 7 IRETON PL
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3P 2P8
 Date Became : 21-Jun-2018
 Name : MATHEW, GEORGE
 Address : 10 APEX ST.
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3R 3A3
 Date Became : 01-Nov-2020
 Name : MAYBA, JOHN
 Address : 689 PARK BLVD SOUTH
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3P 0W9

Officer Information :

Name : CONNOR, DAVID
 Address : 179 RIVER RD
 City/Province : ST ANDREWS, MB
 Country/Postal Code : CANADA, R1A 2V8
 Position Held as Officer : CHAIRMAN

Shareholders Information (holders of 10% or more of Issued Voting Shares) :

No Shareholders At This Time

Share Structure :

Class	Authorized Number
COMMON	UNLIMITED
PREF A	UNLIMITED
PREF B	UNLIMITED
PREF C	UNLIMITED

Shares are distributed to the public :No

Corporations involved to form Amalgamation :

Registry No : 4477732
 Entity Name : MANITOBA CLINIC MEDICAL CORPORATION
 Registry No : 4477741
 Entity Name : MANITOBA CLINIC (PARENT) CORPORATION

Event History :

<u>Event</u>	<u>Date :</u>	<u>Filing Year :</u>
FILINGS RECORDED IN THE PREVIOUS SYSTEM ARE NOT INCLUDED		
CHANGE OF DIRECTORS/OFFICERS	28-Jul-2017	
ANNUAL RETURN (Filed on the Web)	01-Jun-2018	2018
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	21-Sep-2018	
ANNUAL RETURN (Filed on the Web)	28-Feb-2019	2019
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	12-Mar-2019	
CHANGE OF DIRECTORS/OFFICERS	14-Mar-2019	
CHANGE OF REGISTERED OFFICE (Filed on the Web)	29-Jan-2020	
COMPLIANCE STATUS - DEFAULT	19-Mar-2020	
ANNUAL RETURN (Filed on the Web)	16-Apr-2020	2020
COMPLIANCE STATUS - DEFAULT	22-Mar-2021	
ANNUAL RETURN (Filed on the Web)	27-Oct-2021	2021

CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	27-Oct-2021
AMEND ANNUAL RETURN	28-Oct-2021
COMPLIANCE STATUS - DEFAULT	21-Mar-2022
ANNUAL RETURN (Filed on the Web)	05-Aug-2022 2022
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	08-Aug-2022
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	24-Nov-2022

The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

This is **Exhibit "5"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.



File Summary

Registry No : 64459
Entity Name : THE MANITOBA CLINIC HOLDING CO. LTD.

As of : 24-Nov-2022

Entity Name : THE MANITOBA CLINIC HOLDING CO. LTD.
Registry No : 64459
Business No : 103480976MC0001
Current Status : Active

Entity Type : BUSINESS CORPORATION
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 14-Feb-1946
Home Jurisdiction : MANITOBA
Annual Return/Renewal Date : 31-Mar-2023
Year of Last A/R - Renewal : 2022
Nature of Business : INVESTMENT AND/OR HOLDING COMPANY
NAICS Code : 551113

Registered Office Address :

Effective date, if changing address : 26-Aug-2019
Address : 2200-201 PORTAGE AVENUE
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3B 3L3

Mailing Address :

Name :
Address : TAYLOR MCCAFFREY LLP, 2200 - 201 PORTAGE AVENUE
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3B 3L3

Director Information :

Date Became : 01-Jul-2021
Name : BAILLIE, CORY STUART
Address : 101 GIRTON BOULEVARD
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3P 0A4
Name : CONNOR, DAVID
Address : 179 RIVER RD
City/Province : ST ANDREWS, MB
Country/Postal Code : CANADA, R1A 2V8
Date Became : 24-May-2017
Name : HANNA, MARNI KORA-LEE
Address : 22 GRAND OAKS COVE
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3K 0V7
Date Became : 23-May-2019
Name : LAU, CHUNG YAN
Address : 360 OXFORD STREET

City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3M 3J7
 Date Ceased : 16-Nov-2022
 Name : LEE, VIVIAN KWAN
 Address : 7 IRETON PL
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3P 2P8
 Date Became : 21-Jun-2018
 Name : MATHEW, GEORGE
 Address : 10 APEX ST.
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3R 3A3
 Date Became : 23-May-2019
 Name : MAYBA, JOHN
 Address : 689 PARK BLVD. S
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3P 0W9

Officer Information :

Name : CONNOR, DAVID
 Address : 179 RIVER RD
 City/Province : ST ANDREWS, MB
 Country/Postal Code : CANADA, R1A 2V8
 Position Held as Officer : CHAIRMAN

Shareholders Information (holders of 10% or more of Issued Voting Shares) :

Firm Name : MANITOBA CLINIC HOLDING (PARENT) CO. LTD.
 Class Name : COMMON
 Shares Held : 323.18

Share Structure :

Class	Authorized Number
COMMON	UNLIMITED
PREF A	3483401.00
PREF B	5000000.00
PREF C	1000000.00
PREF D	1000000.00

Shares are distributed to the public :No

Event History :**Event****Date :****Filing Year :**

FILINGS RECORDED IN THE PREVIOUS SYSTEM ARE NOT INCLUDED
 CHANGE OF DIRECTORS/OFFICERS
 ANNUAL RETURN (Filed on the Web)
 CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)
 AMENDMENT
 CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)
 CHANGE OF DIRECTORS/OFFICERS
 CORRECTION
 ANNUAL RETURN (Filed on the Web)
 CHANGE OF REGISTERED OFFICE (Filed on the Web)
 COMPLIANCE STATUS - DEFAULT
 COMPLIANCE STATUS - NOTICE
 ANNUAL RETURN (Filed on the Web)
 COMPLIANCE STATUS - DEFAULT
 ANNUAL RETURN (Filed on the Web)
 CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)
 ANNUAL RETURN (Filed on the Web)
 CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)

28-Jul-2017
 08-Jun-2018 2018
 21-Sep-2018
 23-Nov-2018
 12-Mar-2019
 14-Mar-2019
 21-Mar-2019
 29-Mar-2019 2019
 29-Jan-2020
 19-Apr-2020
 01-Mar-2021
 03-Mar-2021 2020
 19-Apr-2021
 21-Jun-2021 2021
 28-Oct-2021
 10-Mar-2022 2022
 24-Nov-2022

The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

This is **Exhibit "6"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.



File Summary

Registry No : 4477759
Entity Name : MANITOBA CLINIC HOLDING (PARENT) CO. LTD.
As of : 24-Nov-2022

Entity Name : MANITOBA CLINIC HOLDING (PARENT) CO. LTD.
Registry No : 4477759
Business No : 867094112MC0001
Current Status : Active

Entity Type : BUSINESS CORPORATION
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 03-Jan-2002
Home Jurisdiction : MANITOBA
Annual Return/Renewal Date : 28-Feb-2023
Year of Last A/R - Renewal : 2022
Nature of Business : INVESTMENT AND/OR HOLDING COMPANY
NAICS Code : 551113

Registered Office Address :
Effective date, if changing address : 26-Aug-2019
Address : 2200-201 PORTAGE AVENUE
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3B 3L3

Mailing Address :
Name :
Address : TAYLOR MCCAFFREY LLP, 2200 - 201 PORTAGE AVENUE
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3B 3L3

Director Information :
Date Became : 01-Jul-2021
Name : BAILLIE, CORY STUART
Address : 101 GIRTON BOULEVARD
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3P 0A4
Name : CONNOR, DAVID
Address : 179 RIVER RD
City/Province : ST ANDREWS, MB
Country/Postal Code : CANADA, R1A 2V8
Date Became : 24-May-2017
Name : HANNA, MARNI KORA-LEE
Address : 22 GRAND OAKS COVE
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3K 0V7
Date Became : 01-Nov-2020
Name : LAU, DR. YAN
Address : 160 OXFORD STREET

City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3M 3J7
 Date Ceased : 16-Nov-2022
 Name : LEE, VIVIAN KWAN
 Address : 7 IRETON PL
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3P 2P8
 Date Became : 21-Jun-2018
 Name : MATHEW, GEORGE
 Address : 10 APEX ST.
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3R 3A3
 Date Became : 01-Nov-2020
 Name : MAYBA, DR. JOHN
 Address : 689 PARK BLVD SOUTH
 City/Province : WINNIPEG, MB
 Country/Postal Code : CANADA, R3P 0W9

Officer Information :

Name : CONNOR, DAVID
 Address : 179 RIVER RD
 City/Province : ST ANDREWS, MB
 Country/Postal Code : CANADA, R1A 2V8
 Position Held as Officer : CHAIRMAN

Shareholders Information (holders of 10% or more of Issued Voting Shares) :

No Shareholders At This Time

Share Structure :

Class	Authorized Number
COMMON	UNLIMITED
PREF A	UNLIMITED
PREF B	UNLIMITED
PREF C	UNLIMITED

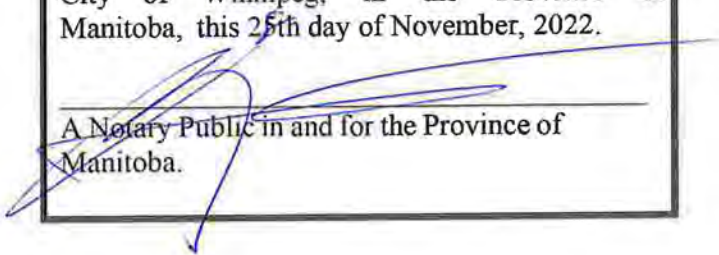
Shares are distributed to the public :No

Event History :

Event	Date :	Filing Year :
FILINGS RECORDED IN THE PREVIOUS SYSTEM ARE NOT INCLUDED		
CHANGE OF DIRECTORS/OFFICERS	28-Jul-2017	
ANNUAL RETURN (Filed on the Web)	08-Jun-2018	2018
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	21-Sep-2018	
ANNUAL RETURN (Filed on the Web)	28-Feb-2019	2019
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	12-Mar-2019	
CHANGE OF DIRECTORS/OFFICERS	14-Mar-2019	
CHANGE OF REGISTERED OFFICE (Filed on the Web)	29-Jan-2020	
COMPLIANCE STATUS - DEFAULT	19-Mar-2020	
ANNUAL RETURN (Filed on the Web)	16-Apr-2020	2020
COMPLIANCE STATUS - DEFAULT	22-Mar-2021	
AMEND ANNUAL RETURN	28-Oct-2021	
ANNUAL RETURN (Filed on the Web)	06-Jan-2022	2021
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	06-Jan-2022	
ANNUAL RETURN (Filed on the Web)	16-Feb-2022	2022
CHANGE OF DIRECTORS/OFFICERS (Filed on the Web)	24-Nov-2022	

The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

This is **Exhibit "7"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.


A Notary Public in and for the Province of
Manitoba.

STATUS OF TITLE

Title Number **2821678/1**
Title Status **Accepted**
Client File **1102-154**



1. REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION

THE MANITOBA CLINIC HOLDING CO. LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON
IN THE FOLLOWING DESCRIBED LAND:

LOT 1 PLAN 58713 WLTO
IN RL 5 AND 6 PARISH OF ST JOHN

The land in this title is, unless the contrary is expressly declared, deemed to be subject to the reservations and restrictions set out in section 58 of *The Real Property Act*.

2. ACTIVE INSTRUMENTS

Instrument Type: **Caveat**
Registration Number: **2135458/1**
Instrument Status: **Accepted**

Registration Date: 1997-04-28
From/By: THE CITY OF WINNIPEG
To:

Amount:
Notes: AFF: PCL A AND E PL 22257
Description: LICENCE TO RIGHT OF WAY

Instrument Type: **Caveat**
Registration Number: **2312825/1**
Instrument Status: **Accepted**

Registration Date: 1998-10-14
From/By: NEON PRODUCTS LIMITED
To:

Amount:
Notes: AFF: PART
Description: LICENCE TO ENTER

Instrument Type: **Caveat**
Registration Number: **2636464/1**
Instrument Status: **Accepted**

Registration Date: 2001-09-07
From/By: MTS COMMUNICATIONS INC.
To:

Amount:
Notes: AFF: PARCEL E PLAN 22257
Description: RIGHT-OF-WAY

Instrument Type: **Caveat**
Registration Number: **2636465/1**
Instrument Status: **Accepted**

Registration Date: 2001-09-07
From/By: MTS COMMUNICATIONS INC.
To:

Amount:
Notes: AFF: PARCEL J PLAN 31029
Description: RIGHT-OF-WAY

Instrument Type: **Caveat**
Registration Number: **4629394/1**
Instrument Status: **Accepted**

Registration Date: 2015-07-28
From/By: SHELL CANADA LIMITED
To: KEVIN P. DOOLEY AS AGENT

Amount:
Notes: AFF: PART SERVIENT
Description: RESTRICTIVE COVENANT

Instrument Type: **Caveat**
Registration Number: **4686039/1**
Instrument Status: **Accepted**

Registration Date: 2016-01-07
From/By: THE CITY OF WINNIPEG
To: SARAH FEHR AS AGENT

Amount:
Notes: No notes
Description: DEVELOPMENT AGREEMENT

Instrument Type: **Easement**
Registration Number: **4686040/1**
Instrument Status: **Accepted**

Registration Date: 2016-01-07
From/By: THE MANITOBA CLINIC HOLDING CO. LTD.
To: MTS INC. AND SHAW CABLESYSTEMS LIMITED

Amount:
Notes: No notes
Description: STATUTORY EASEMENT

Instrument Type: **Mortgage**
Registration Number: **4879369/1**
Instrument Status: **Accepted**

Registration Date: 2017-08-28
From/By: THE MANITOBA CLINIC HOLDING CO. LTD.
To: CANADIAN IMPERIAL BANK OF COMMERCE

Amount: \$75,000,000.00
Notes: No notes
Description: DEBENTURE

INSTRUMENTS THAT AFFECT THIS INSTRUMENT

<u>Registration Number</u>	<u>Instrument Type</u>	<u>Status</u>
5292981/1	Amending Agreement Including Land	Accepted

Instrument Type: **Personal Property Security Notice**
Registration Number: **4880522/1**
Instrument Status: **Accepted**

Registration Date: 2017-08-31
From/By: CANADIAN IMPERIAL BANK OF COMMERCE
To: J. DOUGLAS SIGURDSON AS AGENT

Amount:
Notes: No notes
Description: FIXTURES, PAYMENTS UNDER LEASE EXP 2027/08/25

Instrument Type: **Caveat**
Registration Number: **4880523/1**
Instrument Status: **Accepted**

Registration Date: 2017-08-31
From/By: CANADIAN IMPERIAL BANK OF COMMERCE
To: J. DOUGLAS SIGURDSON AS AGENT

Amount:
Notes: No notes
Description: ASSIGNMENT OF RENTS AND LEASES

Instrument Type: **Easement**
Registration Number: **4898335/1**
Instrument Status: **Accepted**

Registration Date: 2017-10-24
From/By: THE MANITOBA CLINIC HOLDING CO. LTD.
To: THE MANITOBA HYDRO-ELECTRIC BOARD

Amount:
Notes: No notes
Description: STATUTORY EASEMENT

Instrument Type:	Amending Agreement Including Land
Registration Number:	5292981/1
Instrument Status:	Accepted
Registration Date:	2021-05-11
From/By:	Canadian Imperial Bank of Commerce
To:	The Manitoba Clinic Holding Co. Ltd.
Amount:	
Notes:	No notes
Description:	No description

3. ADDRESSES FOR SERVICE THE MANITOBA CLINIC HOLDING CO. LTD. 790 SHERBROOK STREET WINNIPEG MB R3A 1M3								
4. TITLE NOTES No title notes								
5. LAND TITLES DISTRICT Winnipeg								
6. DUPLICATE TITLE INFORMATION Duplicate not produced								
7. FROM TITLE NUMBERS <table> <tr> <td>1374224/1</td> <td>Part</td> </tr> <tr> <td>2793063/1</td> <td>All</td> </tr> <tr> <td>2793060/1</td> <td>All</td> </tr> <tr> <td>2803850/1</td> <td>All</td> </tr> </table>	1374224/1	Part	2793063/1	All	2793060/1	All	2803850/1	All
1374224/1	Part							
2793063/1	All							
2793060/1	All							
2803850/1	All							
8. REAL PROPERTY APPLICATION / CROWN GRANT NUMBERS No real property application or grant information								

9. ORIGINATING INSTRUMENTS

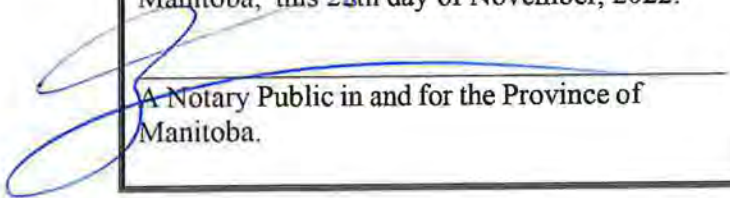
Instrument Type:	Request To Issue Title
Registration Number:	4686038/1
Registration Date:	2016-01-07
From/By:	THE MANITOBA CLINIC HOLDING CO. LTD.
To:	
Amount:	

10. LAND INDEX

Lot 1 Plan 58713

CERTIFIED TRUE EXTRACT PRODUCED FROM THE LAND TITLES DATA STORAGE
SYSTEM OF TITLE NUMBER 2821678/1

This is **Exhibit "8"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.



A Notary Public in and for the Province of Manitoba.



CIBC
Commercial Banking

Canadian Imperial Bank of Commerce
500 – One Lombard Place
Winnipeg, MB R3C2P3

August 11, 2017

Manitoba Clinic Medical Corporation
790 Sherbrook Street
Winnipeg, MB
R3E 0L5

Attention: Mr. Jeff Grapentine, Executive Director

Dear Jeff:

Re: Credit Facilities

Canadian Imperial Bank of Commerce ("CIBC") is pleased to establish the following credit facilities in favour of Manitoba Clinic Medical Corporation (the "Borrower").

Demand Operating Credit

Credit Limit: \$5,000,000

The aggregate outstanding amount of Canadian dollar loans, US dollar loans, standby L/Cs and B/As under this Credit may not at any time exceed the limit of this Credit set out above.

Purpose: All amounts obtained under this Credit are to be used for general corporate purposes.

Description and Rate: A revolving Credit, available as follows:

- ▶ Canadian dollar loans, which will also be available by way of overdrafts.
Interest on Canadian dollar loans will be calculated at the Prime Rate per annum.

- ▶ US dollar Base Rate loans, which will also be available by way of overdrafts.
Interest on US dollar Base Rate loans will be calculated at the US Base Rate per annum.
- ▶ Canadian dollar or US dollar standby L/Cs. Fees for standby financial L/Cs (being L/Cs that serve as direct credit substitutes and secure, directly or indirectly, payment of financial obligations such as indebtedness for borrowed money or the purchase price of goods or services, or lease payments) under this Credit will be calculated at 1.50% per annum, and for standby non-financial L/Cs (being all other types of L/Cs including generally those that relate to transaction-related contingencies arising in the normal course of business) under this Credit will be calculated at 1.50% per annum. The minimum fee for each standby L/C under this Credit is \$250 or US \$250, as applicable. In each case the Borrower shall reimburse CIBC for its out of pocket expenses relative to all standby L/Cs under this Credit. CIBC's standard L/C documentation is also required.
- ▶ L/C Acceptances pursuant to documentary L/Cs outstanding under this Credit.
- ▶ Canadian dollar B/As. CIBC's stamping fee for B/As will be calculated at 1.50% per annum.

Repayment: All amounts under this Credit are repayable immediately on demand by CIBC, and this Credit may be terminated in whole or in part by CIBC at any time.

The Borrower shall have the option to repay any amount under this Credit at any time; provided that B/As may be repaid only on their maturity.

Special Provisions: Shared Credit Limit with related borrower The Manitoba Clinic Holding Co. Ltd. Combined Credit Limit maximum is \$8,000,000.

Business Credit Card Facility

Credit Limit: \$ 100,000

Purpose: Purchase and payment of goods and services.

Repayment: On demand in accordance with the CIBC Business Credit Card Agreement (Business Liability)

Documentation: CIBC Business Credit Card Agreement (Business Liability)

Security

The following security, which shall be in form and substance satisfactory to CIBC, is required to secure all present and future indebtedness and liabilities of the Borrower to CIBC.

- ▶ General Security Agreement and/or such other documentation as required, creating in favour of CIBC a first-priority security interest over all of the tangible and intangible assets of the Borrower and the Corporate Guarantors, whether now owned or hereafter acquired.
- ▶ Unlimited Guarantees from The Manitoba Clinic Holding Co. Ltd. and Manitoba Clinic Holding (Parent) Co. Ltd. with respect to all of the liabilities of the Borrower to CIBC secured by General Security Agreements and/or such other documentation as required, creating in favour of CIBC a first-priority security interest over all of the tangible and intangible assets of the Corporate Guarantors, whether now owned or hereafter acquired.
- ▶ Appropriate confirmation of an adequate fire and other perils insurance on the property and assets of the Borrower that are subject to CIBC's security, with loss payable to CIBC (and with designation of CIBC).
- ▶ Waiver and consent from the landlord of any property on which the Borrower's assets are located.
- ▶ Solicitor's letter of opinion over loan and security documentation.

Financial Covenants

Covenants: The Borrower and The Manitoba Clinic Holding Co. Ltd. (on a combined basis) will ensure that:

- Financial Covenants:
- ▶ The Current Ratio is not less than 1.25 to 1.0 at any time.
 - ▶ The Debt to EBITDAC Ratio is not greater than 2.50 to 1.0 on or prior to December 31, 2018, or 2.0 to 1.0 at any time thereafter.

Negative Covenants

- Lien Restrictions: None of the Borrower and its Subsidiaries will create, incur or suffer to exist any Lien on any of its property or assets, except:
- (a) Purchase Money Liens securing an aggregate amount for the Borrower and its Subsidiaries not exceeding \$100,000;
 - (b) Liens existing on an asset when it was acquired by the Borrower or its Subsidiary (and not created in contemplation of the acquisition) to secure indebtedness existing at such time; or
 - (c) Normal Course Liens.
- Amalgamations, etc.: None of the Borrower and its Subsidiaries will enter into any amalgamation or consolidation or merger or liquidate, wind-up or dissolve itself (or permit any liquidation, winding-up or dissolution or any proceedings therefor) or continue itself under the laws of any other statute or jurisdiction, except that, subject to the Borrower and its Subsidiaries taking such action, and executing and delivering to CIBC such agreements and other documents as CIBC may require, acting reasonably, to assure the continued validity, enforceability and effectiveness of the Security and the covenants, agreements and obligations of the Borrower under the Credits, and provided that there does not then exist any failure by the Borrower to perform or observe any of its covenants in this Agreement and no such failure would be created thereby, any wholly-owned Subsidiary may be amalgamated or consolidated or merged or liquidated, wound-up or dissolved with or into the Borrower, provided that the Borrower shall be the continuing corporation, or with or into any one or more other wholly-owned Subsidiaries.
- Debt Restrictions: None of the Borrower and its Subsidiaries will create, incur, assume or permit to exist any Debt except:
- (i) amounts owed to CIBC under the Credits;
 - (ii) Purchase Money Obligations in an aggregate amount for the Borrower and its Subsidiaries not exceeding \$100,000 at any time;
 - (iii) Debt for borrowed money, in addition to the other Debt permitted above, so long as no failure by the Borrower to perform or observe any of its covenants in this Agreement is continuing at the date of incurrence thereof or would be created thereby, if (and to the extent that) the proceeds of such Debt are applied in permanent repayment of amounts under the Credits.

Dispositions of Property:	<p>None of the Borrower and its Subsidiaries will sell, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any material part of its property, whether now owned or hereafter acquired, except that each of the Borrower and its Subsidiaries:</p> <ul style="list-style-type: none"> (i) may sell in the normal course of its business for the purpose of carrying on the same, for fair market value, in accordance with customary trade terms, any property that would reasonably be considered to be the subject matter of sales by it in the normal course of its business for the purpose of carrying on the same; and (ii) may sell, transfer or otherwise dispose of any property that is worn out or obsolete or of no material value.
Limitation on Sale-Leasebacks:	<p>None of the Borrower and its Subsidiaries will enter into any arrangement with any person providing for the leasing by any of the Borrower and its Subsidiaries, as lessee, of property which has been or is to be sold or transferred by any of the Borrower and its Subsidiaries to such person or to any other person to whom funds have been or are to be advanced by such person on the security of such property or the lease obligation of any of the Borrower and its Subsidiaries.</p>
Hostile Take-Overs:	<p>None of the Borrower and its Subsidiaries will use any amount obtained by the Borrower under any of the Credits to finance a bid for any securities of any corporation in circumstances where the board of directors of such corporation has recommended (or is reasonably expected to recommend) rejection of such bid.</p>
Transactions with Affiliates:	<p>Except as specifically permitted hereunder, none of the Borrower and its Subsidiaries will enter into any transaction, including the purchase, sale or exchange of any property or the rendering of any services, with any of its shareholders or with any of its Affiliates, or with any of its or their directors or officers, or enter into, assume or permit to exist any employment, consulting or analogous agreement or arrangement with any such shareholder or Affiliate or with any of its directors or officers, except a transaction or agreement or arrangement which is in the ordinary course of business of the Borrower or such Subsidiary and which is upon fair and reasonable terms not less favourable to the Borrower or its applicable Subsidiary than it would obtain in a comparable arms-length transaction.</p>
Other:	<p>Physician distributions made by the Borrower for any fiscal year can at no time exceed i) the sum of net income for that year; plus ii) undistributed income for the prior year; provided that in no event may distributions to physicians exceed the amounts set out in the Services Agreement which Manitoba Clinic Medical Corporation has entered into with its physicians as independent contractors.</p>

Reporting Requirements

Reporting
Requirements:

The Borrower will provide to CIBC:

- ▶ Within 30 days of month end, the unaudited financial statements of the Borrower and The Manitoba Clinic Holding Co. Ltd. (individual and combined) with a comparison to budget and to the previous year's results for the same period.
- ▶ Within 120 days after the end of each fiscal year, the audited financial statements of the Borrower and The Manitoba Clinic Holding Co. Ltd. and the unaudited statements on a combined basis for such year, prepared in accordance with GAAP.
- ▶ Within 120 days after the end of each fiscal year, the unaudited financial statements of the Manitoba Clinic Holding (Parent) Co. Ltd. for such year, prepared in accordance with GAAP
- ▶ Within 120 days after the end of each fiscal year, annual financial forecasts for the following year, including forecasted balance sheet and statements of income and cash flows, together with a financial covenant test worksheet.
- ▶ Within 60 days of each of the first three fiscal quarters and within 120 days of each fiscal year end, a Compliance Certificate.
- ▶ Promptly after obtaining knowledge thereof, particulars of any failure by any of the Borrower and any Guarantor to perform or observe any of its covenants or agreements in favour of CIBC.
- ▶ Such other information relative to the Borrower and any Guarantor, as CIBC may reasonably require.

Other Provisions

Schedule A:

The attached Schedule A, which contains certain additional provisions applicable to the Credits, and certain definitions, forms part of this Agreement.

Notice of
Borrowing:

Whenever the Borrower desires to obtain any amount under a Credit (other than by way of a permitted overdraft), it will give to CIBC irrevocable prior written notice as specified in Schedule A hereto.

- Notice of Repayment: Whenever the Borrower desires to make one or more repayments under one or more Credits in an aggregate amount exceeding \$10,000,000 (or the equivalent in any other currency) on any day, it will give to CIBC irrevocable prior written notice as specified in Schedule A hereto.
- Interest on Excess Amounts: The interest rate applicable to any outstanding amount under a Credit which is in excess of the limit of such Credit shall be the Interest Rate Applicable to Credit Limit Excesses specified in Schedule A hereto.
- Interest on Overdue Amounts: Interest on overdue amounts is payable as specified in Schedule A hereto.
- Interest Payment Dates: Except with respect to interest on amounts in default, which is payable on demand, or as otherwise specified herein or in Schedule A hereto, interest and fees will be calculated and payable monthly in arrears on such day in each month as CIBC requires.
- Authorized Debits: The Borrower authorizes CIBC to debit its Operating Account for any interest, fees or other amounts that are payable by the Borrower to CIBC with respect to the Credits, as and when such amounts are payable.
- Communications: Any communication or notice to be given with respect to the Credits may be effectively given by delivering the same at the addresses set out on the signature page hereof, or by sending the same by facsimile or prepaid registered mail to the parties at such addresses. Any notice so mailed will be deemed to have been received on the tenth day next following the mailing thereof, provided that postal service is in normal operation during such time. Any facsimile notice will be deemed to have been received on transmission if sent on a Business Day and, if not, on the next Business Day following transmission. Either party may from time to time notify the other party, in accordance with this section, of any change of its address which thereafter will be the address of such party for all purposes of the Credits.
- Replacements: This letter supersedes and replaces all prior discussions, letters and agreements (if any) describing the terms and conditions of any credit facility established by CIBC in favour of the Borrower.


Please indicate your acceptance of these terms by signing below and returning the enclosed copy to our attention no later than August 31, 2017.

Yours truly,

Attention:

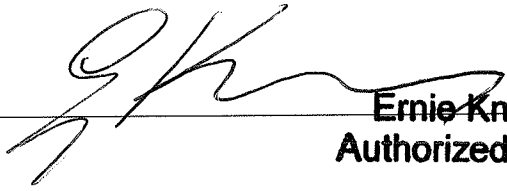
CANADIAN IMPERIAL BANK OF COMMERCE

CIBC Commercial Banking
Brad Ganczar, Director
500 – One Lombard Place
Winnipeg, MB R3C 2P3
Brad.ganczar@cibc.com
Ph: (204-944-5812)
Fax: (204-943-8347)

By:  _____

Name:

Brad Ganczar
Authorized Signatory

By:  _____

Name:

Ernie Knoblauch
Authorized Signatory

Accepted this 15th day of AUGUST, 2017.

Attention:

MANITOBA CLINIC MEDICAL CORPORATION

c/o 790 Sherbrook Street
Winnipeg, MB R3A 1M3
Attention : Jeff Grapentine
Fax: (204-775-6378)

By: [Signature]
Name: David Connor
Title: Chairman

By: [Signature]
Name: Jeff B. Grapentine
Title: Executive Director

The guarantors declare that they have received a copy of this Agreement and agree to be liable pursuant to its terms and conditions.

Attention:

THE MANITOBA CLINIC HOLDING CO. LTD.

c/o 790 Sherbrook Street
Winnipeg, MB R3A 1M3
Attention : Jeff Grapentine
Fax: (204-9440)

By: [Signature]
Name: David Connor
Title: Chairman

By: [Signature]
Name: Jeff B. Grapentine
Title: Executive Director

Attention:

MANITOBA CLINIC (PARENT) HOLDING CO. LTD.

c/o 790 Sherbrook Street
Winnipeg, MB R3A 1M3
Attention : Jeff Grapentine
Fax: (204-9440)

By: [Signature]
Name: David Connor
Title: Chairman

By: [Signature]
Name: Jeff B. Grapentine
Title: Executive Director

Signed this 15th day of AUGUST, 2017.

SCHEDULE A - ADDITIONAL DEFINITIONS AND PROVISIONS

1. GENERAL

1.1 **Use of Funds, Returns.** The Borrower will use the Credits only for the purposes specified in this Agreement. The Borrower may not at any time exceed the limit of any Credit, and CIBC may, without notice to the Borrower, return any item that, if paid, would result in the limit of any Credit being exceeded. If, on the other hand, CIBC in its sole discretion elects to pay any such item, the Borrower will pay to CIBC immediately the amount by which the limit of the applicable Credit has been exceeded.

1.2 **Notice of Failure.** The Borrower will promptly notify CIBC of the occurrence of any failure to perform or observe any of its covenants in this Agreement.

1.3 **Confidentiality.** The terms of this Agreement are confidential between the Borrower and CIBC, and accordingly the Borrower will not disclose the contents of this Agreement to anyone except its professional advisors.

1.4 **Applying money received.** At any time that the Borrower has failed (beyond any period of grace permitted by CIBC) to perform or observe any of its covenants in this Agreement, all moneys received by CIBC from the Borrower or from any Security may be applied on such parts of the Borrower's liabilities to CIBC as CIBC may determine.

1.5 **Right of Set-Off.** At any time that the Borrower has failed (beyond any period of grace permitted by CIBC) to perform or observe any of its covenants in this Agreement, CIBC is authorized at any time to set-off and apply any deposits held by it and any other amounts owed by it to or for the credit of the Borrower against any and all of the obligations of the Borrower with respect to the Credits, irrespective of whether or not CIBC has made any demand and even though any such obligations may not yet be due and payable.

1.6 **Registration of Security.** The Security will be registered or filed in all jurisdictions and in all offices as CIBC considers necessary or advisable from time to time to create, perfect or protect any Lien created thereby.

1.7 **Expenses.** The Borrower will reimburse CIBC for all reasonable fees (including legal fees) and out-of-pocket expenses incurred in preparing and registering any Security, in responding to requests from the Borrower for waivers, amendments and other matters, and in enforcing CIBC's rights under this Agreement or any Security.

1.8 **Further information requirements.** The Borrower will provide such further information about its business and its Subsidiaries as is reasonably requested by CIBC from time to time, and such information shall be in a form acceptable to CIBC.

1.9 **Consent to release information.** CIBC may from time to time give any credit or other information about the Borrower to, or receive such information from, (i) any financial institution, credit reporting agency, rating agency or credit bureau, (ii) any person, firm or corporation with whom the Borrower may have or proposes to have financial dealings, and (iii) any person, firm or corporation in connection with any dealings the Borrower has or proposes to have with CIBC. The Borrower agrees that CIBC may use that information to establish and maintain the Borrower's relationship with CIBC and to offer any services as permitted by law, including services and products offered by CIBC's Subsidiaries when it is considered that this may be suitable to the Borrower.

1.10 **Instructions by fax, phone and e-mail.** The Borrower may deliver, and CIBC may accept, instructions by fax, telephone (including cellular phone) and internet e-mail ("Electronic Communication"), according to CIBC-approved procedures, which procedures may be limited to particular types of communications or services. Unless the Borrower expressly indicates otherwise, the Borrower agrees that CIBC may also communicate with the Borrower by e-mail or fax. This may include (i) CIBC sending confidential information to the Borrower, at the

Borrower's request; or (ii) the Borrower sending confidential information to CIBC. An Electronic Communication may not be a secure means of communication and the Borrower assumes responsibility for the risks of using Electronic Communications including, without limitation, the possibility that an Electronic Communication is: intercepted by or sent to an unauthorized person, misunderstood, lost, delayed, or not received by CIBC at all. CIBC is entitled to rely upon any Electronic Communication from or purporting to be from the Borrower, as if such instructions were given in writing. However, CIBC may choose not to act upon an Electronic Communication if it believes that the Electronic Communication is unauthorized, incorrect or unclear. CIBC shall not be liable for, and the Borrower will indemnify and save CIBC harmless from, any claims, losses, damages, liabilities and expenses that CIBC incurs (other than those due to CIBC's gross negligence or wilful misconduct) including among other things all legal fees and expenses, arising from CIBC acting or declining to act on any of your Electronic Communications given under this Agreement. This indemnity is in addition to any other indemnity or assurance against loss provided by you to CIBC under this Agreement or otherwise.

1.11 Further Assurances. The Borrower will from time to time promptly upon request by CIBC do and execute all such acts and documents as may be reasonably required by CIBC to give effect to the Credits and the Security, and to any transfer pursuant to section 1.15 of this Schedule.

1.12 Insurance. The Borrower will keep all its assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for similar property and for any other risks CIBC may reasonably require. If CIBC requests, these policies will include a loss payable clause (and with respect to mortgage security, a mortgagee clause) in favour of CIBC. As further security, the Borrower assigns all insurance proceeds to CIBC. The Borrower will provide to CIBC either the policies themselves or adequate evidence of their existence. If any insurance coverage for any reason stops, CIBC may (but shall have no obligation to) insure the property. Finally, the Borrower will notify CIBC immediately of any loss or damage to any of its property.

1.13 Environmental. The Borrower will, and will ensure that each of its Subsidiaries will, carry on its business, and maintain its assets and property in accordance with all applicable environmental, health and safety laws and regulations. If there occurs or occurred in the past any release, deposit, discharge or disposal of any substance that may cause any environmental harm or adverse environmental effect or that is or may be regulated by any law for the protection of the environment, human health or safety, (collectively, a "Discharge") in connection with the business or property of the Borrower or any of its Subsidiaries, and as a result CIBC suffers any third party claim, legal obligation, loss, expense or damage whatsoever, the Borrower will reimburse CIBC, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts that result (including amounts spent conducting any necessary environmental assessments or investigations or defending any third party claims or proceedings, government demands or orders). If CIBC asks, the Borrower will defend any third party claims or proceedings, investigations or prosecutions brought against CIBC or any of its directors, officers, employees and agents in connection with any Discharge. The Borrower's obligation under this section continues even after all Credits have been repaid and this Agreement has terminated.

1.14 Waiver. No delay on the part of CIBC in exercising any right or privilege will operate as a waiver thereof, and no waiver of any failure or default will operate as a waiver thereof unless made in writing and signed by an authorized officer of CIBC, or will be applicable to any other failure or default.

1.15 Assignment. CIBC may assign, sell or participate (herein referred to as a "transfer") all or any part of its rights and obligations under all or any of the Credits to any third party, and the Borrower agrees to sign any documents and take any actions that CIBC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under this Agreement as if it were a party to it, with respect to all rights and obligations included in the transfer. The Borrower may not assign any of its rights or obligations under any of the Credits.

1.16 Application to Subsidiaries. The Borrower will ensure that each of its Subsidiaries complies with sections 1.11, 1.12 and 1.13 of this Schedule, as if the references to the Borrower therein were references to each such Subsidiary.

1.17 **Governing Law.** This Agreement shall be governed by the laws of Manitoba, and the Borrower submits itself to the jurisdiction of any competent federal or provincial court in such jurisdiction.

1.18 **Counterparts.** This Agreement may be executed in one or more counterparts, and all of such counterparts shall constitute the same agreement.

1.19 **Certain Definitions.** In this Agreement the following terms have the following meanings:

“Affiliate” means, with respect to any person, any other person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such person, and includes any person in like relation to an Affiliate. A person shall be deemed to control another person if the first person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other person, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” means the attached letter agreement between CIBC and the Borrower, including this Schedule and any other Schedules thereto, as the same may be amended or supplemented from time to time.

“Business Day” means (i) with respect to any amount denominated in Canadian dollars and all matters pertaining thereto, any day excluding Saturday, Sunday and any day which is a legal holiday in Toronto, Canada; (ii) with respect to any amount denominated in US dollars (except as provided below) and all matters pertaining thereto, any day excluding Saturday, Sunday or any day which is a legal holiday in New York, U.S.A. or Toronto, Canada, and (iii) with respect to any LIBOR Loan and all matters pertaining thereto, any day which is a day for dealings by and between banks in US dollars in the London interbank market, excluding Saturday, Sunday or any day which is a legal holiday in London, England or New York, U.S.A. or Toronto, Canada.

“Compliance Certificate” means an Officer’s Certificate stating, as of the applicable date, (i) that the Borrower is not in default of the observance or performance of any of its covenants in this Agreement (or describing any default then existing), (ii) that all representations and warranties contained in this Agreement are true and accurate as if made on and as of such date (or describing any thereof that are not then true and accurate), (iii) the particulars and calculation of all financial covenants of the Borrower contained in this Agreement, and (iv) where applicable, the amount and particulars of calculation of Receivable Value, Inventory Value and Priority Claims, and the resulting maximum available amount and undrawn amount of any Credit, as of such date. Unless otherwise prescribed by CIBC, a Compliance Certificate shall be substantially in the form attached to this Schedule A.

“GAAP” means those accounting principles which are recognized as being generally accepted in Canada from time to time as set out in the handbook published by the Canadian Institute of Chartered Accountants. If the Borrower, or the party to which references to GAAP are intended to apply, has adopted International Financial Reporting Standards (“IFRS”), then the applicable references in this Agreement to GAAP or Generally Accepted Accounting Principles may be interpreted to mean IFRS, but only if CIBC has consented to such change.

“Inventory Value” means, at any time, the inventory of the Borrower and its Subsidiaries (which shall not include any work-in-process for the purpose of this definition) then existing, less any inventory that (i) is not located in Manitoba, (ii) is not subject to the applicable duly perfected Liens created by the Security, (iii) is subject to any Lien other than as specifically permitted by CIBC, (iv) is located in or on leased premises unless the applicable lessor has waived all Liens that may at any time be held by such lessor in respect of any inventory, (v) is obsolete or not readily saleable in the ordinary course of business, all valued at the lower of cost and market on a first-in, first-out basis, (vi) that has not been paid for in full and is subject to a right of repossession by the seller thereof; or (vii) that is otherwise excluded by CIBC in its reasonable discretion.

“Investment” means, with respect to any person, any direct or indirect investment in or purchase or other acquisition of the securities of or any equity interest in any other person, any loan or advance to, or

arrangement for the purpose of providing funds or credit to (excluding extensions of trade credit in the ordinary course of business in accordance with customary commercial terms), or capital contribution to, any other person, or any purchase or other acquisition of all or substantially all of the property of any other person.

“Lien” includes without limitation a mortgage, charge, lien, security interest or encumbrance of any sort on any property or asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

“Material Adverse Effect” means a material adverse effect on the business, property, condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries, considered as a whole, or a material adverse effect on the ability of any of the Borrower and its Subsidiaries to perform its obligations under any of this Agreement and the Security to which it is a party.

“Normal Course Lien” means, at any time, the following:

- (i) Liens for taxes not overdue, or which are being contested if adequate reserves with respect thereto are maintained by the Borrower and its Subsidiaries in accordance with GAAP and the enforcement of any related Lien is stayed;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business which relate to obligations not overdue or a claim for which has not been filed or registered pursuant to applicable law;
- (iii) carriers’, warehousemens’, mechanics’, materialmens’, repairmens’, construction or other similar Liens arising in the ordinary course of business which relate to obligations not overdue;
- (iv) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or its Subsidiaries;
- (v) zoning and building by-laws and ordinances and municipal by-laws and regulations so long as the same are complied with;
- (vi) statutory Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security legislation;
- (vii) the reservations and exceptions contained in, or implied by statute in, the original disposition from the Crown and grants made by the Crown of interests so reserved or excepted;
- (viii) Liens created by the Security; and
- (ix) Liens in respect of which CIBC has given its specific written consent.

“Officer’s Certificate” means a certificate, in form satisfactory to CIBC, signed by a senior officer of the Borrower.

“Operating Account” means Canadian dollar account no. [TBD] of the Borrower with CIBC, or US dollar account no. [TBD] of the Borrower with CIBC, or any such other account as is agreed upon by the Borrower and CIBC from time to time for the purposes hereof.

“Priority Claims” means, at any time, any liability of any of the Borrower and its Subsidiaries that ranks, in right of payment in any circumstances, equal to or in priority to any liability of the Borrower or such Subsidiary to CIBC, and may include unpaid wages, salaries and commissions, unremitted source

deductions for vacation pay, arrears of rent, unpaid taxes, amounts owed in respect of worker's compensation, amounts owed to unpaid vendors who have a right of repossession, and amounts owing to creditors which may claim priority by statute or under a Purchase Money Lien.

"Purchase Money Lien" means any Lien which secures a Purchase Money Obligation permitted by this Agreement, provided that such Lien is created not later than 30 days after such Purchase Money Obligation is incurred and does not affect any asset other than the asset financed by such Purchase Money Obligation.

"Purchase Money Obligation" means any Debt (including without limitation a capitalized lease obligation) incurred or assumed to finance all or any part of the acquisition price of any asset acquired by any of the Borrower and its Subsidiaries or to finance all or any part of the cost of any improvement to any asset of any of the Borrower and its Subsidiaries, provided that such obligation is incurred or assumed prior to or within 30 days after the acquisition of such asset or the completion of such improvement and does not exceed the lesser of the acquisition price payable by the Borrower or such Subsidiary for such asset or improvement and the fair market value of such asset or improvement; and includes any extension, renewal or refunding of any such obligation so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased.

"Receivable Value" means, at any time, the receivables of the Borrower and its Subsidiaries then existing, less any receivable that (i) is not then subject to the applicable duly perfected Liens created by the Security, (ii) is subject to any Lien other than as specifically permitted by CIBC, (iii) is payable more than 30 days after the date of shipment of the inventory or the provision of the service that created such receivable, (iv) has been outstanding for 90 days or more, (v) is subject to any offset or counterclaim by the applicable account debtor, (vi) is owed by any person whose principal place of business is located outside Canada or the United States of America, (vii) is payable in a currency other than Canadian or US dollars, (viii) is owed by an Affiliate of the Borrower or any employee, agent or representative of the Borrower or of any such Affiliate, (ix) with respect to which a cheque, note, draft or other payment instrument has not been honoured in accordance with its terms, or (x) has been specifically identified by CIBC as an excluded receivable for the purpose hereof or is owed by any person that is insolvent or is otherwise doubtful of collection in the reasonable opinion of CIBC.

"Security" means, collectively, all of the items of security held by CIBC for the indebtedness and liabilities, or any part or parts thereof, of the Borrower to CIBC.

"Subsidiary" of any person means any other person of which shares or other equity units having ordinary voting power to elect a majority of the board of directors or other individuals performing comparable functions, or which are entitled to or represent more than 50% of the owners' equity or capital or entitlement to profits, are owned beneficially or controlled, directly or indirectly, by any one or more of such first person and the Subsidiaries of such first person, and shall include any other person in like relationship to a Subsidiary of such first person.

2. **INTEREST RATES; PAYMENTS; CALCULATIONS**

2.1 **Interest Rates.** Interest is payable with respect to:

- (i) excess amounts (provided that nothing herein shall be deemed to imply that the Borrower is entitled to obtain any such excess amount, or that the limit of a Credit is to be increased in any circumstance) above the limit of a Credit or a part of a Credit, as described in section 2.4 of this Schedule,
- (ii) amounts that are not paid when due, at the Interest Rate Applicable to Credit Limit Excesses, and
- (iii) any other amounts, at the rate specified in this Agreement.

2.2 **Variable interest.** Each variable interest rate provided for in this Agreement will change automatically, without notice, whenever the Prime Rate or the US Base Rate, as the case may be, changes.

2.3 **Payment of interest.** Interest is calculated on the applicable balance at the end of each day. Interest is payable in arrears once a month on the day required by CIBC, unless otherwise specified in this Agreement.

2.4 **Interest Rate Applicable to Credit Limit Excesses.** To determine whether the Interest Rate Applicable to Credit Limit Excesses is to be charged, the following rules apply:

(a) The Interest Rate Applicable to Credit Limit Excesses will be charged on the amount that exceeds the limit of any particular Credit.

(b) If there are several parts of a Credit, the Interest Rate Applicable to Credit Limit Excesses will be charged if the limit of a particular part is exceeded. For example, if Credit A's limit is \$250,000, and the limit of one part of Credit A is \$100,000 and the limit of that part is exceeded by \$25,000, the Interest Rate Applicable to Credit Limit Excesses will be charged on that \$25,000 excess, even if the total amount outstanding under Credit A is less than \$250,000.

(c) To determine if the limit of a Credit has been exceeded, any amounts in a currency other than the currency in which the limit is designated will be converted into that currency, as described in section 2.11 of this Schedule.

2.5 **Interest on Overdue Amounts.** Except as otherwise specified herein, if any principal is not paid when due, such overdue principal will bear interest (as well after as before judgement), payable on demand, at the interest rate applicable to such principal prior to default, and interest will be payable on overdue interest (as well after as before judgement) at the same rate as is applicable to the related principal. If any amount is not paid by the Borrower when due and there is no interest otherwise applicable to such amount specified herein, such overdue amount will bear interest (as well after as before judgement), payable on demand, at a rate per annum equal at all times to the Prime Rate plus 2% (in the case of any such amount payable in Canadian dollars) or the US Base Rate plus 2% (in the case of any such amount payable in US dollars) from the date of non-payment until paid in full.

2.6 **Reductions of Limit of Credits.** On or prior to each date on which the limit of any Credit is reduced, the Borrower will repay such outstanding amounts thereunder, if any, as are necessary so that, after giving effect to the repayment, the total of all amounts outstanding under such Credit does not exceed the limit as so reduced.

2.7 **Payments.** If any payment is due on a day other than a Business Day, such payment will be due on the next Business Day.

2.8 **CIBC's pricing policy.** The fees, interest rates and other charges for the Borrower's banking arrangements with CIBC are dependent upon each other. Accordingly, if the Borrower cancels or does not follow through with, in the manner originally contemplated, any of these arrangements, CIBC reserves the right to require payment by the Borrower of increased or added fees, interest rates and charges as a condition of the continuation of the Borrower's banking arrangements.

2.9 **Calculations.** The following terms apply to all calculations under the Credits:

(a) CDOR, Federal Funds Rate, Bankers' Acceptance Yield, LIBO Rate, Prime Rate and US Base Rate shall be determined by CIBC if and whenever such determination is required for the purpose of this Agreement, and such determination by CIBC shall be conclusive evidence of such rate.

(b) Except as provided in the next sentence, all interest and fees hereunder shall be computed on the basis of the actual number of days elapsed divided by 365. Interest on each LIBOR Loan shall be computed on the basis of the actual number of days elapsed divided by 360. Any such applicable interest rate, expressed as an annual rate of interest for the purpose of the *Interest Act* (Canada),

shall be equivalent to such applicable interest rate multiplied by the actual number of days in the calendar year in which the same is to be determined and divided by 365 or 360, as the case may be.

- (c) In calculating interest or fees payable hereunder for any period, unless otherwise specifically stated, the first day of such period shall be included and the last day of such period shall be excluded.

2.10 **CIBC's Records.** CIBC's loan accounting records will provide conclusive evidence of all terms and conditions of the Credits such as principal loan balances, interest calculations, and payment dates.

2.11 **Foreign Currency Conversion.** If it is necessary for any purpose relating to the Credits that an amount denominated in a currency other than Canadian dollars be expressed in or equated to an amount of Canadian dollars (such as, for example, to determine whether amounts denominated in US dollars that are outstanding under a Credit which has a limit specified in Canadian dollars exceed the limit of such Credit so as to make applicable the Interest Rate Applicable to Credit Limit Excesses), the applicable amount of Canadian dollars shall be determined by CIBC in accordance with its normal practice.

2.12 **Deemed Re-Investment Principle.** For the purpose of the *Interest Act* (Canada) and any other purpose, the principle of deemed re-investment of interest is not applicable to any calculation under this Agreement, and the rates of interest and fees specified in this Agreement are intended to be nominal rates and not effective rates or yields.

2.13 **Certain Definitions.** If and whenever required for the purpose of this Agreement, the following terms have the following definitions:

"CDOR" means, for any day, the average of the annual discount rates for bankers' acceptances denominated in Canadian dollars of certain banks named in Schedule 1 to the *Bank Act* (Canada) for a specified term and face amount that appears on the CDOR page of the Reuters Screen as of 10:00 a.m. on such day (or, if such day is not a Business Day, as of 10:00 a.m. on the next preceding Business Day).

"Federal Funds Rate" means, for any day, an annual interest rate equal to the weighted average of the rates on overnight United States federal funds transactions with members of the Federal Reserve System arranged by United States federal funds brokers, as published for such day (or, if such day is not a business day in New York, for the next preceding business day in New York) by the Federal Reserve Bank of New York, or for any such business day on which such rate is not so published, the arithmetic average of the quotations for such day on such transactions received by CIBC from three United States federal funds brokers of recognized standing selected by it.

"Interest Rate Applicable to Credit Limit Excesses" means the annual interest rate generally established by CIBC from time to time for the purpose of calculating interest on overdrafts in accounts maintained with CIBC in Canada.

"Prime Rate" means a fluctuating annual interest rate equal at all times to the greater of (i) the reference rate of interest (however designated) of CIBC for determining interest chargeable by it on loans in Canadian dollars made in Canada and (ii) 3/4 of 1% per annum above the CDOR for 30-day bankers' acceptances from time to time.

"US Base Rate" means a fluctuating annual interest rate equal at all times to the greater of (i) the reference rate of interest (however designated) of CIBC for determining interest chargeable by it on loans in US dollars made in Canada, and (ii) 3/4 of 1% per annum above the Federal Funds Rate from time to time.

3. NOTICE OF BORROWING; NOTICE OF REPAYMENT; OVERDRAFTS

3.1 **Notice of Borrowing.** Whenever the Borrower desires to obtain any amount under a Credit (other than a loan by way of a permitted overdraft), it will give to CIBC irrevocable prior written notice (a "Notice of Borrowing") specifying the Credit under which such amount is to be obtained and the particulars of such amount

including the term of any Bankers' Acceptances, the term of any LIBOR Period, the particulars of all maturing Bankers' Acceptances in the case of a rollover or conversion of Bankers' Acceptances, and the Business Day on which such amount is to be obtained. No amount shall be obtained if the term thereof or any LIBOR Period applicable thereto would mature beyond any scheduled repayment or reduction date for the applicable Credit and all or any part of such amount will be required to be repaid on such date. The amount to be obtained under any Credit at any time shall not exceed the undisbursed amount of that Credit at such time. CIBC will not be obliged to make available at any time LIBOR Loans in an aggregate amount less than US \$1,000,000. A notice requesting any loan in an amount exceeding \$10,000,000 or US \$10,000,000 (other than a LIBOR Loan) must be given not later than 10:00 a.m. on the Business Day preceding the applicable borrowing date; a notice requesting any Bankers' Acceptances in an amount exceeding \$10,000,000 must be given not later than 10:00 a.m. on the second Business Day preceding the applicable borrowing date; and a notice requesting any LIBOR Loan must be given not later than 10:00 a.m. on the third Business Day preceding the applicable borrowing date.

3.2 Notice of Repayment. Whenever the Borrower desires to make any repayment or repayments under one or more of the Credits in an aggregate amount exceeding \$10,000,000 (or an equivalent amount in any other currency) on any day, it will give to CIBC irrevocable written notice specifying the particulars of such repayment not later than 10:00 a.m. on the Business Day preceding the applicable repayment date.

3.3 Overdrafts. If the Borrower is entitled under any Credit to obtain loans in Canadian dollars or US dollars by way of overdraft, the debit balance in the Borrower's applicable Operating Account from time to time will be deemed to be a loan in Canadian dollars or US dollars, as the case may be, outstanding to the Borrower under such Credit and bearing interest as set out in this Agreement for loans in such currency under such Credit. If at any time the Borrower is a party to a cash concentration arrangement with CIBC, the amount of any overdraft from time to time in the Canadian dollar or US dollar concentration account of the Borrower established pursuant to such arrangement will also be deemed to be a loan in Canadian dollars or US dollars, as applicable, outstanding to the Borrower under the applicable Credit and bearing interest as set out above on the basis of the Prime Rate or the US Base Rate, as the case may be.

4. INDEMNITIES

4.1 Reserve Indemnity. If subsequent to the date of this Agreement any change in or introduction of any applicable law, or compliance by CIBC with any request or directive by any central bank, superintendent of financial institutions or other comparable authority, shall subject CIBC to any tax with respect to the Credits or change the basis of taxation of payments to CIBC of any amount payable under the Credits (except for changes in the rate of tax on the overall net income of CIBC), or impose any capital maintenance or capital adequacy requirement, reserve requirement or similar requirement with respect to the Credits, or impose on CIBC or the London interbank market (in the case of any matter relating to any actual or requested LIBOR Loan), any other condition or restriction, and the result of any of the foregoing is to increase the cost to CIBC of making or maintaining the Credits or any amount thereunder or to reduce any amount otherwise received by CIBC under the Credits, CIBC will promptly notify the Borrower of such event and the Borrower will pay to CIBC such additional amount calculated by CIBC as is necessary to compensate CIBC for such additional cost or reduced amount received. A certificate of CIBC as to any such additional amount payable to it and containing reasonable details of the calculation thereof shall be conclusive evidence thereof.

4.2 Currency Indemnity. Interest and fees hereunder shall be payable in the same currency as the principal to which they relate. Any payment on account of an amount payable in a particular currency (the "proper currency") made to or for the account of CIBC in a currency (the "other currency") other than the proper currency, whether pursuant to a judgement or order of any court or tribunal or otherwise and whether arising from the conversion of any amount denominated in one currency into another currency for any purpose, shall constitute a discharge of the Borrower's obligation only to the extent of the amount of the proper currency which CIBC is able, in the normal course of its business within one Business Day after receipt by it of such payment, to purchase with the amount of the other currency so received. If the amount of the proper currency which CIBC is able to purchase is less than the amount of the proper currency due to CIBC, the Borrower shall indemnify and save CIBC harmless from and against any loss or damage arising as a result of such deficiency.

4.3 Tax Indemnity. All payments by the Borrower under this Agreement shall be made free and clear of, and without reduction for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, other than taxes imposed on the overall net income of CIBC or franchise taxes, taxes on doing business or taxes measured by the capital or net worth of CIBC (collectively "Excluded Taxes"), now or hereafter imposed, levied, collected, withheld or assessed by any country or any political subdivision thereof (collectively "Taxes"); provided, however, that if any Taxes are required to be withheld from any interest or other amount payable to the CIBC hereunder, the amount so payable to the CIBC shall be increased to the extent necessary to yield to CIBC, on a net basis after payment of all Taxes and after payment of all Excluded Taxes imposed by any relevant jurisdiction on any additional amounts payable under this section, interest or any such other amount payable hereunder at the rate or in the amount specified in this Agreement. The Borrower shall be fully liable and responsible for and shall, promptly following receipt of a request from CIBC, pay to CIBC any and all sales, goods and services taxes payable under the laws of Canada or any political subdivision thereof with respect to any and all goods and services made available hereunder to the Borrower by CIBC, and such taxes shall be included in the definition of "Taxes" for all purposes hereof. Whenever any Taxes are payable by the Borrower, as promptly as possible thereafter it shall send to CIBC, a certified copy of an original official receipt showing payment thereof. If the Borrower fails to pay any Taxes when due or fails to remit to CIBC as aforesaid the required documentary evidence thereof, the Borrower shall indemnify and save harmless CIBC from any incremental taxes, interest, penalties or other liabilities that may become payable by CIBC or to which CIBC may be subjected as a result of any such failure. A certificate of CIBC as to the amount of any such taxes, interest or penalties and containing reasonable details of the calculation thereof shall be *prima facie* evidence thereof.

4.4 Default Indemnity. The Borrower shall indemnify and save harmless CIBC from all claims, demands, liabilities, damages, losses, costs, charges and expenses, including any loss or expense arising from interest or fees payable by CIBC to lenders of funds obtained by it in order to make or maintain any amount under the Credits and any loss or expense incurred in liquidating or re-employing deposits from which such funds were obtained, which may be incurred by CIBC as a consequence of (i) default by the Borrower in the payment when due of any amount hereunder or the occurrence of any other default relative to any of the Credits, (ii) default by the Borrower in obtaining any amount after the Borrower has given notice hereunder that it desires to obtain such amount, (iii) default by the Borrower in making any optional repayment of any amount after the Borrower has given notice hereunder that it desires to make such repayment, or (iv) the repayment by the Borrower of any LIBOR Loan otherwise than on the expiration of any applicable LIBOR Period, or the repayment of any loan on which interest is payable at a fixed annual rate otherwise than on the expiration of the fixed interest rate period applicable thereto, or the repayment of any other amount otherwise than on any specified maturity date thereof. A certificate of CIBC as to any such loss or expense and containing reasonable details of the calculation thereof shall be *prima facie* evidence thereof.

5. CONDITIONS PRECEDENT

5.1 Conditions Precedent to the Initial Amount

CIBC shall not be obliged to make available the initial amount under the Credits unless:

- a) CIBC shall have received the Security, which shall have been duly registered and filed as required hereby.
- b) CIBC shall have received such financial and other information relating to the Borrower and its Subsidiaries, and any guarantor, as it shall have reasonably requested.
- c) CIBC shall have received confirmation of all insurance maintained by the Borrower and its Subsidiaries, and such insurance shall comply with the requirements of this Agreement.
- d) The Borrower shall have paid to CIBC all fees and other amounts which shall have become due and payable by it to CIBC on or prior to the initial borrowing date.

- e) The following documents in form, substance and execution acceptable to CIBC shall have been delivered to CIBC:
 - (i) a certified copy of the constating documents and by-laws of each of the Borrower and its Subsidiaries, and of each corporate guarantor, and of all corporate proceedings taken and required to be taken by each of them to authorize the execution and delivery of such of this Agreement and the Security to which it is a party and the performance of the transactions by it contemplated therein;
 - (ii) a certificate of incumbency for each of the Borrower and its Subsidiaries, and for each corporate guarantor, setting forth specimen signatures of the persons authorized to execute such of this Agreement and the Security to which it is a party;
 - (iii) such legal opinions addressed to CIBC relative to the Borrower, this Agreement and the Security as CIBC may require; and
 - (iv) such other documents relative to this Agreement and the transactions contemplated herein as CIBC may reasonably require.

5.2 Conditions Precedent to All Amounts

CIBC shall not be obliged to make available any amount under the Credits unless:

- (i) CIBC shall have received any applicable Notice of Borrowing.
- (ii) On the applicable borrowing date the Borrower shall not have failed to observe or perform any of its covenants in this Agreement, and the Borrower shall have delivered to CIBC, if so requested by CIBC, an Officers' Certificate to such effect.
- (iii) The representations and warranties contained in this Agreement shall be true on and as of the applicable borrowing date with the same effect as if such representations and warranties had been made on and as of the applicable borrowing date, and the Borrower shall have delivered to CIBC, if so requested by CIBC, an Officers' Certificate to such effect.
- (iv) All other conditions specified herein, to the extent not previously satisfied for any reason, other shall have been satisfied.
- (v) In respect of any amount that would result in the aggregate amount outstanding under the Credits being increased, there shall not have occurred subsequent to the date of last annual financial statements of the Borrower, in the opinion of CIBC, any event which (individually or with any other events) has had, or which has a reasonable possibility of having, a Material Adverse Effect.

6 REPRESENTATIONS AND WARRANTIES

6.1 **Representations and Warranties.** To induce CIBC to establish and maintain the Credits, the Borrower represents and warrants as follows:

- (a) Each of the Borrower and its Subsidiaries has all necessary power and authority to own its property, to carry on the business carried on by it, to enter into and perform its obligations under such of this Agreement and the Security to which it is a party, and in the case of the Borrower to obtain amounts under the Credits. Each of the Borrower and its Subsidiaries is in compliance with all applicable laws except to the extent that the failure to comply therewith would not, in the aggregate, have, or reasonably be expected to have, a Material Adverse Effect.

- (b) The Borrower has taken all action necessary to be taken to authorize the execution and delivery of and the performance of its obligations under this Agreement and the Security, and the obtaining of amounts under the Credits. Except as has been obtained and is in full force and effect, no consent, waiver or authorization of, or filing with or notice to, any person is required to be obtained in connection with the execution and delivery of and the performance by each of the Borrower and its Subsidiaries of its obligations under this Agreement and the Security, or the obtaining by the Borrower of amounts under the Credits. This Agreement and the Security have been duly executed and delivered by each of the Borrower and its Subsidiaries as are parties thereto, and constitute the legal, valid and binding obligation of each of them enforceable in accordance with their terms.
- (c) The execution and delivery by the Borrower and its Subsidiaries of this Agreement and the Security and the performance by them of their obligations thereunder, and the obtaining by the Borrower of amounts under the Credits, will not conflict with or result in a breach of any applicable law, and will not conflict with or result in a breach of or constitute a default under, or permit the termination of, or cause any material right of any of the Borrower and its Subsidiaries to be adversely affected under, any of the provisions of its constituting documents or by-laws or any agreement, permit, instrument, judgement, injunction or other contractual obligation to which it is a party or by which it is bound, or result in the creation or imposition of any Lien (other than the Security) upon any of its property or assets.
- (d) Except as disclosed in writing by the Borrower to CIBC prior to the date of this Agreement with specific reference to this paragraph or, with respect to events occurring subsequent to the date of this Agreement, as the Borrower has otherwise disclosed in writing to CIBC with specific reference to this paragraph, there is no action, suit or proceeding (whether or not purportedly on behalf of any of the Borrower and its Subsidiaries) pending or, to the knowledge of the Borrower, threatened, against or affecting any of its Borrower and its Subsidiaries before any court or before or by any governmental department, commission or agency, in Canada or elsewhere, or before any arbitrator or board, and none of the Borrower and its Subsidiaries is in default with respect to any order or award of any arbitrator or government department, commission or agency.
- (e) The Borrower has delivered to CIBC a true and complete copy of its most recent financial statements, and such financial statements present fairly the financial position of the Borrower, in accordance with GAAP, as of the date thereof and for the fiscal period then ended. All financial statements of the Borrower delivered by the Borrower to CIBC after the date of this Agreement will present fairly the financial position of the Borrower, in accordance with GAAP, as of the dates thereof and for the fiscal periods then ended.
- (f) Since the date of the most recent financial statements of the Borrower delivered to CIBC, there has occurred no event which (individually or with any other events) has had, or which may reasonably be expected to have, a Material Adverse Effect.
- (g) The Borrower has not failed to observe or perform (beyond any period of grace permitted by CIBC) any of its covenants in this Agreement.
- (h) Except as disclosed in writing by the Borrower to CIBC prior to the date of this Agreement with specific reference to this paragraph, to the best knowledge of the Borrower, (i) the business carried on and the property owned or used at any time by any of the Borrower and its Subsidiaries and their respective predecessors (including the lands owned or occupied by any of them and the waters on or under such lands) have at all times been carried on, owned or used in compliance with all environmental laws; (ii) none of the Borrower and its Subsidiaries is subject to any proceeding alleging the violation of any environmental law, and no part of its business or property is the subject of any proceeding to evaluate whether remedial action is needed as a result of the release from or presence of any hazardous substance on any lands owned or occupied by it; (iii) there are no circumstances that could reasonably be expected to give rise to any civil or criminal proceedings or liability regarding the release from or presence of any hazardous substance on any

lands used in or related to the business or property of any of the Borrower and its Subsidiaries or on any lands on which any of the Borrower and its Subsidiaries has disposed or arranged for the disposal of any materials arising from the business carried on by it, or regarding the violation of any environmental law by any of the Borrower and its Subsidiaries or by any other person for which it is responsible; (iv) all hazardous substances disposed of, treated or stored on lands owned or occupied by any of the Borrower and its Subsidiaries have been disposed of, treated and stored in compliance with all environmental laws; (v) there are no proceedings and there are no circumstances or material facts which could give rise to any proceeding in which it is or could be alleged that any of the Borrower and its Subsidiaries is responsible for any domestic or foreign clean up or remediation of lands contaminated by hazardous substances or for any other remedial or corrective action under any environmental laws; (vi) each of the Borrower and its Subsidiaries has maintained all environmental and operating documents and records relating to its business and property in the manner and for the time periods required by any environmental laws and has never had conducted an environmental audit of its business or property; and (vii) the Borrower is not aware of any pending or proposed change to any environmental law which would render illegal or materially adversely affect its business or property.

- (i) No representation or warranty made by the Borrower herein or in any other document furnished to CIBC from time to time contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they are made, not misleading. All projections and *pro forma* information delivered to CIBC from time to time by the Borrower were prepared in good faith based on assumptions believed by the Borrower to be reasonable at the time of delivery. There is no fact known to the Borrower on the date of this Agreement which has had, or which has a reasonable possibility of having, a Material Adverse Effect.

6.2 **Survival.** All representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and the obtaining of amounts under the Credits, and the delivery of each Notice of Borrowing and the obtaining of any amount under any Credit shall constitute a reaffirmation on and as of such delivery date and such borrowing date, in each case by reference to the then-existing facts and circumstances, of all representations and warranties contained in this Agreement.

7. FINANCIAL COVENANTS

7.1 **Calculation.** All financial covenants will be calculated including the Borrower and its Subsidiaries on a consolidated basis, and each amount derived from the Borrower's profit and loss statement shall be calculated as the total of such amount during the Borrower's four most recently-completed fiscal quarters (or, if agreed upon by CIBC in its sole discretion, during the Borrower's most recently-completed fiscal year), as shown in the Borrower's most recent financial statements delivered to CIBC.

7.2 **Certain Definitions.** In this Agreement the following terms have the following meanings:

"Adjusted Debt Service Ratio" means, for any period, the ratio of EBITDAC for such period less Unfunded Capital Expenditures, to Debt Service Requirements.

"Current Assets" means assets that would be shown as current assets on a consolidated balance sheet of the Borrower and The Manitoba Clinic Holding Co. Ltd. (on a combined basis) prepared in accordance with GAAP, and would include such assets as cash, accounts receivable, inventory and other assets that are likely to be converted into cash, sold, exchanged or expended in the normal course of business within one year or less, but shall exclude for the purpose of this definition all amounts due from Affiliates.

Current Liabilities" means liabilities that would be shown as current liabilities on a consolidated balance sheet of the Borrower and The Manitoba Clinic Holding Co. Ltd. (on a combined basis) prepared in accordance with GAAP, and would include such liabilities as Debt that is or will become payable within

one year or one operating cycle, whichever is longer, accounts payable, accrued expenses and deferred revenue, but shall exclude for the purpose of this definition all amounts due to Affiliates. For clarification purposes, only scheduled principal repayments of CIBC demand instalment loans will be included as Debt rather than the entire balance.

“Current Ratio” means the ratio of Current Assets to Current Liabilities.

“Debt” means, with respect to any person, (i) an obligation of such person for borrowed money, (ii) an obligation of such person evidenced by a note, bond, debenture or other similar instrument, (iii) an obligation of such person for the deferred purchase price of property or services, excluding trade payables and other accrued current liabilities incurred in the ordinary course of business in accordance with customary commercial terms, (iv) a capitalized lease obligation of such person, (v) a guarantee, indemnity, or financial support obligation of such person, determined in accordance with GAAP, (vi) an obligation of such person or of any other person secured by a Lien on any property of such person, even though such person has not otherwise assumed or become liable for the payment of such obligation, (vii) an obligation arising in connection with an acceptance facility or letter of credit issued for the account of such person, or (viii) a share in the capital of such person that is redeemable by such person either at a fixed time or on demand by the holder of such share (valued at the maximum purchase price at which such person may be required to redeem, repurchase or otherwise acquire such share).

“Debt to EBITDAC Ratio” means the ratio of all Debt of the Borrower and The Manitoba Clinic Holding Co. Ltd. (on a combined basis), to EBITDAC of the Borrower and The Manitoba Clinic Holding Co. Ltd. (on a combined basis).

“Debt Service Requirements” means (i) all permanent principal payments in respect of Debt made or required to be made during such period, (ii) Interest Expense for such period, and (iii) all cost overruns on the New MB Clinic Project. For clarification purposes, only scheduled principal payments of CIBC demand instalment loans will be included in i) rather than the entire balance. For clarity, the repayment of the Old MB Clinic loan shall be excluded.

“EBIT” means, for any period, Net Income for such period plus all amounts deducted in the calculation thereof on account of Interest Expense and income taxes.

“EBITDAC” means, for any period, Net Income for such period plus all amounts deducted in the calculation thereof on account of Interest Expense, income taxes, depreciation and amortization, and physician distributions.

“Intangible” includes without limitation such personal property as goodwill; copyrights, patents and trademarks; franchises; licences, leases; research and development costs; and deferred development costs.

“Interest Expense” means, for any period, the aggregate amount accrued (whether or not payable or paid) during such period in accordance with GAAP on account of (i) interest expense including amortization of debt discount and debt issuance costs, standby fees, commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptances and (ii) the interest expense components of all capitalized lease obligations.

“Net Income” means, for any period, the consolidated net income (loss) of the Borrower for such period, calculated in accordance with GAAP before extraordinary items but excluding (i) the income (or loss) of any person accrued prior to the date it becomes a Subsidiary of the Borrower or is amalgamated with or consolidated into the Borrower or into any of its Subsidiaries or such person’s property is acquired by the Borrower or any of its Subsidiaries, and (ii) any after-tax gains (but not pre-tax losses) attributable to dispositions of property out of the ordinary course of business.

“Postponed Debt” means any Debt for borrowed money of any of the Borrower and its Subsidiaries that is incurred at such time as no failure by the Borrower to perform or observe any of its covenants in this

Agreement is continuing or would be created by the incurrence thereof (to be evidenced by *pro forma* financial statements delivered to CIBC) and which has the following attributes: (i) no principal thereof is repayable so long as any amount is owed by the Borrower to CIBC (or until such earlier date as CIBC may agree upon in writing), (ii) no covenant with respect to such Debt is more onerous than or in addition to the covenants specified herein, and (iii) all rights of the holder of such Debt are postponed and subordinated to all rights of CIBC under or in respect of the Credits pursuant to a subordination agreement containing payment and non-payment default standstills and other provisions satisfactory in form and substance to CIBC.

"Restricted Payments" means any payment by any person (i) of any dividends on any of its shares, (ii) on account of the purchase, redemption or other acquisition of any of its shares or any rights to acquire any such shares, or any other distribution in respect of any of its shares, (iii) of any principal, interest or other amount in respect of any Postponed Debt, or (iv) by way of gift or other gratuity or in an amount exceeding an arms-length amount to any of its shareholders or affiliates or to any director or officer thereof.

"Shareholders' Equity" means the amount which would, in accordance with GAAP, then be included as shareholders' equity on a consolidated balance sheet of the Borrower.

"Unfunded Capital Expenditures" means capital expenditures that are not specifically financed with Debt.

"Working Capital" means the excess of Current Assets over Current Liabilities.

8. BANKERS' ACCEPTANCES

8.1 **Power of Attorney.** To facilitate the issuance of Bankers' Acceptances under the Credits, the Borrower appoints CIBC to execute, endorse and deliver on behalf of the Borrower drafts in the form or forms prescribed by CIBC for bankers' acceptances denominated in Canadian dollars (each such executed draft which has not yet been accepted by CIBC is referred to herein as a "Draft"). Each Bankers' Acceptance executed and delivered by CIBC on behalf of the Borrower as provided herein shall be binding upon the Borrower as if it had been executed and delivered by a duly authorized officer or officers of the Borrower.

8.2 **Drafts.** Notwithstanding the above section, the Borrower will from time to time provide to CIBC if so required by CIBC an appropriate number of Drafts drawn by the Borrower upon CIBC and payable and endorsed as specified by CIBC. The dates, maturity dates and face amounts of all Drafts delivered by the Borrower shall be left blank, to be completed by CIBC as required. All such Drafts shall be held by CIBC subject to the same degree of care as if they were such Lender's own property. CIBC will, upon written request by the Borrower, advise the Borrower of the number and designations, if any, of the Drafts of the Borrower then held by it. CIBC shall not be liable for its failure to accept a Draft as required hereby if the cause of such failure is, in whole or in part, due to the failure of the Borrower to provide appropriate Drafts to CIBC on a timely basis.

8.3 **Term and Amount.** The term of all Bankers' Acceptances issued pursuant to any Notice of Borrowing must be identical. Each Bankers' Acceptance shall be in a face amount of \$100,000 or any whole multiple thereof, and the aggregate face amount of Bankers' Acceptances issued pursuant to any Notice of Borrowing must not be less than \$100,000. Each Bankers' Acceptance will be dated the date on which it is issued, and will be for a term of one, two, three or six months or such other period as may be agreed to by CIBC.

8.4 **Calculation of Fee.** The fee for any Bankers' Acceptance will be calculated, at the rate specified, on the basis of the face amount and term of such Bankers' Acceptance.

8.5 **Payment of Fee.** Upon acceptance of a Draft the Borrower will pay to CIBC the related fee specified in this Agreement, and to facilitate payment CIBC will be entitled to deduct and retain for its own account the amount of such fee from the amount to be paid by CIBC to the Borrower as the purchase price for the resulting Bankers' Acceptance.

8.6 Purchase by CIBC. Each Bankers' Acceptance will be purchased by CIBC for a price which produces a yield thereon equal to the Bankers' Acceptance Yield then in effect. Such price will be credited by CIBC to the applicable Operating Account.

8.7 No Market. If CIBC determines in good faith, which determination will be conclusive and binding on the Borrower, and so notifies the Borrower, that there does not exist at the applicable time a normal market in Canada for the purchase and sale of bankers' acceptances, then notwithstanding any other provision hereof any obligation of CIBC to purchase Bankers' Acceptances will be suspended until CIBC determines that such market does exist and gives notice thereof to the Borrower, and any Notice of Borrowing requesting Bankers' Acceptances will be deemed to be a Notice of Borrowing requesting Loans in Canadian dollars in a similar aggregate principal amount.

8.8 Payment on Maturity. On the maturity of each Bankers' Acceptance the Borrower will pay to CIBC, for the account of the holder of such Bankers' Acceptance, Canadian dollars in an amount equal to the face amount of such Bankers' Acceptance. The obligation of the Borrower to make such payment is absolute and unconditional, and will not be prejudiced by the fact that the holder of any such Bankers' Acceptance is CIBC. No days of grace may be claimed by the Borrower for the payment at maturity of any Bankers' Acceptance. If the Borrower does not make such payment, the amount of such payment shall be deemed to be a loan in Canadian dollars made to the Borrower by CIBC and payable on demand. The Borrower hereby confirms the application of the proceeds of such loan in payment of the liability of the Borrower with respect to the related Bankers' Acceptance.

8.9 Cash Collateralization. If any Bankers' Acceptance is outstanding at any time that an Event of Default occurs, the Borrower will forthwith upon demand by CIBC pay to CIBC, for the account of the holder of such Bankers' Acceptance, Canadian dollars in an amount equal to the face amount thereof. Such funds shall be held by CIBC for payment of the liability of the Borrower in respect of such Bankers' Acceptance on the maturity thereof.

8.10 Signatures on Drafts. The signature of any duly authorized officer of the Borrower on a Draft may be mechanically reproduced in facsimile, and all Drafts bearing such facsimile signature shall be binding upon the Borrower as if they had been manually signed by such officer, notwithstanding that such person whose manual or facsimile signature appears on such Draft may no longer hold office at the date thereof or at the date of acceptance of such Draft by CIBC or at any time thereafter.

8.11 Undisbursed Credit. For the purpose of calculating the undisbursed amount of any Credit and for any other relevant provision of this Agreement, the amount constituted by any Bankers' Acceptance shall be the face amount thereof.

8.12 Certain Definitions. In this Agreement the following terms shall have the following meanings:

"Bankers' Acceptance" or "B/A" means a Draft which has been accepted by CIBC pursuant to a Credit.

"Bankers Acceptance Yield" means, with respect to any Bankers' Acceptance to be purchased by CIBC at any time, the annual yield resulting from the price at which CIBC is offering to purchase at such time bankers' acceptances accepted by it having a term identical to such Bankers' Acceptance and in a comparable face amount to the Bankers' Acceptances to be purchased by CIBC from the Borrower at such time.

"face amount" means, with respect to any Bankers' Acceptance, the principal amount thereof payable on the maturity thereof.

9. LETTERS OF CREDIT

The following terms apply to each Letter of Credit issued by CIBC for the Borrower whether issued under any Credit or otherwise.

9.1 Reimbursement, Payment or Prepayment. The Borrower agrees, forthwith upon demand by CIBC, to provide CIBC with cash in the proper currency to meet each drawing that CIBC is required to pay under an L/C or to

reimburse CIBC for each drawing that CIBC has paid under an L/C. If we demand payment of any Credit under which a Letter of Credit is outstanding, or if the Borrower elects to permanently repay or terminate any Credit under which a Letter of Credit is outstanding, the Borrower must provide CIBC with cash, in the same currency as the L/C, or marketable securities satisfactory to us (collectively the "Cash Collateral") in an amount equal to CIBC's maximum potential liability under the L/C. The Cash Collateral will be held by us as security for, and may be applied to satisfy obligations under the L/C or otherwise under any Credit. We shall release any Cash Collateral that is no longer required for such purposes.

9.2 Neither CIBC nor any of its correspondents shall be liable for the use which may be made with respect to any L/C; any acts or omissions of the beneficiary of any L/C including the application of any payment made to such beneficiary; the form, validity, sufficiency, correctness, genuineness or legal effect of any document relating to any L/C, even if such document should prove to be in any respect invalid, insufficient, inaccurate, fraudulent or forged; any failure of the beneficiary of any L/C to meet the obligations of such beneficiary to the Borrower or to any other person; or any failure by CIBC to make payment under any L/C as a result of any law, control or restriction rightfully or wrongfully exercised or imposed by any domestic or foreign court or government or governmental authority or as a result of any other cause beyond the control of CIBC. The obligations of the Borrower under this Clause 9 are absolute and unconditional under all circumstances including without limitation any matter referred to above.

9.3 Indemnity. The Borrower hereby indemnifies and agrees to hold CIBC harmless from all losses, damages, costs, demands, claims, expenses (including out-of-pocket expenses) and other consequences which CIBC may incur, sustain or suffer, other than as a result of its own negligence or wilful misconduct, as a result of issuing or amending an L/C, including legal and other expenses incurred by CIBC in any action to compel payment by CIBC under an L/C or to restrain CIBC from making payment under an L/C. Any amounts due under this indemnity shall form part of the Debt.

9.4 L/C Fees. Unless the Borrower has made other arrangements with us, we will automatically debit the operating account of the Borrower for all fees payable with respect to L/Cs. Any Overdraft in the operating account in excess of any Credit Limit attached to the operating account will bear interest at the Excess Interest Rate.

9.5 Standard Agreements. The terms and conditions of our standard Application for Irrevocable Documentary Credit or Application for Standby Letter of Credit, as applicable, and any of our other standard documentation relating to L/C's, in effect from time to time will be applicable to each L/C whether or not any such Application or other documentation has been executed by or on behalf of the Business. A copy of any such Application or other documentation is available from CIBC.

9.6 Unless otherwise specified in the applicable Application or other documentation referred to above, and subject to any provision herein to the contrary, each L/C shall be subject to the Uniform Customs and Practice for Documentary Credits or the International Standby Practices, as applicable, of the International Chamber of Commerce current at the time of issuance of such L/C.

9.7 Cash Collateralization. If any Letter of Credit is outstanding at any time that the Borrower has failed to perform or observe (beyond any period of grace permitted by CIBC) any of its covenants in this Agreement, the Borrower will forthwith pay to CIBC, in the currency of such Letter of Credit, funds in an amount equal to the total maximum actual and contingent liability of CIBC pursuant thereto. Such funds will be held by CIBC for payment of the liability of the Borrower in respect of such Letter of Credit, and any excess thereof will be applied to any other liabilities of the Borrower pursuant to the Credits or will be returned to the Borrower at such time as no such liabilities exist or may arise.

9.8 Undisbursed Credit. For the purpose of calculating the undisbursed amount of any Credit and for any other relevant provision of this Agreement, the amount constituted by any Letter of Credit shall be the total maximum actual and contingent liability of CIBC pursuant thereto.

9.9 Definitions. In this Agreement, the following terms shall have the following meanings:

“Documentary L/C Sublimit” has the meaning specified under “Description and Rate” in the description of the Demand Operating Credit herein.

“Letter of Credit” or “L/C” means a documentary or standby letter of credit, a letter of guarantee or a similar instrument, in form and substance satisfactory to CIBC.

“L/C Acceptance” means an outstanding bill of exchange drawn by the beneficiary of a documentary L/C and which CIBC has accepted and is therefore obligated to pay at maturity.

“Undrawn Documentary L/C Sublimit” means the Documentary L/C Sublimit then in effect less the undrawn amount of all documentary L/Cs then outstanding under the Demand Operating Credit herein.

10. **INSTALMENT LOANS**

10.1 **Instalment Loans.** The following terms apply to each Instalment Loan:

(a) **Non-revolving Loans.** Unless otherwise stated in this Agreement, any Instalment Loan is non-revolving. This means that any principal repayment is not available to be re-borrowed, and permanently reduces the amount of such Instalment Loan.

(b) **Floating Rate Instalment Loans.** Floating Rate Instalment Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest, as described below:

(i) **Blended payments.** If a Floating Rate Instalment Loan has blended payments, the amount of the monthly payments is fixed for the term of such Loan, but the interest rate will vary with changes in the Prime Rate on the US Base Rate (as the case may be). If the Prime Rate or the US Base Rate during any month is lower than it was at the outset, a larger portion of the monthly payment will be allocated to principal and as a result such Loan may be repaid prior to its original maturity. If, however, the Prime Rate or the US Base Rate is higher than it was at the outset, the amount of principal that is repaid will be reduced, and as a result there may remain principal outstanding on the original maturity date.

(ii) **Payments of principal plus interest.** If a Floating Rate Instalment Loan has specified principal payments, in addition to interest, such principal payments are due on each specified payment date. The interest payment is also due on the same date, and will usually be a different amount each month due to the reducing balance of the Loan, the number of days in the month, and changes in the Prime Rate or the US Base Rate (as the case may be) during the month and from month to month.

(c) **Prepayment.** Unless otherwise specified in this Agreement:

(i) all or part of a Floating Rate Instalment Loan may be prepaid at any time without penalty; and

(ii) all (but not part) of a Fixed Rate Instalment Loan may be prepaid provided that the Borrower also pays to CIBC, on the prepayment date, any amount determined by CIBC pursuant to clause 4.4(iv) of this Schedule.

(d) **Demand of Fixed Rate Instalment Loans.** Upon demand for payment of a Fixed Rate Instalment Loan the Borrower will pay to CIBC the prepayment fee specified in clause 10.1(c)(ii) above.

(e) **Certain Definitions.** In this Agreement the following terms have the following meanings:

“Fixed Rate Instalment Loan” means an Instalment Loan with respect to which interest is payable at a fixed annual rate of interest (as opposed to being payable on the basis of the Prime Rate or the US Base Rate).

“Floating Rate Instalment Loan” means an Instalment Loan with respect to which interest is payable on the basis of the Prime Rate or the US Base Rate.

“Instalment Loan” means a loan that is repayable either in fixed instalments of principal, plus interest, or in blended instalments of both principal and interest, and that (notwithstanding any such specified instalments) is repayable on demand by CIBC at any time if so specified in this Agreement.



Canadian Imperial Bank of Commerce
500 – One Lombard Place
Winnipeg, MB R3C 2P3

Amendment #1 to the Credit Agreement
dated August 11, 2017 (including all previous amendments thereto, the "Agreement"
between Canadian Imperial Bank of Commerce ("CIBC") and Manitoba Clinic Medical Corporation (the "Borrower")

Amendments. The Agreement is amended as follows:

- A) The Credit Limit of the Demand Operating Credit is hereby increased to \$7,000,000

Special Provisions: Shared Credit Limit with related borrower The Manitoba Clinic Holding Co. Ltd. Combined Credit Limit maximum is \$10,000,000.

- B) The Business Credit Card Facility is hereby deleted

Confirmation: As revised by this Amendment, the Agreement remains in full force.

Dated as of:
January 4, 2018
For CIBC:

For the Borrower:

By: 	By: 	By: 
Name: Brad Ganczar	Name: Jeff Grapentine	Name: Dr. David Connor
Title: Director, Commercial Banking	Title: Executive Director	Title: Chairman



Canadian Imperial Bank of Commerce
500 – One Lombard Place
Winnipeg, MB R3C 2P3

Amendment #2 to the Credit Agreement
dated August 11, 2017 (including all previous amendments thereto, the "Agreement"
between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

Amendments. The Agreement is amended as follows:

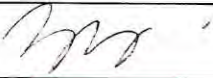
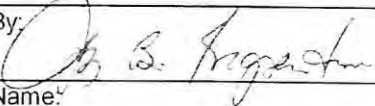

Refer to the Appendix A attached.

Confirmation: As revised by this Amendment, the Agreement remains in full force.

Dated as of: March 29, 2019

For CIBC:

For the Borrower:

By: 	By: 	By: 
Name: Brad Ganczar	Name: Jeff Grapentine	Name: D. Annels
Title: Director, Commercial Banking	Title: Executive Director	Title: Chairman



Appendix A

to Amendment #2 to the Credit Agreement dated August 11, 2017 (including all previous amendments thereto, the "Agreement" between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

A) The following new Credit Facility is hereby added.

Demand Revolving Equipment Financing Loan

Credit Limit: \$1,000,000

Purpose: To finance up to 100% of the cost of new equipment (including installation and taxes).

Description: A revolving Credit, available as follows:

- Canadian dollar loans.
Interest on Canadian dollar loans will be calculated at the Prime Rate per annum.
- Canadian dollar B/As.
CIBC's stamping fee for B/As will be calculated at 1.50% per annum.
- Fixed rate loans in Canadian dollars.

Interest on each fixed rate loan will be calculated at a rate agreed upon by the Borrower and CIBC at the time of drawdown, for such period as they may agree upon. CIBC may require the Borrower to deliver a promissory note evidencing the principal amount, interest rate and term of any such fixed rate loan, and in the absence of such note CIBC's records will be conclusive evidence thereof.

Minimum Drawdown: The minimum amount of each drawdown under this Credit is \$200,000.



Repayment: All amounts under this Credit are repayable immediately on demand by CIBC, and this Credit may be terminated in whole or in part at any time by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC's right to require immediate payment, the Borrower will repay each drawdown under this Credit in equal monthly instalments of principal and interest, commencing in the month following the month in which such drawdown is obtained to ensure repayment within the expected useful remaining life of the specific equipment being financed.

The Borrower shall have the option to repay any amount under this Credit at any time, provided that fixed rate loans may be repaid only at the end of the applicable fixed rate interest period, and B/As may be repaid only on their maturity. Any such optional repayment of part of a drawdown will be applied to its remaining instalments in the inverse order of their maturity.

B) Under the heading "Fees" the first bullet is hereby deleted and the following new bullet is hereby added:

Monitoring: A fee of \$250 payable monthly in arrears



500 – One Lombard Place
Winnipeg, MB
R3C 2P2

**Amendment #3 to the
Credit Agreement**

**dated August 11, 2017 including all previous amendments thereto, the "Agreement"
between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")**

Amendments. The Agreement is hereby amended as follows:

Demand Non Revolving Construction Loan – New MB Clinic Construction Loan

Repayment: All amounts under this loan are repayable on demand by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC's right to require immediate payment, the Borrower shall repay this loan in either blended monthly payments of principal and interest or equal monthly payments of principal plus interest to ensure the loan is repaid in full within 360 months (30 years) beginning April 1, 2018.

Financial Covenants:



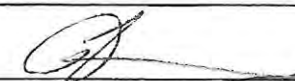
The Current Ratio is deleted.

Confirmation: As revised by this Amendment, the Agreement remains in full force.

Dated as of: March 29, 2019

For CIBC:

For the Borrower:

By: 	By: 	By: 
Name: Brad Ganczar	Name: <u>Felix B. GRAPENTINE</u>	Name: <u>D. Ganczar</u>
Title: Authorized Signatory	Title: <u>EXECUTIVE DIRECTOR</u>	Title: <u>Chairman</u>

This is **Exhibit "9"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.



CIBC
Commercial Banking

Canadian Imperial Bank of Commerce
500 – One Lombard Place
Winnipeg, MB R3C 2P3

August 11, 2017

The Manitoba Clinic Holding Co. Ltd.
790 Sherbrook Street
Winnipeg, MB R3E 0L5

Attention: Mr. Jeff Grapentine, Executive Director

Dear Jeff:

Re: Credit Facilities

Canadian Imperial Bank of Commerce ("CIBC", or the "Lender") is pleased to establish the following credit facilities in favour of The Manitoba Clinic Holding Co. Ltd. (the "Borrower").

Demand Operating Credit

Credit Limit: \$3,000,000

The aggregate outstanding amount of Canadian dollar loans, US dollar loans, standby L/Cs and B/As under this Credit may not at any time exceed the limit of this Credit set out above.

Purpose: All amounts obtained under this Credit are to be used for general corporate purposes.

Description and Rate: A revolving Credit, available as follows:

- ▶ Canadian dollar loans, which will also be available by way of overdrafts.
Interest on Canadian dollar loans will be calculated at the Prime Rate per annum.
- ▶ US dollar Base Rate loans , which will also be available by way of overdrafts.
Interest on US dollar Base Rate loans will be calculated at the US Base Rate per annum.

- ▶ Canadian dollar or US dollar standby L/Cs. Standby L/Cs under this Credit may not have terms to expiry of more than 12 months. Fees for standby financial L/Cs (being L/Cs that serve as direct credit substitutes and secure, directly or indirectly, payment of financial obligations such as indebtedness for borrowed money or the purchase price of goods or services, or lease payments) under this Credit will be calculated at 1.50% per annum, and for standby non-financial L/Cs (being all other types of L/Cs including generally those that relate to transaction-related contingencies arising in the normal course of business) under this Credit will be calculated at 1.50% per annum. The minimum fee for each standby L/C under this Credit is \$250 or US \$250, as applicable. In each case the Borrower shall reimburse CIBC for its out of pocket expenses relative to all standby L/Cs under this Credit. CIBC's standard L/C documentation is also required.
- ▶ L/C Acceptances pursuant to documentary L/Cs outstanding under this Credit.
- ▶ Canadian dollar B/As. CIBC's stamping fee for B/As will be calculated at 1.50% per annum.

Repayment:

All amounts under this Credit are repayable immediately on demand by CIBC, and this Credit may be terminated in whole or in part by CIBC at any time.

The Borrower shall have the option to repay any amount under this Credit at any time; provided that B/As may be repaid only on their maturity.

Special Provisions:

Shared Credit Limit with related Borrower Manitoba Clinic Medical Corporation. Combined Credit Limit is maximum \$8,000,000.

Demand Instalment Loan – Old MB Clinic Loan

Loan Amount: \$8,500,000

Purpose: This loan is to be used to refinance the existing commercial loans formerly secured against the Borrower's existing office tower at 790 Sherbrook (sold to CancerCare Manitoba Foundation Inc. ("CancerCare"))

Description and Rate: A non-revolving loan available by way of Canadian dollar loans or Canadian dollar B/As. Interest on this Instalment Loan will be calculated at the Prime Rate per annum if drawn by way of Canadian dollar loans. CIBC's stamping fee for B/As will be calculated at 1.50% per annum.

Repayment: All amounts under this loan are repayable immediately on demand by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC's right to require immediate payment, the Borrower shall repay this loan by regular monthly interest only payments. This loan is due in full within six months of drawdown or when the monies payable under the related mortgage from CancerCare to the Borrower (\$9,870,000) are payable (payment of which mortgage monies (the "Assigned CancerCare Monies") have been transferred, assigned and directed to CIBC.)

The Borrower shall have the option to repay any principal amount of this loan at any time, and any such optional repayment shall be applied to the instalments specified above in the inverse order of their maturity.

Demand Instalment Loan – Dynacare Loan

Loan Amount:	\$4,800,000
Purpose:	\$1,800,000 (Tranche A) is to be used to refinance the acquisition loan used to acquire an equity stake in Gamma-Dynacare Central Medical Laboratory Limited Partnership (“Dynacare”). The remaining \$3,000,000 (Tranche B) is to be used to increase the Borrower’s investment in LP units of Dynacare.
Description and Rate:	A non-revolving loan available by way of Canadian dollar loans or Canadian dollar B/As. Interest on this Instalment Loan will be calculated at the Prime Rate per annum if drawn by way of Canadian dollar loans. CIBC’s stamping fee for B/As will be calculated at 1.50% per annum.
Repayment:	All amounts under this loan are repayable immediately on demand by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC’s right to require immediate payment, the Borrower shall repay Tranche A and Tranche B in sufficient regular monthly payments of principal and interest to ensure the loan is repaid in full within 7 years of drawdown of each Tranche.
Conditions:	The Borrower shall have the option to repay any principal amount of this loan at any time, and any such optional repayment shall be applied to the instalments specified above in the inverse order of their maturity.

Demand Non Revolving Construction Loan – New MB Clinic Construction Loan

Loan Amount:	\$61,100,000 reducing to a maximum of \$60,600,000 upon receipt of the Assigned CancerCare monies.
Purpose:	This loan is to be used to finance the construction of a 10 story medical office tower project on the Winnipeg lands described in WLTO Title No. 2821678/1, the ("New MB Clinic Project")
Description and Rate:	<p>A non-revolving loan available by way of Canadian dollar loans or Canadian dollar B/As.</p> <p>Interest on this Instalment Loan will be calculated at the Prime Rate per plus 0.25% per annum if drawn by way of Canadian dollar loans. CIBC's stamping fee for B/As will be calculated at 1.75% per annum.</p>
Repayment:	All amounts under this loan are repayable immediately on demand by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC's right to require immediate payment, interest shall be paid monthly on the first Business Day of each and every month until the new medical centre is substantially complete. Within 120 days of substantial completion, the loan will be placed into repayment by way of monthly blended payments of principal and interest to ensure the loan is repaid in full within 30 years.
Drawdown Provisions:	Advances under this loan are subject to the satisfaction of all Conditions Precedent to Initial Advance on New MB Clinic Construction Loan and Conditions Precedent to Subsequent Advances on the New MB Clinic Construction Loan, including delivery of a Drawdown Notice from the Borrower to CIBC and the other requirements listed later in this Agreement.
Conditions:	The Borrower shall have the option to repay any principal amount of this loan at any time, and any such optional repayment shall be applied to the instalments specified above in the inverse order of their maturity.

Business Credit Card Facility

Credit Limit:	\$50,000
Purpose:	Purchase and payment of goods and services
Repayment:	On demand in accordance with the CIBC Business Credit Card Agreement (Business Liability)
Documentation:	CIBC Business Credit Card Agreement (Business Liability)

Security

The following security, which shall be in form and substance satisfactory to CIBC, is required to secure all present and future indebtedness and liabilities of the Borrower to each of CIBC and CIBC's affiliates (including under any foreign exchange contract or derivative). All references in any such security to indebtedness or liabilities of the Borrower to CIBC shall be deemed to be references to indebtedness and liabilities of the Borrower to each of CIBC and CIBC's affiliates.

- ▶ General Security Agreement and/or such other documentation as required, creating in favour of CIBC a first-priority security interest over all of the tangible and intangible assets of the Borrower and the Corporate Guarantor(s), whether now owned or hereafter acquired.
- ▶ Fixed charge demand debenture of \$75,000,000 from the Borrower, together with a general assignment of rents and leases. The Borrower and the Guarantors acknowledge, authorize and agree that the Lender's security documents shall be drawn to secure a higher principal amount than the total amount of the Facilities outlined herein under this loan agreement; however, the Lender shall be under no obligation whatsoever to commit to loan, advance, or provide any Credit Facility in excess of the total Facilities that may be specifically authorized under any loan agreement or commitment letter than ultimately may be issued.

- ▶ Unlimited Guarantees from the Manitoba Clinic Medical Corporation ("MCMC"), and Manitoba Clinic Holding (Parent) Co. Ltd. with respect to all of the liabilities of the Borrower to CIBC secured by General Security Agreements and/or such other documentation as required, creating in favour of CIBC a first-priority security interest over all of the tangible and intangible assets of the Corporate Guarantors, whether now owned or hereafter acquired.
- ▶ Pledge of shares from Manitoba Clinic Holding (Parent) Co. Ltd. of all shares it owns in the Borrower
- ▶ Environmental Indemnity Agreement from the Borrower.
- ▶ An acknowledged assignment of all-risk builders' course of construction insurance coverage over the New MB Clinic Project with loss payable to CIBC firstly, together with evidence of liability insurance in a minimum amount of \$5,000,000.
- ▶ A project completion, cost overrun, and debt servicing guarantee executed by the Borrower and the Guarantors.
- ▶ General assignment of rents and leases from the Borrower to the Lender.
- ▶ Specific assignment of lease respecting Borrower's lease with MCMC.
- ▶ Acknowledged assignment of the Borrower's right, title and interest in all approvals, plans, specifications, contracts, bonding, consulting reports and any other permits, agreements, authorities or approvals required for the New MB Clinic Project.
- ▶ Pledge of the ownership interest in Gamma-Dynacare Central Medical Laboratory Limited Partnership.

- ▶ Assignment of the sale proceeds from the sale of the old medical centre to CancerCare, accompanied by a Letter of Direction to repay the Old MB Clinic Loan upon receipt of the Assigned CancerCare Monies.
- ▶ Solicitor's letter of opinion over loan and security documentation.

Financial Covenants

Covenants:

The Borrower and MCMC (on a combined basis) will ensure that:

Financial Covenants:

- ▶ The Current Ratio is not less than 1.25 to 1.0 at any time.
- ▶ The Debt to EBITDAC Ratio is not greater than 2.50 to 1.0 on or prior to December 31, 2018, or 2.0 to 1.0 at any time thereafter.

The Borrower will ensure that:

Financial Covenant:

- ▶ The Adjusted Debt Service Ratio is not less than 1.25. to 1.0 at any time. Tested monthly until the New MB Clinic Project is substantially complete and quarterly thereafter.

Negative Covenants

Lien Restrictions:

None of the Borrower and its Subsidiaries will create, incur or suffer to exist any Lien on any of its property or assets, except:

- (a) Purchase Money Liens securing an aggregate amount for the Borrower and its Subsidiaries not exceeding \$100,000;
- (b) Liens existing on an asset when it was acquired by the Borrower or its Subsidiary (and not created in contemplation of the acquisition) to secure indebtedness existing at such time; or
- (c) Normal Course Liens.

Amalgamations, etc.:

None of the Borrower and its Subsidiaries will enter into any amalgamation or consolidation or merger or liquidate, wind-up or dissolve itself (or permit any liquidation, winding-up or dissolution or any proceedings therefor) or continue itself under the laws of any other statute or jurisdiction, except that, subject to the Borrower and its Subsidiaries taking such action, and executing and delivering to CIBC such agreements and other documents as CIBC may require, acting reasonably, to assure the continued validity, enforceability and effectiveness of the Security and the covenants, agreements and obligations of the Borrower under the Credits, and provided that there does not then exist any failure by the Borrower to perform or observe any of its covenants in this Agreement and no such failure would be created thereby, any wholly-owned Subsidiary may be amalgamated or consolidated or merged or liquidated, wound-up or dissolved with or into the Borrower, provided that the Borrower shall be the continuing corporation, or with or into any one or more other wholly-owned Subsidiaries.

Debt Restrictions:

None of the Borrower and its Subsidiaries will create, incur, assume or permit to exist any Debt except:

- (i) amounts owed to CIBC under the Credits;
- (ii) Purchase Money Obligations in an aggregate amount for the Borrower and its Subsidiaries not exceeding \$100,000 at any time.
- (iii) Debt for borrowed money, in addition to the other Debt permitted above, so long as no failure by the Borrower to perform or observe any of its covenants in this Agreement is continuing at the date of incurrence thereof or would be created thereby, if (and to the extent that) the proceeds of such Debt are applied in permanent repayment of amounts under the Credits.

Dispositions of Property:

None of the Borrower and its Subsidiaries will sell, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any material part of its property, whether now owned or hereafter acquired, except that each of the Borrower and its Subsidiaries:

- (i) may sell in the normal course of its business for the purpose of carrying on the same, for fair market value, in accordance with customary trade terms, any property that would reasonably be considered to be the subject matter of sales by it in the normal course of its business for the purpose of carrying on the same; and
- (ii) may sell, transfer or otherwise dispose of any property that is worn out or obsolete or of no material value.

Limitation on Sale-Leasebacks:

None of the Borrower and its Subsidiaries will enter into any arrangement with any person providing for the leasing by any of the Borrower and its Subsidiaries, as lessee, of property which has been or is to be sold or transferred by any of the Borrower and its Subsidiaries to such person or to any other person to whom funds have been or are to be advanced by such person on the security of such property or the lease obligation of any of the Borrower and its Subsidiaries.

Hostile Take-Overs:

None of the Borrower and its Subsidiaries will use any amount obtained by the Borrower under any of the Credits to finance a bid for any securities of any corporation in circumstances where the board of directors of such corporation has recommended (or is reasonably expected to recommend) rejection of such bid.

Transactions with Affiliates:

Except as specifically permitted hereunder, none of the Borrower and its Subsidiaries will enter into any transaction, including the purchase, sale or exchange of any property or the rendering of any services, with any of its shareholders or with any of its Affiliates, or with any of its or their directors or officers, or enter into, assume or permit to exist any employment, consulting or analogous agreement or arrangement with any such shareholder or Affiliate or with any of its directors or officers, except a transaction or agreement or arrangement which is in the ordinary course of business

of the Borrower or such Subsidiary and which is upon fair and reasonable terms not less favourable to the Borrower or its applicable Subsidiary than it would obtain in a comparable arms-length transaction.

Physician Service Agreements:

Distributions to physicians from MCMC for any fiscal year can at no time exceed the sum of i) net income for that year; plus ii) undistributed income for the prior year; provided that in no event may distributions to physicians exceed the amounts set out in the Services Agreement which MCMC has entered into with its physicians as independent contractors.

There shall be no material amendment to the form of Services Agreement which MCMC has entered into with its physicians as independent contractors (and which it will enter into with its physicians hereafter).

Cost Consultant Agreement:

There shall be no amendment to the agreement with the Cost Consultant, except with the prior written approval of CIBC.

Conditions Precedent

Conditions Precedent:

In addition to the documentation specified in section 5.1 of Schedule A and in Schedule B hereto, the obligation of CIBC to make available any Credit is subject to CIBC's receipt of the following, in form and substance satisfactory to CIBC:

- ▶ Covenant projections on a quarterly basis through December 31, 2019
- ▶ Officers Certificate as to calculation of and compliance with all applicable financial covenants

Conditions Precedent to Initial Advance on New MB Clinic Construction Loan:

- ▶ Environmental sign-off from CIBC's internal environmental risk management department.
- ▶ Copy of executed and binding lease agreements with the tenants subject to a satisfactory review by CIBC.
- ▶ Appraisal from an accredited appraiser acceptable to the Lender confirming a minimum market value at completion of \$85,000,000 of the New MB Clinic

Project, to be accompanied by a transmittal letter.

- ▶ Written confirmation that all project development and building permits and agreements and other governmental approvals required in connection with the New MB Clinic Project have been obtained and have been and can be complied with, and that the New MB Clinic Project will comply with all applicable laws and municipal by-laws.
- ▶ Satisfactory review of title to the project lands, and any encumbrances registered thereon.
- ▶ Review from the quantity surveyor/cost consultant ("Cost Consultant") together with the provision of a fully developed, line by line budget (the "Budget") covering the estimated costs of the New MB Clinic Project. The plans and Budget will be reviewed by the Cost Consultant appointed by, or approved by, the Lender who will provide the Lender with a satisfactory review of the project budget and time-line.
- ▶ Satisfactory review of the PCL Contract by the Cost Consultant. Should the final project costs confirmed by the project monitor be less than projected, CIBC may adjust the Available Credit Limit downward as appropriate. Should the final costs be more than projected, the Borrower will inject additional equity into the project.
- ▶ The Cost Consultant will be engaged by CIBC under CIBC's standard requirements.
- ▶ Builders Risk Insurance policy in a minimum amount of \$61,100,000 with a copy of the policy provided to the Lender.
- ▶ Pinchin Engineering Remedial Excavation Report and transmittal letter addressed to the Lender, evidencing that all contaminated soil has been removed from the site and that they have complied with the remediation plan.
- ▶ Satisfactory geotechnical report with letter of transmittal.

- ▶ Satisfactory site survey, prepared by and under the seal of a Manitoba Surveyor, covering the project lands.
 - ▶ A satisfactory “after 3:00” Land Titles search of the project is obtained. Monthly interest draws do not require such searches. Should a search of the project title reveal a lien, judgment, charge or the like, against the project Lands, the Lender will suspend further funding immediately, until such time as the lien, judgement, charge or the like has been removed or dealt with to the satisfaction of the Lender.
- Conditions Precedent to Subsequent Advances on the New MB Clinic Construction Loan:
- ▶ The Borrower shall have submitted a Drawdown Notice containing project cost analysis confirming budget, work in place, payables, holdbacks and cost to complete.
 - ▶ Project claim reports are to be provided by the Lender approved Cost Consultant, confirming work in place, date of last site visit, quality of workmanship and materials utilized, confirming the building is being constructed in general conformity to the plans and specifications for which the building permit was issued, cost-to-complete formula to apply.
 - ▶ The Lender requires a minimum of five Business Days from receipt of the Cost Consultant’s report to fund the requested draw.
 - ▶ Sufficient funds are to be available at all times to complete the project from the amount remaining undrawn under the New MB Clinic Construction Loan. Any cost overruns are to be funded by the Borrower and/or the Guarantors. Upon identification of an overrun and the cost to complete deficiency, advances under this loan will be suspended until such time as additional funds are injected into the project (or upon the Lender’s prior consent).
 - ▶ The Borrower has fully observed and at all times complied with all requirements of the Manitoba Builders’ Lien Act.

**Condition Precedent to Advances
under Tranche B Dynacare Loan:**

- ▶ The Borrower or General Contractor has provided a statutory declaration of payables.
- ▶ A satisfactory Land Title search is obtained. Monthly interest draws do not require such searches.
- ▶ Site inspections by the Lender's account manager at the Lender's discretion.
- ▶ Receipt of copies of relevant transaction documentation of additional Dynacare investment

Reporting Requirements

Reporting Requirements:

- ▶ Monthly construction report from the Cost Consultant in a form satisfactory to the Lender.
- ▶ Within 30 days of month end, the unaudited financial statements of the Borrower and MCMC (individual and combined) with a comparison to budget and to the previous year's results for the same period.
- ▶ Within 120 days after the end of each fiscal year, the audited financial statements of the Borrower and MCMC and the unaudited statements on a combined basis for such year, prepared in accordance with GAAP.
- ▶ Within 120 days after the end of each fiscal year, the unaudited financial statements of the Manitoba Clinic Holding (Parent) Co. Ltd. for such year, prepared in accordance with GAAP
- ▶ Within 120 days after the end of each fiscal year, annual financial forecasts for the following year, including forecasted balance sheet and statements of income and cash flows, together with a financial covenant test worksheet.
- ▶ Within 60 days of each of the first three fiscal quarters and within 120 days of each fiscal year

end, a Compliance Certificate.

- ▶ Promptly after obtaining knowledge thereof, particulars of any failure by any of the Borrower and any Guarantor to perform or observe any of its covenants or agreements in favour of CIBC.
- ▶ Every five (5) years as of the anniversary date of this letter, at the Lender's request, the Borrower shall deliver an appraisal from an accredited appraiser acceptable to the Lender, to be accompanied by a transmittal letter.
- ▶ Such other information relative to the Borrower and any Guarantor, as CIBC may reasonably require.

Fees

Monitoring:	A fee of \$500 payable monthly in arrears.
Set-Up:	A fee of \$50,000, with \$25,000 having been paid upon acceptance of the credit mandate dated July 7, 2017, and \$25,000 payable on acceptance of this letter.
Annual Fee:	A fee of \$2,500 payable in arrears on each anniversary date of this letter.
Late Reporting:	A fee of \$250 per occurrence.

Other Provisions

Schedule A:	The attached Schedule A, which contains certain additional provisions applicable to the Credits, and certain definitions, forms part of this Agreement.
Notice of Borrowing:	Whenever the Borrower desires to obtain any amount under a Credit (other than by way of a permitted overdraft), it will give to CIBC irrevocable prior written notice as specified in Schedule A hereto.
Notice of Repayment:	Whenever the Borrower desires to make one or more repayments under one or more Credits in an aggregate amount exceeding \$10,000,000 (or the equivalent in any other currency) on any day, it will give to CIBC irrevocable prior written notice as specified in Schedule A hereto.

Interest on Excess Amounts:	The interest rate applicable to any outstanding amount under a Credit which is in excess of the limit of such Credit shall be the Interest Rate Applicable to Credit Limit Excesses specified in Schedule A hereto.
Interest on Overdue Amounts:	Interest on overdue amounts is payable as specified in Schedule A hereto.
Interest Payment Dates:	Except with respect to interest on amounts in default, which is payable on demand, or as otherwise specified herein or in Schedule A hereto, interest and fees will be calculated and payable monthly in arrears on such day in each month as CIBC requires.
Authorized Debits:	The Borrower authorizes CIBC to debit its Operating Account for any interest, fees or other amounts that are payable by the Borrower to CIBC with respect to the Credits, as and when such amounts are payable.
Communications:	Any communication or notice to be given with respect to the Credits may be effectively given by delivering the same at the addresses set out on the signature page hereof, or by sending the same by facsimile or prepaid registered mail to the parties at such addresses. Any notice so mailed will be deemed to have been received on the tenth day next following the mailing thereof, provided that postal service is in normal operation during such time. Any facsimile notice will be deemed to have been received on transmission if sent on a Business Day and, if not, on the next Business Day following transmission. Either party may from time to time notify the other party, in accordance with this section, of any change of its address which thereafter will be the address of such party for all purposes of the Credits.
Assignments and Participations:	CIBC reserves the right to syndicate, sell, participate, assign or transfer all or any portion of the Facilities, whether directly or by way of securitization, to any third party and as part of any such transaction CIBC is authorized to provide to such third parties in such transactions all information received by the Lender regarding the Borrowers, the Guarantors and the Security. The Borrowers agree to sign any documents and take any actions that the Lender may reasonably

require in connection with any such syndication, sale, participation, assignment or transfer (each, a "transfer"). Upon completion of the transfer, such third parties will have the same rights and obligations under the credit agreement as if it were a party to it, with respect to all rights and obligations included in the transfer. The Borrowers may not assign any of its rights or obligations under the credit agreement. Any assignment or syndication will be at the Lender's expense.

Replacements:

This letter supersedes and replaces all prior discussions, letters and agreements (if any) describing the terms and conditions of any credit facility established by CIBC in favour of the Borrower.

Please indicate your acceptance of these terms by signing below and returning the enclosed copy to our attention no later than August 31, 2017.

Attention:

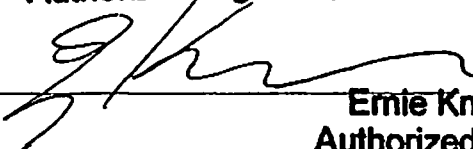
CIBC Commercial Banking
Brad Ganczar, Director
500 – One Lombard Place
Winnipeg, MB R3C 2P3
Phone: (204-944-5812)
Fax: (204-943-8347)
Brad.ganczar@cibc.com

Yours truly,

CANADIAN IMPERIAL BANK OF COMMERCE

By: 
Name: _____

Brad Ganczar
Authorized Signatory

By: 
Name: _____

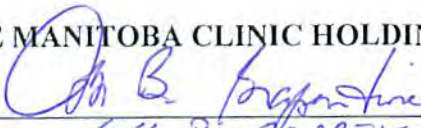
Ernie Knoblauch
Authorized Signatory


Accepted this 15TH day of August, 2017.

Attention:

c/o 790 Sherbrook Street
Winnipeg, MB R3A 1M3
Fax (204-775-6378)
Attention: Jeff Grapentine

THE MANITOBA CLINIC HOLDING CO. LTD.

By: 
Name: JEFF B. GRAPENTINE
Title: EXECUTIVE DIRECTOR

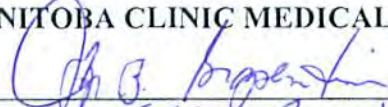
By: 
Name: D. CONNOR
Title: Chairman


The guarantors declares that they have received a copy of this Agreement and agree to be liable pursuant to its terms and conditions.

Attention:

c/o 790 Sherbrook Street
Winnipeg, MB R3A 1M3
Fax (204-775-6378)
Attention: Jeff Grapentine

MANITOBA CLINIC MEDICAL CORPORATION

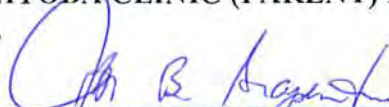
By: 
Name: JEFF B. GRAPENTINE
Title: EXECUTIVE DIRECTOR


By: 
Name: D. CONNOR
Title: Chairman

Attention:

c/o 790 Sherbrook Street
Winnipeg, MB R3A 1M3
Fax (204-775-6378)
Attention: Jeff Grapentine

MANITOBA CLINIC (PARENT) HOLDING CO.
LTD.

By: 
Name: JEFF B. GRAPENTINE
Title: EXECUTIVE DIRECTOR

By: 
Name: D. CONNOR
Title: Chairman

Signed this 15TH day of August, 2017.

SCHEDULE A - ADDITIONAL DEFINITIONS AND PROVISIONS

1. GENERAL

1.1 Use of Funds, Returns. The Borrower will use the Credits only for the purposes specified in this Agreement. The Borrower may not at any time exceed the limit of any Credit, and CIBC may, without notice to the Borrower, return any item that, if paid, would result in the limit of any Credit being exceeded. If, on the other hand, CIBC in its sole discretion elects to pay any such item, the Borrower will pay to CIBC immediately the amount by which the limit of the applicable Credit has been exceeded.

1.2 Notice of Failure. The Borrower will promptly notify CIBC of the occurrence of any failure to perform or observe any of its covenants in this Agreement.

1.3 Confidentiality. The terms of this Agreement are confidential between the Borrower and CIBC, and accordingly the Borrower will not disclose the contents of this Agreement to anyone except its professional advisors.

1.4 Applying money received. At any time that the Borrower has failed (beyond any period of grace permitted by CIBC) to perform or observe any of its covenants in this Agreement, all moneys received by CIBC from the Borrower or from any Security may be applied on such parts of the Borrower's liabilities to CIBC as CIBC may determine.

1.5 Right of Set-Off. At any time that the Borrower has failed (beyond any period of grace permitted by CIBC) to perform or observe any of its covenants in this Agreement, CIBC is authorized at any time to set-off and apply any deposits held by it and any other amounts owed by it to or for the credit of the Borrower against any and all of the obligations of the Borrower with respect to the Credits, irrespective of whether or not CIBC has made any demand and even though any such obligations may not yet be due and payable.

1.6 Registration of Security. The Security will be registered or filed in all jurisdictions and in all offices as CIBC considers necessary or advisable from time to time to create, perfect or protect any Lien created thereby.

1.7 Expenses. The Borrower will reimburse CIBC for all reasonable fees (including legal fees) and out-of-pocket expenses incurred in preparing and registering any Security, in responding to requests from the Borrower for waivers, amendments and other matters, and in enforcing CIBC's rights under this Agreement or any Security.

1.8 Further information requirements. The Borrower will provide such further information about its business and its Subsidiaries as is reasonably requested by CIBC from time to time, and such information shall be in a form acceptable to CIBC.

1.9 Consent to release information. CIBC may from time to time give any credit or other information about the Borrower to, or receive such information from, (i) any financial institution, credit reporting agency, rating agency or credit bureau, (ii) any person, firm or corporation with whom the Borrower may have or proposes to have financial dealings, and (iii) any person, firm or corporation in connection with any dealings the Borrower has or proposes to have with CIBC. The Borrower agrees that CIBC may use that information to establish and maintain the Borrower's relationship with CIBC and to offer any services as permitted by law, including services and products offered by CIBC's Subsidiaries when it is considered that this may be suitable to the Borrower.

1.10 Instructions by fax, phone and e-mail. The Borrower may deliver, and CIBC may accept, instructions by fax, telephone (including cellular phone) and internet e-mail ("Electronic Communication"), according to CIBC-approved procedures, which procedures may be limited to particular types of communications or services. Unless the Borrower expressly indicates otherwise, the Borrower agrees that CIBC may also communicate with the Borrower by e-mail or fax. This may include (i) CIBC sending confidential information to the Borrower, at the Borrower's request; or (ii) the Borrower sending confidential information to CIBC. An Electronic Communication may not be a secure means of communication and the Borrower assumes responsibility for the risks of using

Electronic Communications including, without limitation, the possibility that an Electronic Communication is intercepted by or sent to an unauthorized person, misunderstood, lost, delayed, or not received by CIBC at all. CIBC is entitled to rely upon any Electronic Communication from or purporting to be from the Borrower, as if such instructions were given in writing. However, CIBC may choose not to act upon an Electronic Communication if it believes that the Electronic Communication is unauthorized, incorrect or unclear. CIBC shall not be liable for, and the Borrower will indemnify and save CIBC harmless from, any claims, losses, damages, liabilities and expenses that CIBC incurs (other than those due to CIBC's gross negligence or wilful misconduct) including among other things all legal fees and expenses, arising from CIBC acting or declining to act on any of your Electronic Communications given under this Agreement. This indemnity is in addition to any other indemnity or assurance against loss provided by you to CIBC under this Agreement or otherwise.

1.11 Further Assurances. The Borrower will from time to time promptly upon request by CIBC do and execute all such acts and documents as may be reasonably required by CIBC to give effect to the Credits and the Security, and to any transfer pursuant to section 1.15 of this Schedule.

1.12 Insurance. The Borrower will keep all its assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for similar property and for any other risks CIBC may reasonably require. If CIBC requests, these policies will include a loss payable clause (and with respect to mortgage security, a mortgagee clause) in favour of CIBC. As further security, the Borrower assigns all insurance proceeds to CIBC. The Borrower will provide to CIBC either the policies themselves or adequate evidence of their existence. If any insurance coverage for any reason stops, CIBC may (but shall have no obligation to) insure the property. Finally, the Borrower will notify CIBC immediately of any loss or damage to any of its property.

1.13 Environmental. The Borrower will, and will ensure that each of its Subsidiaries will, carry on its business, and maintain its assets and property in accordance with all applicable environmental, health and safety laws and regulations. If there occurs or occurred in the past any release, deposit, discharge or disposal of any substance that may cause any environmental harm or adverse environmental effect or that is or may be regulated by any law for the protection of the environment, human health or safety, (collectively, a "Discharge") in connection with the business or property of the Borrower or any of its Subsidiaries, and as a result CIBC suffers any third party claim, legal obligation, loss, expense or damage whatsoever, the Borrower will reimburse CIBC, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts that result (including amounts spent conducting any necessary environmental assessments or investigations or defending any third party claims or proceedings, government demands or orders). If CIBC asks, the Borrower will defend any third party claims or proceedings, investigations or prosecutions brought against CIBC or any of its directors, officers, employees and agents in connection with any Discharge. The Borrower's obligation under this section continues even after all Credits have been repaid and this Agreement has terminated.

1.14 Waiver. No delay on the part of CIBC in exercising any right or privilege will operate as a waiver thereof, and no waiver of any failure or default will operate as a waiver thereof unless made in writing and signed by an authorized officer of CIBC, or will be applicable to any other failure or default.

1.15 Assignment. CIBC may assign, sell or participate (herein referred to as a "transfer") all or any part of its rights and obligations under all or any of the Credits to any third party, and the Borrower agrees to sign any documents and take any actions that CIBC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under this Agreement as if it were a party to it, with respect to all rights and obligations included in the transfer. The Borrower may not assign any of its rights or obligations under any of the Credits.

1.16 Application to Subsidiaries. The Borrower will ensure that each of its Subsidiaries complies with sections 1.11, 1.12 and 1.13 of this Schedule, as if the references to the Borrower therein were references to each such Subsidiary.

1.17 Governing Law. This Agreement shall be governed by the laws of Manitoba, and the Borrower submits itself to the jurisdiction of any competent federal or provincial court in such jurisdiction.

1.18 Counterparts. This Agreement may be executed in one or more counterparts, and all of such counterparts shall constitute the same agreement.

1.19 Certain Definitions. In this Agreement the following terms have the following meanings:

“Affiliate” means, with respect to any person, any other person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such person, and includes any person in like relation to an Affiliate. A person shall be deemed to control another person if the first person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other person, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” means the attached letter agreement between CIBC and the Borrower, including this Schedule and any other Schedules thereto, as the same may be amended or supplemented from time to time.

“Business Day” means (i) with respect to any amount denominated in Canadian dollars and all matters pertaining thereto, any day excluding Saturday, Sunday and any day which is a legal holiday in Toronto, Canada; (ii) with respect to any amount denominated in US dollars (except as provided below) and all matters pertaining thereto, any day excluding Saturday, Sunday or any day which is a legal holiday in New York, U.S.A. or Toronto, Canada, and (iii) with respect to any LIBOR Loan and all matters pertaining thereto, any day which is a day for dealings by and between banks in US dollars in the London interbank market, excluding Saturday, Sunday or any day which is a legal holiday in London, England or New York, U.S.A. or Toronto, Canada.

“Compliance Certificate” means an Officer’s Certificate stating, as of the applicable date, (i) that the Borrower is not in default of the observance or performance of any of its covenants in this Agreement (or describing any default then existing), (ii) that all representations and warranties contained in this Agreement are true and accurate as if made on and as of such date (or describing any thereof that are not then true and accurate), (iii) the particulars and calculation of all financial covenants of the Borrower contained in this Agreement, and (iv) where applicable, the amount and particulars of calculation of Receivable Value, Inventory Value and Priority Claims, and the resulting maximum available amount and undrawn amount of any Credit, as of such date. Unless otherwise prescribed by CIBC, a Compliance Certificate shall be substantially in the form attached to this Schedule A.

“Drawdown Notice” means a notice, substantially in the form of Appendix I, to be delivered by the Borrower to CIBC

“GAAP” means those accounting principles which are recognized as being generally accepted in Canada from time to time as set out in the handbook published by the Canadian Institute of Chartered Accountants. If the Borrower, or the party to which references to GAAP are intended to apply, has adopted International Financial Reporting Standards (“IFRS”), then the applicable references in this Agreement to GAAP or Generally Accepted Accounting Principles may be interpreted to mean IFRS, but only if CIBC has consented to such change.

“Inventory Value” means, at any time, the inventory of the Borrower and its Subsidiaries (which shall not include any work-in-process for the purpose of this definition) then existing, less any inventory that (i) is not located in Manitoba, (ii) is not subject to the applicable duly perfected Liens created by the Security, (iii) is subject to any Lien other than as specifically permitted by CIBC, (iv) is located in or on leased premises unless the applicable lessor has waived all Liens that may at any time be held by such lessor in respect of any inventory, (v) is obsolete or not readily saleable in the ordinary course of business, all valued at the lower of cost and market on a first-in, first-out basis, (vi) that has not been paid for in full and is subject to a right of repossession by the seller thereof; or (vii) that is otherwise excluded by CIBC in its reasonable discretion.

"Investment" means, with respect to any person, any direct or indirect investment in or purchase or other acquisition of the securities of or any equity interest in any other person, any loan or advance to, or arrangement for the purpose of providing funds or credit to (excluding extensions of trade credit in the ordinary course of business in accordance with customary commercial terms), or capital contribution to, any other person, or any purchase or other acquisition of all or substantially all of the property of any other person.

"Lien" includes without limitation a mortgage, charge, lien, security interest or encumbrance of any sort on any property or asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

"Material Adverse Effect" means a material adverse effect on the business, property, condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries, considered as a whole, or a material adverse effect on the ability of any of the Borrower and its Subsidiaries to perform its obligations under any of this Agreement and the Security to which it is a party.

"Normal Course Lien" means, at any time, the following:

- (i) Liens for taxes not overdue, or which are being contested if adequate reserves with respect thereto are maintained by the Borrower and its Subsidiaries in accordance with GAAP and the enforcement of any related Lien is stayed;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business which relate to obligations not overdue or a claim for which has not been filed or registered pursuant to applicable law;
- (iii) carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction or other similar Liens arising in the ordinary course of business which relate to obligations not overdue;
- (iv) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or its Subsidiaries;
- (v) zoning and building by-laws and ordinances and municipal by-laws and regulations so long as the same are complied with;
- (vi) statutory Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;
- (vii) the reservations and exceptions contained in, or implied by statute in, the original disposition from the Crown and grants made by the Crown of interests so reserved or excepted;
- (viii) Liens created by the Security; and
- (ix) Liens in respect of which CIBC has given its specific written consent.

"Officer's Certificate" means a certificate, in form satisfactory to CIBC, signed by a senior officer of the Borrower.

"Operating Account" means Canadian dollar account no. [TBD] of the Borrower with CIBC, or US dollar account no. [TBD] of the Borrower with CIBC, or any such other account as is agreed upon by the Borrower and CIBC from time to time for the purposes hereof.

"Priority Claims" means, at any time, any liability of any of the Borrower and its Subsidiaries that ranks, in right of payment in any circumstances, equal to or in priority to any liability of the Borrower or such Subsidiary to CIBC, and may include unpaid wages, salaries and commissions, unremitted source deductions for vacation pay, arrears of rent, unpaid taxes, amounts owed in respect of worker's compensation, amounts owed to unpaid vendors who have a right of repossession, and amounts owing to creditors which may claim priority by statute or under a Purchase Money Lien.

"Purchase Money Lien" means any Lien which secures a Purchase Money Obligation permitted by this Agreement, provided that such Lien is created not later than 30 days after such Purchase Money Obligation is incurred and does not affect any asset other than the asset financed by such Purchase Money Obligation.

"Purchase Money Obligation" means any Debt (including without limitation a capitalized lease obligation) incurred or assumed to finance all or any part of the acquisition price of any asset acquired by any of the Borrower and its Subsidiaries or to finance all or any part of the cost of any improvement to any asset of any of the Borrower and its Subsidiaries, provided that such obligation is incurred or assumed prior to or within 30 days after the acquisition of such asset or the completion of such improvement and does not exceed the lesser of the acquisition price payable by the Borrower or such Subsidiary for such asset or improvement and the fair market value of such asset or improvement; and includes any extension, renewal or refunding of any such obligation so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased.

"Receivable Value" means, at any time, the receivables of the Borrower and its Subsidiaries then existing, less any receivable that (i) is not then subject to the applicable duly perfected Liens created by the Security, (ii) is subject to any Lien other than as specifically permitted by CIBC, (iii) is payable more than 30 days after the date of shipment of the inventory or the provision of the service that created such receivable, (iv) has been outstanding for 90 days or more, (v) is subject to any offset or counterclaim by the applicable account debtor, (vi) is owed by any person whose principal place of business is located outside Canada or the United States of America, (vii) is payable in a currency other than Canadian or US dollars, (viii) is owed by an Affiliate of the Borrower or any employee, agent or representative of the Borrower or of any such Affiliate, (ix) with respect to which a cheque, note, draft or other payment instrument has not been honoured in accordance with its terms, or (x) has been specifically identified by CIBC as an excluded receivable for the purpose hereof or is owed by any person that is insolvent or is otherwise doubtful of collection in the reasonable opinion of CIBC.

"Security" means, collectively, all of the items of security held by CIBC for the indebtedness and liabilities, or any part or parts thereof, of the Borrower to CIBC.

"Subsidiary" of any person means any other person of which shares or other equity units having ordinary voting power to elect a majority of the board of directors or other individuals performing comparable functions, or which are entitled to or represent more than 50% of the owners' equity or capital or entitlement to profits, are owned beneficially or controlled, directly or indirectly, by any one or more of such first person and the Subsidiaries of such first person, and shall include any other person in like relationship to a Subsidiary of such first person.

2. INTEREST RATES; PAYMENTS; CALCULATIONS

2.1 Interest Rates. Interest is payable with respect to:

- (i) excess amounts (provided that nothing herein shall be deemed to imply that the Borrower is entitled to obtain any such excess amount, or that the limit of a Credit is to be increased in any circumstance) above the limit of a Credit or a part of a Credit, as described in section 2.4 of this Schedule,
- (ii) amounts that are not paid when due, at the Interest Rate Applicable to Credit Limit Excesses, and

(iii) any other amounts, at the rate specified in this Agreement.

2.2 Variable Interest. Each variable interest rate provided for in this Agreement will change automatically, without notice, whenever the Prime Rate or the US Base Rate, as the case may be, changes.

2.3 Payment of interest. Interest is calculated on the applicable balance at the end of each day. Interest is payable in arrears once a month on the day required by CIBC, unless otherwise specified in this Agreement.

2.4 Interest Rate Applicable to Credit Limit Excesses. To determine whether the Interest Rate Applicable to Credit Limit Excesses is to be charged, the following rules apply:

(a) The Interest Rate Applicable to Credit Limit Excesses will be charged on the amount that exceeds the limit of any particular Credit.

(b) If there are several parts of a Credit, the Interest Rate Applicable to Credit Limit Excesses will be charged if the limit of a particular part is exceeded. For example, if Credit A's limit is \$250,000, and the limit of one part of Credit A is \$100,000 and the limit of that part is exceeded by \$25,000, the Interest Rate Applicable to Credit Limit Excesses will be charged on that \$25,000 excess, even if the total amount outstanding under Credit A is less than \$250,000.

(c) To determine if the limit of a Credit has been exceeded, any amounts in a currency other than the currency in which the limit is designated will be converted into that currency, as described in section 2.11 of this Schedule.

2.5 Interest on Overdue Amounts. Except as otherwise specified herein, if any principal is not paid when due, such overdue principal will bear interest (as well after as before judgement), payable on demand, at the interest rate applicable to such principal prior to default, and interest will be payable on overdue interest (as well after as before judgement) at the same rate as is applicable to the related principal. If any amount is not paid by the Borrower when due and there is no interest otherwise applicable to such amount specified herein, such overdue amount will bear interest (as well after as before judgement), payable on demand, at a rate per annum equal at all times to the Prime Rate plus 2% (in the case of any such amount payable in Canadian dollars) or the US Base Rate plus 2% (in the case of any such amount payable in US dollars) from the date of non-payment until paid in full.

2.6 Reductions of Limit of Credits. On or prior to each date on which the limit of any Credit is reduced, the Borrower will repay such outstanding amounts thereunder, if any, as are necessary so that, after giving effect to the repayment, the total of all amounts outstanding under such Credit does not exceed the limit as so reduced.

2.7 Payments. If any payment is due on a day other than a Business Day, such payment will be due on the next Business Day.

2.8 CIBC's pricing policy. The fees, interest rates and other charges for the Borrower's banking arrangements with CIBC are dependent upon each other. Accordingly, if the Borrower cancels or does not follow through with, in the manner originally contemplated, any of these arrangements, CIBC reserves the right to require payment by the Borrower of increased or added fees, interest rates and charges as a condition of the continuation of the Borrower's banking arrangements.

2.9 Calculations. The following terms apply to all calculations under the Credits:

(a) CDOR, Federal Funds Rate, Bankers' Acceptance Yield, LIBO Rate, Prime Rate and US Base Rate shall be determined by CIBC if and whenever such determination is required for the purpose of this Agreement, and such determination by CIBC shall be conclusive evidence of such rate.

(b) Except as provided in the next sentence, all interest and fees hereunder shall be computed on the basis of the actual number of days elapsed divided by 365. Interest on each LIBOR Loan shall be computed on the basis of the actual number of days elapsed divided by 360. Any such applicable

interest rate, expressed as an annual rate of interest for the purpose of the *Interest Act* (Canada), shall be equivalent to such applicable interest rate multiplied by the actual number of days in the calendar year in which the same is to be determined and divided by 365 or 360, as the case may be.

- (c) In calculating interest or fees payable hereunder for any period, unless otherwise specifically stated, the first day of such period shall be included and the last day of such period shall be excluded.

2.10 CIBC's Records. CIBC's loan accounting records will provide conclusive evidence of all terms and conditions of the Credits such as principal loan balances, interest calculations, and payment dates.

2.11 Foreign Currency Conversion. If it is necessary for any purpose relating to the Credits that an amount denominated in a currency other than Canadian dollars be expressed in or equated to an amount of Canadian dollars (such as, for example, to determine whether amounts denominated in US dollars that are outstanding under a Credit which has a limit specified in Canadian dollars exceed the limit of such Credit so as to make applicable the Interest Rate Applicable to Credit Limit Excesses), the applicable amount of Canadian dollars shall be determined by CIBC in accordance with its normal practice.

2.12 Deemed Re-Investment Principle. For the purpose of the *Interest Act* (Canada) and any other purpose, the principle of deemed re-investment of interest is not applicable to any calculation under this Agreement, and the rates of interest and fees specified in this Agreement are intended to be nominal rates and not effective rates or yields.

2.13 Certain Definitions. If and whenever required for the purpose of this Agreement, the following terms have the following definitions:

"CDOR" means, for any day, the average of the annual discount rates for bankers' acceptances denominated in Canadian dollars of certain banks named in Schedule 1 to the *Bank Act* (Canada) for a specified term and face amount that appears on the CDOR page of the Reuters Screen as of 10:00 a.m. on such day (or, if such day is not a Business Day, as of 10:00 a.m. on the next preceding Business Day).

"Federal Funds Rate" means, for any day, an annual interest rate equal to the weighted average of the rates on overnight United States federal funds transactions with members of the Federal Reserve System arranged by United States federal funds brokers, as published for such day (or, if such day is not a business day in New York, for the next preceding business day in New York) by the Federal Reserve Bank of New York, or for any such business day on which such rate is not so published, the arithmetic average of the quotations for such day on such transactions received by CIBC from three United States federal funds brokers of recognized standing selected by it.

"Interest Rate Applicable to Credit Limit Excesses" means the annual interest rate generally established by CIBC from time to time for the purpose of calculating interest on overdrafts in accounts maintained with CIBC in Canada.

"Prime Rate" means a fluctuating annual interest rate equal at all times to the greater of (i) the reference rate of interest (however designated) of CIBC for determining interest chargeable by it on loans in Canadian dollars made in Canada and (ii) 3/4 of 1% per annum above the CDOR for 30-day bankers' acceptances from time to time.

"US Base Rate" means a fluctuating annual interest rate equal at all times to the greater of (i) the reference rate of interest (however designated) of CIBC for determining interest chargeable by it on loans in US dollars made in Canada, and (ii) 3/4 of 1% per annum above the Federal Funds Rate from time to time.

3. NOTICE OF BORROWING; NOTICE OF REPAYMENT; OVERDRAFTS

3.1 Notice of Borrowing. Whenever the Borrower desires to obtain any amount under a Credit (other than a loan by way of a permitted overdraft), it will give to CIBC irrevocable prior written notice (a "Notice of Borrowing") specifying the Credit under which such amount is to be obtained and the particulars of such amount including the term of any Bankers' Acceptances, the term of any LIBOR Period, the particulars of all maturing Bankers' Acceptances in the case of a rollover or conversion of Bankers' Acceptances, and the Business Day on which such amount is to be obtained. No amount shall be obtained if the term thereof or any LIBOR Period applicable thereto would mature beyond any scheduled repayment or reduction date for the applicable Credit and all or any part of such amount will be required to be repaid on such date. The amount to be obtained under any Credit at any time shall not exceed the undisbursed amount of that Credit at such time. CIBC will not be obliged to make available at any time LIBOR Loans in an aggregate amount less than US \$1,000,000. A notice requesting any loan in an amount exceeding \$10,000,000 or US \$10,000,000 (other than a LIBOR Loan) must be given not later than 10:00 a.m. on the Business Day preceding the applicable borrowing date; a notice requesting any Bankers' Acceptances in an amount exceeding \$10,000,000 must be given not later than 10:00 a.m. on the second Business Day preceding the applicable borrowing date; and a notice requesting any LIBOR Loan must be given not later than 10:00 a.m. on the third Business Day preceding the applicable borrowing date.

3.2 Notice of Repayment. Whenever the Borrower desires to make any repayment or repayments under one or more of the Credits in an aggregate amount exceeding \$10,000,000 (or an equivalent amount in any other currency) on any day, it will give to CIBC irrevocable written notice specifying the particulars of such repayment not later than 10:00 a.m. on the Business Day preceding the applicable repayment date.

3.3 Overdrafts. If the Borrower is entitled under any Credit to obtain loans in Canadian dollars or US dollars by way of overdraft, the debit balance in the Borrower's applicable Operating Account from time to time will be deemed to be a loan in Canadian dollars or US dollars, as the case may be, outstanding to the Borrower under such Credit and bearing interest as set out in this Agreement for loans in such currency under such Credit. If at any time the Borrower is a party to a cash concentration arrangement with CIBC, the amount of any overdraft from time to time in the Canadian dollar or US dollar concentration account of the Borrower established pursuant to such arrangement will also be deemed to be a loan in Canadian dollars or US dollars, as applicable, outstanding to the Borrower under the applicable Credit and bearing interest as set out above on the basis of the Prime Rate or the US Base Rate, as the case may be.

4. INDEMNITIES

4.1 Reserve Indemnity. If subsequent to the date of this Agreement any change in or introduction of any applicable law, or compliance by CIBC with any request or directive by any central bank, superintendent of financial institutions or other comparable authority, shall subject CIBC to any tax with respect to the Credits or change the basis of taxation of payments to CIBC of any amount payable under the Credits (except for changes in the rate of tax on the overall net income of CIBC), or impose any capital maintenance or capital adequacy requirement, reserve requirement or similar requirement with respect to the Credits, or impose on CIBC or the London interbank market (in the case of any matter relating to any actual or requested LIBOR Loan), any other condition or restriction, and the result of any of the foregoing is to increase the cost to CIBC of making or maintaining the Credits or any amount thereunder or to reduce any amount otherwise received by CIBC under the Credits, CIBC will promptly notify the Borrower of such event and the Borrower will pay to CIBC such additional amount calculated by CIBC as is necessary to compensate CIBC for such additional cost or reduced amount received. A certificate of CIBC as to any such additional amount payable to it and containing reasonable details of the calculation thereof shall be conclusive evidence thereof.

4.2 Currency Indemnity. Interest and fees hereunder shall be payable in the same currency as the principal to which they relate. Any payment on account of an amount payable in a particular currency (the "proper currency") made to or for the account of CIBC in a currency (the "other currency") other than the proper currency, whether pursuant to a judgement or order of any court or tribunal or otherwise and whether arising from the conversion of any amount denominated in one currency into another currency for any purpose, shall constitute a discharge of the Borrower's obligation only to the extent of the amount of the proper currency which CIBC is able, in the normal

course of its business within one Business Day after receipt by it of such payment, to purchase with the amount of the other currency so received. If the amount of the proper currency which CIBC is able to purchase is less than the amount of the proper currency due to CIBC, the Borrower shall indemnify and save CIBC harmless from and against any loss or damage arising as a result of such deficiency.

4.3 Tax Indemnity. All payments by the Borrower under this Agreement shall be made free and clear of, and without reduction for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, other than taxes imposed on the overall net income of CIBC or franchise taxes, taxes on doing business or taxes measured by the capital or net worth of CIBC (collectively "Excluded Taxes"), now or hereafter imposed, levied, collected, withheld or assessed by any country or any political subdivision thereof (collectively "Taxes"); provided, however, that if any Taxes are required to be withheld from any interest or other amount payable to the CIBC hereunder, the amount so payable to the CIBC shall be increased to the extent necessary to yield to CIBC, on a net basis after payment of all Taxes and after payment of all Excluded Taxes imposed by any relevant jurisdiction on any additional amounts payable under this section, interest or any such other amount payable hereunder at the rate or in the amount specified in this Agreement. The Borrower shall be fully liable and responsible for and shall, promptly following receipt of a request from CIBC, pay to CIBC any and all sales, goods and services taxes payable under the laws of Canada or any political subdivision thereof with respect to any and all goods and services made available hereunder to the Borrower by CIBC, and such taxes shall be included in the definition of "Taxes" for all purposes hereof. Whenever any Taxes are payable by the Borrower, as promptly as possible thereafter it shall send to CIBC, a certified copy of an original official receipt showing payment thereof. If the Borrower fails to pay any Taxes when due or fails to remit to CIBC as aforesaid the required documentary evidence thereof, the Borrower shall indemnify and save harmless CIBC from any incremental taxes, interest, penalties or other liabilities that may become payable by CIBC or to which CIBC may be subjected as a result of any such failure. A certificate of CIBC as to the amount of any such taxes, interest or penalties and containing reasonable details of the calculation thereof shall be *prima facie* evidence thereof.

4.4 Default Indemnity. The Borrower shall indemnify and save harmless CIBC from all claims, demands, liabilities, damages, losses, costs, charges and expenses, including any loss or expense arising from interest or fees payable by CIBC to lenders of funds obtained by it in order to make or maintain any amount under the Credits and any loss or expense incurred in liquidating or re-employing deposits from which such funds were obtained, which may be incurred by CIBC as a consequence of (i) default by the Borrower in the payment when due of any amount hereunder or the occurrence of any other default relative to any of the Credits, (ii) default by the Borrower in obtaining any amount after the Borrower has given notice hereunder that it desires to obtain such amount, (iii) default by the Borrower in making any optional repayment of any amount after the Borrower has given notice hereunder that it desires to make such repayment, or (iv) the repayment by the Borrower of any LIBOR Loan otherwise than on the expiration of any applicable LIBOR Period, or the repayment of any loan on which interest is payable at a fixed annual rate otherwise than on the expiration of the fixed interest rate period applicable thereto, or the repayment of any other amount otherwise than on any specified maturity date thereof. A certificate of CIBC as to any such loss or expense and containing reasonable details of the calculation thereof shall be *prima facie* evidence thereof.

5. CONDITIONS PRECEDENT

5.1 Conditions Precedent to the Initial Amount

CIBC shall not be obliged to make available the initial amount under the Credits unless:

- a) CIBC shall have received the Security, which shall have been duly registered and filed as required hereby.
- b) CIBC shall have received such financial and other information relating to the Borrower and its Subsidiaries, and any guarantor, as it shall have reasonably requested.
- c) CIBC shall have received confirmation of all insurance maintained by the Borrower and its Subsidiaries, and such insurance shall comply with the requirements of this Agreement.

- d) The Borrower shall have paid to CIBC all fees and other amounts which shall have become due and payable by it to CIBC on or prior to the initial borrowing date.
- e) The following documents in form, substance and execution acceptable to CIBC shall have been delivered to CIBC:
 - (i) a certified copy of the constating documents and by-laws of each of the Borrower and its Subsidiaries, and of each corporate guarantor, and of all corporate proceedings taken and required to be taken by each of them to authorize the execution and delivery of such of this Agreement and the Security to which it is a party and the performance of the transactions by it contemplated therein;
 - (ii) a certificate of incumbency for each of the Borrower and its Subsidiaries, and for each corporate guarantor, setting forth specimen signatures of the persons authorized to execute such of this Agreement and the Security to which it is a party;
 - (iii) such legal opinions addressed to CIBC relative to the Borrower, this Agreement and the Security as CIBC may require; and
 - (iv) such other documents relative to this Agreement and the transactions contemplated herein as CIBC may reasonably require.

5.2 Conditions Precedent to All Amounts

CIBC shall not be obliged to make available any amount under the Credits unless:

- (i) CIBC shall have received any applicable Notice of Borrowing.
- (ii) On the applicable borrowing date the Borrower shall not have failed to observe or perform any of its covenants in this Agreement, and the Borrower shall have delivered to CIBC, if so requested by CIBC, an Officers' Certificate to such effect.
- (iii) The representations and warranties contained in this Agreement shall be true on and as of the applicable borrowing date with the same effect as if such representations and warranties had been made on and as of the applicable borrowing date, and the Borrower shall have delivered to CIBC, if so requested by CIBC, an Officers' Certificate to such effect.
- (iv) All other conditions specified herein, to the extent not previously satisfied for any reason, other shall have been satisfied.
- (v) In respect of any amount that would result in the aggregate amount outstanding under the Credits being increased, there shall not have occurred subsequent to the date of last annual financial statements of the Borrower, in the opinion of CIBC, any event which (individually or with any other events) has had, or which has a reasonable possibility of having, a Material Adverse Effect.

6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties. To induce CIBC to establish and maintain the Credits, the Borrower represents and warrants as follows:

- (a) Each of the Borrower and its Subsidiaries has all necessary power and authority to own its property, to carry on the business carried on by it, to enter into and perform its obligations under such of this Agreement and the Security to which it is a party, and in the case of the Borrower to obtain amounts under the Credits. Each of the Borrower and its Subsidiaries is in compliance with

all applicable laws except to the extent that the failure to comply therewith would not, in the aggregate, have, or reasonably be expected to have, a Material Adverse Effect.

- (b) The Borrower has taken all action necessary to be taken to authorize the execution and delivery of and the performance of its obligations under this Agreement and the Security, and the obtaining of amounts under the Credits. Except as has been obtained and is in full force and effect, no consent, waiver or authorization of, or filing with or notice to, any person is required to be obtained in connection with the execution and delivery of and the performance by each of the Borrower and its Subsidiaries of its obligations under this Agreement and the Security, or the obtaining by the Borrower of amounts under the Credits. This Agreement and the Security have been duly executed and delivered by each of the Borrower and its Subsidiaries as are parties thereto, and constitute the legal, valid and binding obligation of each of them enforceable in accordance with their terms.
- (c) The execution and delivery by the Borrower and its Subsidiaries of this Agreement and the Security and the performance by them of their obligations thereunder, and the obtaining by the Borrower of amounts under the Credits, will not conflict with or result in a breach of any applicable law, and will not conflict with or result in a breach of or constitute a default under, or permit the termination of, or cause any material right of any of the Borrower and its Subsidiaries to be adversely affected under, any of the provisions of its constituting documents or by-laws or any agreement, permit, instrument, judgement, injunction or other contractual obligation to which it is a party or by which it is bound, or result in the creation or imposition of any Lien (other than the Security) upon any of its property or assets.
- (d) Except as disclosed in writing by the Borrower to CIBC prior to the date of this Agreement with specific reference to this paragraph or, with respect to events occurring subsequent to the date of this Agreement, as the Borrower has otherwise disclosed in writing to CIBC with specific reference to this paragraph, there is no action, suit or proceeding (whether or not purportedly on behalf of any of the Borrower and its Subsidiaries) pending or, to the knowledge of the Borrower, threatened, against or affecting any of its Borrower and its Subsidiaries before any court or before or by any governmental department, commission or agency, in Canada or elsewhere, or before any arbitrator or board, and none of the Borrower and its Subsidiaries is in default with respect to any order or award of any arbitrator or government department, commission or agency.
- (e) The Borrower has delivered to CIBC a true and complete copy of its most recent financial statements, and such financial statements present fairly the financial position of the Borrower, in accordance with GAAP, as of the date thereof and for the fiscal period then ended. All financial statements of the Borrower delivered by the Borrower to CIBC after the date of this Agreement will present fairly the financial position of the Borrower, in accordance with GAAP, as of the dates thereof and for the fiscal periods then ended.
- (f) Since the date of the most recent financial statements of the Borrower delivered to CIBC, there has occurred no event which (individually or with any other events) has had, or which may reasonably be expected to have, a Material Adverse Effect.
- (g) The Borrower has not failed to observe or perform (beyond any period of grace permitted by CIBC) any of its covenants in this Agreement.
- (h) Except as disclosed in writing by the Borrower to CIBC prior to the date of this Agreement with specific reference to this paragraph, to the best knowledge of the Borrower, (i) the business carried on and the property owned or used at any time by any of the Borrower and its Subsidiaries and their respective predecessors (including the lands owned or occupied by any of them and the waters on or under such lands) have at all times been carried on, owned or used in compliance with all environmental laws; (ii) none of the Borrower and its Subsidiaries is subject to any proceeding alleging the violation of any environmental law, and no part of its business or property

is the subject of any proceeding to evaluate whether remedial action is needed as a result of the release from or presence of any hazardous substance on any lands owned or occupied by it; (iii) there are no circumstances that could reasonably be expected to give rise to any civil or criminal proceedings or liability regarding the release from or presence of any hazardous substance on any lands used in or related to the business or property of any of the Borrower and its Subsidiaries or on any lands on which any of the Borrower and its Subsidiaries has disposed or arranged for the disposal of any materials arising from the business carried on by it, or regarding the violation of any environmental law by any of the Borrower and its Subsidiaries or by any other person for which it is responsible; (iv) all hazardous substances disposed of, treated or stored on lands owned or occupied by any of the Borrower and its Subsidiaries have been disposed of, treated and stored in compliance with all environmental laws; (v) there are no proceedings and there are no circumstances or material facts which could give rise to any proceeding in which it is or could be alleged that any of the Borrower and its Subsidiaries is responsible for any domestic or foreign clean up or remediation of lands contaminated by hazardous substances or for any other remedial or corrective action under any environmental laws; (vi) each of the Borrower and its Subsidiaries has maintained all environmental and operating documents and records relating to its business and property in the manner and for the time periods required by any environmental laws and has never had conducted an environmental audit of its business or property; and (vii) the Borrower is not aware of any pending or proposed change to any environmental law which would render illegal or materially adversely affect its business or property.

- (i) No representation or warranty made by the Borrower herein or in any other document furnished to CIBC from time to time contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they are made, not misleading. All projections and *pro forma* information delivered to CIBC from time to time by the Borrower were prepared in good faith based on assumptions believed by the Borrower to be reasonable at the time of delivery. There is no fact known to the Borrower on the date of this Agreement which has had, or which has a reasonable possibility of having, a Material Adverse Effect.

6.2 Survival. All representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and the obtaining of amounts under the Credits, and the delivery of each Notice of Borrowing and the obtaining of any amount under any Credit shall constitute a reaffirmation on and as of such delivery date and such borrowing date, in each case by reference to the then-existing facts and circumstances, of all representations and warranties contained in this Agreement.

7. FINANCIAL COVENANTS

7.1 Calculation. All financial covenants will be calculated including the Borrower and its Subsidiaries on a consolidated basis, and each amount derived from the Borrower's profit and loss statement shall be calculated as the total of such amount during the Borrower's four most recently-completed fiscal quarters (or, if agreed upon by CIBC in its sole discretion, during the Borrower's most recently-completed fiscal year), as shown in the Borrower's most recent financial statements delivered to CIBC (and during construction until the New MB Clinic Project is substantially complete, certain financial covenants are tested on a monthly basis as set out in the Agreement).

7.2 Certain Definitions. In this Agreement the following terms have the following meanings:

"Adjusted Debt Service Ratio" means, for any period, the ratio of EBITDAC for such period less Unfunded Capital Expenditures, to Debt Service Requirements.

"Current Assets" means assets that would be shown as current assets on a consolidated balance sheet of the Borrower and MCMC (on a combined basis) prepared in accordance with GAAP, and would include such assets as cash, accounts receivable, inventory and other assets that are likely to be converted into cash, sold,

exchanged or expended in the normal course of business within one year or less, but shall exclude for the purpose of this definition all amounts due from Affiliates.

Current Liabilities" means liabilities that would be shown as current liabilities on a consolidated balance sheet of the Borrower and MCMC (on a combined basis) prepared in accordance with GAAP, and would include such liabilities as Debt that is or will become payable within one year or one operating cycle, whichever is longer, accounts payable, accrued expenses and deferred revenue, but shall exclude for the purpose of this definition all amounts due to Affiliates. For clarification purposes, only scheduled principal repayments of CIBC demand instalment loans will be included as Debt rather than the entire balance.

"Current Ratio" means the ratio of Current Assets to Current Liabilities.

"Debt" means, with respect to any person, (i) an obligation of such person for borrowed money, (ii) an obligation of such person evidenced by a note, bond, debenture or other similar instrument, (iii) an obligation of such person for the deferred purchase price of property or services, excluding trade payables and other accrued current liabilities incurred in the ordinary course of business in accordance with customary commercial terms, (iv) a capitalized lease obligation of such person, (v) a guarantee, indemnity, or financial support obligation of such person, determined in accordance with GAAP, (vi) an obligation of such person or of any other person secured by a Lien on any property of such person, even though such person has not otherwise assumed or become liable for the payment of such obligation, (vii) an obligation arising in connection with an acceptance facility or letter of credit issued for the account of such person, or (viii) a share in the capital of such person that is redeemable by such person either at a fixed time or on demand by the holder of such share (valued at the maximum purchase price at which such person may be required to redeem, repurchase or otherwise acquire such share).

"Debt to EBITDAC Ratio" means the ratio of all Debt of the Borrower and MCMC (on a combined basis), to EBITDAC of the Borrower and MCMC (on a combined basis).

"Debt Service Requirements" means (i) all permanent principal payments in respect of Debt made or required to be made during such period, (ii) Interest Expense for such period, and (iii) all cost overruns on the New MB Clinic Project. For clarification purposes, only scheduled principal payments of CIBC demand instalment loans will be included in i) rather than the entire balance. For clarity, the repayment of the Old MB Clinic loan shall be excluded.

"EBIT" means, for any period, Net Income for such period plus all amounts deducted in the calculation thereof on account of Interest Expense and income taxes.

"EBITDAC" means, for any period, Net Income for such period plus all amounts deducted in the calculation thereof on account of Interest Expense, income taxes, depreciation and amortization, and physician distributions.

"Intangible" includes without limitation such personal property as goodwill; copyrights, patents and trademarks; franchises; licences, leases; research and development costs; and deferred development costs.

"Interest Expense" means, for any period, the aggregate amount accrued (whether or not payable or paid) during such period in accordance with GAAP on account of (i) interest expense including amortization of debt discount and debt issuance costs, standby fees, commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances and (ii) the interest expense components of all capitalized lease obligations.

"Net Income" means, for any period, the consolidated net income (loss) of the Borrower for such period, calculated in accordance with GAAP before extraordinary items but excluding (i) the income (or loss) of any person accrued prior to the date it becomes a Subsidiary of the Borrower or is amalgamated with or consolidated into the Borrower or into any of its Subsidiaries or such person's property is acquired by the

Borrower or any of its Subsidiaries, and (ii) any after-tax gains (but not pre-tax losses) attributable to dispositions of property out of the ordinary course of business.

"Postponed Debt" means any Debt for borrowed money of any of the Borrower and its Subsidiaries that is incurred at such time as no failure by the Borrower to perform or observe any of its covenants in this Agreement is continuing or would be created by the incurrence thereof (to be evidenced by *pro forma* financial statements delivered to CIBC) and which has the following attributes: (i) no principal thereof is repayable so long as any amount is owed by the Borrower to CIBC (or until such earlier date as CIBC may agree upon in writing), (ii) no covenant with respect to such Debt is more onerous than or in addition to the covenants specified herein, and (iii) all rights of the holder of such Debt are postponed and subordinated to all rights of CIBC under or in respect of the Credits pursuant to a subordination agreement containing payment and non-payment default standstills and other provisions satisfactory in form and substance to CIBC.

"Restricted Payments" means any payment by any person (i) of any dividends on any of its shares, (ii) on account of the purchase, redemption or other acquisition of any of its shares or any rights to acquire any such shares, or any other distribution in respect of any of its shares, (iii) of any principal, interest or other amount in respect of any Postponed Debt, or (iv) by way of gift or other gratuity or in an amount exceeding an arms-length amount to any of its shareholders or affiliates or to any director or officer thereof.

"Shareholders' Equity" means the amount which would, in accordance with GAAP, then be included as shareholders' equity on a consolidated balance sheet of the Borrower.

"Unfunded Capital Expenditures" means capital expenditures that are not specifically financed with Debt.

"Working Capital" means the excess of Current Assets over Current Liabilities.

8. BANKERS' ACCEPTANCES

8.1 Power of Attorney. To facilitate the issuance of Bankers' Acceptances under the Credits, the Borrower appoints CIBC to execute, endorse and deliver on behalf of the Borrower drafts in the form or forms prescribed by CIBC for bankers' acceptances denominated in Canadian dollars (each such executed draft which has not yet been accepted by CIBC is referred to herein as a "Draft"). Each Bankers' Acceptance executed and delivered by CIBC on behalf of the Borrower as provided herein shall be binding upon the Borrower as if it had been executed and delivered by a duly authorized officer or officers of the Borrower.

8.2 Drafts. Notwithstanding the above section, the Borrower will from time to time provide to CIBC if so required by CIBC an appropriate number of Drafts drawn by the Borrower upon CIBC and payable and endorsed as specified by CIBC. The dates, maturity dates and face amounts of all Drafts delivered by the Borrower shall be left blank, to be completed by CIBC as required. All such Drafts shall be held by CIBC subject to the same degree of care as if they were such Lender's own property. CIBC will, upon written request by the Borrower, advise the Borrower of the number and designations, if any, of the Drafts of the Borrower then held by it. CIBC shall not be liable for its failure to accept a Draft as required hereby if the cause of such failure is, in whole or in part, due to the failure of the Borrower to provide appropriate Drafts to CIBC on a timely basis.

8.3 Term and Amount. The term of all Bankers' Acceptances issued pursuant to any Notice of Borrowing must be identical. Each Bankers' Acceptance shall be in a face amount of \$100,000 or any whole multiple thereof, and the aggregate face amount of Bankers' Acceptances issued pursuant to any Notice of Borrowing must not be less than \$100,000. Each Bankers' Acceptance will be dated the date on which it is issued, and will be for a term of one, two, three or six months or such other period as may be agreed to by CIBC.

8.4 Calculation of Fee. The fee for any Bankers' Acceptance will be calculated, at the rate specified, on the basis of the face amount and term of such Bankers' Acceptance.

8.5 Payment of Fee. Upon acceptance of a Draft the Borrower will pay to CIBC the related fee specified in this Agreement, and to facilitate payment CIBC will be entitled to deduct and retain for its own account the amount of such fee from the amount to be paid by CIBC to the Borrower as the purchase price for the resulting Bankers' Acceptance.

8.6 Purchase by CIBC. Each Bankers' Acceptance will be purchased by CIBC for a price which produces a yield thereon equal to the Bankers' Acceptance Yield then in effect. Such price will be credited by CIBC to the applicable Operating Account.

8.7 No Market. If CIBC determines in good faith, which determination will be conclusive and binding on the Borrower, and so notifies the Borrower, that there does not exist at the applicable time a normal market in Canada for the purchase and sale of bankers' acceptances, then notwithstanding any other provision hereof any obligation of CIBC to purchase Bankers' Acceptances will be suspended until CIBC determines that such market does exist and gives notice thereof to the Borrower, and any Notice of Borrowing requesting Bankers' Acceptances will be deemed to be a Notice of Borrowing requesting Loans in Canadian dollars in a similar aggregate principal amount.

8.8 Payment on Maturity. On the maturity of each Bankers' Acceptance the Borrower will pay to CIBC, for the account of the holder of such Bankers' Acceptance, Canadian dollars in an amount equal to the face amount of such Bankers' Acceptance. The obligation of the Borrower to make such payment is absolute and unconditional, and will not be prejudiced by the fact that the holder of any such Bankers' Acceptance is CIBC. No days of grace may be claimed by the Borrower for the payment at maturity of any Bankers' Acceptance. If the Borrower does not make such payment, the amount of such payment shall be deemed to be a loan in Canadian dollars made to the Borrower by CIBC and payable on demand. The Borrower hereby confirms the application of the proceeds of such loan in payment of the liability of the Borrower with respect to the related Bankers' Acceptance.

8.9 Cash Collateralization. If any Bankers' Acceptance is outstanding at any time that an Event of Default occurs, the Borrower will forthwith upon demand by CIBC pay to CIBC, for the account of the holder of such Bankers' Acceptance, Canadian dollars in an amount equal to the face amount thereof. Such funds shall be held by CIBC for payment of the liability of the Borrower in respect of such Bankers' Acceptance on the maturity thereof.

8.10 Signatures on Drafts. The signature of any duly authorized officer of the Borrower on a Draft may be mechanically reproduced in facsimile, and all Drafts bearing such facsimile signature shall be binding upon the Borrower as if they had been manually signed by such officer, notwithstanding that such person whose manual or facsimile signature appears on such Draft may no longer hold office at the date thereof or at the date of acceptance of such Draft by CIBC or at any time thereafter.

8.11 Undisbursed Credit. For the purpose of calculating the undisbursed amount of any Credit and for any other relevant provision of this Agreement, the amount constituted by any Bankers' Acceptance shall be the face amount thereof.

8.12 Certain Definitions. In this Agreement the following terms shall have the following meanings:

"Bankers' Acceptance" or "B/A" means a Draft which has been accepted by CIBC pursuant to a Credit.

"Bankers Acceptance Yield" means, with respect to any Bankers' Acceptance to be purchased by CIBC at any time, the annual yield resulting from the price at which CIBC is offering to purchase at such time bankers' acceptances accepted by it having a term identical to such Bankers' Acceptance and in a comparable face amount to the Bankers' Acceptances to be purchased by CIBC from the Borrower at such time.

"face amount" means, with respect to any Bankers' Acceptance, the principal amount thereof payable on the maturity thereof.

9. LETTERS OF CREDIT

The following terms apply to each Letter of Credit issued by CIBC for the Borrower whether issued under any Credit or otherwise.

9.1 Reimbursement, Payment or Prepayment. The Borrower agrees, forthwith upon demand by CIBC, to provide CIBC with cash in the proper currency to meet each drawing that CIBC is required to pay under an L/C or to reimburse CIBC for each drawing that CIBC has paid under an L/C. If we demand payment of any Credit under which a Letter of Credit is outstanding, or if the Borrower elects to permanently repay or terminate any Credit under which a Letter of Credit is outstanding, the Borrower must provide CIBC with cash, in the same currency as the L/C, or marketable securities satisfactory to us (collectively the "Cash Collateral") in an amount equal to CIBC's maximum potential liability under the L/C. The Cash Collateral will be held by us as security for, and may be applied to satisfy obligations under the L/C or otherwise under any Credit. We shall release any Cash Collateral that is no longer required for such purposes.

9.2 Neither CIBC nor any of its correspondents shall be liable for the use which may be made with respect to any L/C; any acts or omissions of the beneficiary of any L/C including the application of any payment made to such beneficiary; the form, validity, sufficiency, correctness, genuineness or legal effect of any document relating to any L/C, even if such document should prove to be in any respect invalid, insufficient, inaccurate, fraudulent or forged; any failure of the beneficiary of any L/C to meet the obligations of such beneficiary to the Borrower or to any other person; or any failure by CIBC to make payment under any L/C as a result of any law, control or restriction rightfully or wrongfully exercised or imposed by any domestic or foreign court or government or governmental authority or as a result of any other cause beyond the control of CIBC. The obligations of the Borrower under this Clause 9 are absolute and unconditional under all circumstances including without limitation any matter referred to above.

9.3 Indemnity. The Borrower hereby indemnifies and agrees to hold CIBC harmless from all losses, damages, costs, demands, claims, expenses (including out-of-pocket expenses) and other consequences which CIBC may incur, sustain or suffer, other than as a result of its own negligence or wilful misconduct, as a result of issuing or amending an L/C, including legal and other expenses incurred by CIBC in any action to compel payment by CIBC under an L/C or to restrain CIBC from making payment under an L/C. Any amounts due under this indemnity shall form part of the Debt.

9.4 L/C Fees. Unless the Borrower has made other arrangements with us, we will automatically debit the operating account of the Borrower for all fees payable with respect to L/Cs. Any Overdraft in the operating account in excess of any Credit Limit attached to the operating account will bear interest at the Excess Interest Rate.

9.5 Standard Agreements. The terms and conditions of our standard Application for Irrevocable Documentary Credit or Application for Standby Letter of Credit, as applicable, and any of our other standard documentation relating to L/C's, in effect from time to time will be applicable to each L/C whether or not any such Application or other documentation has been executed by or on behalf of the Business. A copy of any such Application or other documentation is available from CIBC.

9.6 Unless otherwise specified in the applicable Application or other documentation referred to above, and subject to any provision herein to the contrary, each L/C shall be subject to the Uniform Customs and Practice for Documentary Credits or the International Standby Practices, as applicable, of the International Chamber of Commerce current at the time of issuance of such L/C.

9.7 Cash Collateralization. If any Letter of Credit is outstanding at any time that the Borrower has failed to perform or observe (beyond any period of grace permitted by CIBC) any of its covenants in this Agreement, the Borrower will forthwith pay to CIBC, in the currency of such Letter of Credit, funds in an amount equal to the total maximum actual and contingent liability of CIBC pursuant thereto. Such funds will be held by CIBC for payment of the liability of the Borrower in respect of such Letter of Credit, and any excess thereof will be applied to any other liabilities of the Borrower pursuant to the Credits or will be returned to the Borrower at such time as no such liabilities exist or may arise.

9.8 Undisbursed Credit. For the purpose of calculating the undisbursed amount of any Credit and for any other relevant provision of this Agreement, the amount constituted by any Letter of Credit shall be the total maximum actual and contingent liability of CIBC pursuant thereto.

9.9 Definitions. In this Agreement, the following terms shall have the following meanings:

"Documentary L/C Sublimit" has the meaning specified under "Description and Rate" in the description of the Demand Operating Credit herein.

"Letter of Credit" or "L/C" means a documentary or standby letter of credit, a letter of guarantee or a similar instrument, in form and substance satisfactory to CIBC.

"L/C Acceptance" means an outstanding bill of exchange drawn by the beneficiary of a documentary L/C and which CIBC has accepted and is therefore obligated to pay at maturity.

"Undrawn Documentary L/C Sublimit" means the Documentary L/C Sublimit then in effect less the undrawn amount of all documentary L/Cs then outstanding under the Demand Operating Credit herein.

10. INSTALMENT LOANS

10.1 Instalment Loans. The following terms apply to each Instalment Loan:

(a) **Non-revolving Loans.** Unless otherwise stated in this Agreement, any Instalment Loan is non-revolving. This means that any principal repayment is not available to be re-borrowed, and permanently reduces the amount of such Instalment Loan.

(b) **Floating Rate Instalment Loans.** Floating Rate Instalment Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest, as described below:

(i) **Blended payments.** If a Floating Rate Instalment Loan has blended payments, the amount of the monthly payments is fixed for the term of such Loan, but the interest rate will vary with changes in the Prime Rate on the US Base Rate (as the case may be). If the Prime Rate or the US Base Rate during any month is lower than it was at the outset, a larger portion of the monthly payment will be allocated to principal and as a result such Loan may be repaid prior to its original maturity. If, however, the Prime Rate or the US Base Rate is higher than it was at the outset, the amount of principal that is repaid will be reduced, and as a result there may remain principal outstanding on the original maturity date.

(ii) **Payments of principal plus interest.** If a Floating Rate Instalment Loan has specified principal payments, in addition to interest, such principal payments are due on each specified payment date. The interest payment is also due on the same date, and will usually be a different amount each month due to the reducing balance of the Loan, the number of days in the month, and changes in the Prime Rate or the US Base Rate (as the case may be) during the month and from month to month.

(c) **Prepayment.** Unless otherwise specified in this Agreement:

(i) all or part of a Floating Rate Instalment Loan may be prepaid at any time without penalty; and

(ii) all (but not part) of a Fixed Rate Instalment Loan may be prepaid provided that the Borrower also pays to CIBC, on the prepayment date, any amount determined by CIBC pursuant to clause 4.4(iv) of this Schedule.

(d) **Demand of Fixed Rate Instalment Loans.** Upon demand for payment of a Fixed Rate Instalment Loan the Borrower will pay to CIBC the prepayment fee specified in clause 10.1(c)(ii) above.

(e) **Certain Definitions.** In this Agreement the following terms have the following meanings:

"Fixed Rate Instalment Loan" means an Instalment Loan with respect to which interest is payable at a fixed annual rate of interest (as opposed to being payable on the basis of the Prime Rate or the US Base Rate).

"Floating Rate Instalment Loan" means an Instalment Loan with respect to which interest is payable on the basis of the Prime Rate or the US Base Rate.

"Instalment Loan" means a loan that is repayable either in fixed instalments of principal, plus interest, or in blended instalments of both principal and interest, and that (notwithstanding any such specified instalments) is repayable on demand by CIBC at any time if so specified in this Agreement.

APPENDIX I – DRAWDOWN NOTICE

TO: CANADIAN IMPERIAL BANK OF COMMERCE

FROM: THE MANITOBA CLINIC HOLDING CO. LTD. (the "Borrower")

DATE: ●

1. This Drawdown Notice is delivered to you pursuant to the letter agreement dated ●, 2017 between the Borrower, Canadian Imperial Bank of Commerce, Manitoba Clinic Medical Corporation and Manitoba Clinic (Parent) Holding Co. Ltd., as refinanced, amended, restated, supplemented or otherwise modified from time to time (the "Letter Agreement"). Capitalized terms used and not defined in this Drawdown Notice have the meanings specified in the Letter Agreement.
2. The Borrower hereby requests a draw under the New MB Clinic Construction Loan as follows:
 - (a) Requested Drawdown Date: ●
 - (b) Amount of Draw: \$●
3. Attached hereto as Exhibit I is a project claims report containing details current as of the date of Exhibit I of project cost analysis confirming budget, work in place, payables, holdbacks and cost to complete.
4. All of the representations and warranties contained in the Letter Agreement are true and correct on and as of the date hereof as though made on and as of the date hereof, subject to changes thereto:
 - (a) given to CIBC by the Borrower and accepted in writing by CIBC; and
 - (b) expressly contemplated by the terms of the Letter Agreement and disclosed to CIBC in writing.
5. All of the conditions precedent to the draw under the New MB Clinic Construction Loan requested hereby under the Letter Agreement that have not been waived in writing by CIBC have been satisfied.
6. No default has occurred and is continuing or will have occurred and be continuing on the Requested Drawdown Date above, or will result from the draw under the New MB Clinic Construction Loan requested hereby.
7. No Material Adverse Change has occurred and is continuing or will have occurred and be continuing on the Requested Drawdown Date or will result from the draw under the New MB Clinic Construction Loan requested hereby.

THE MANITOBA CLINIC HOLDING CO. LTD.

by

Name: ●
Title: ●

APPENDIX II – CIBC CERTIFICATE of COMPLIANCE

TO: CANADIAN IMPERIAL BANK OF COMMERCE

FROM: The Manitoba Clinic Holding Co. Ltd. and Manitoba Clinic Medical Corporation

DATE: [Insert current date]

RE: Credit Agreement as of August 11, 2017 between The Manitoba Clinic Holding Co. Ltd. and Manitoba Clinic Medical Corporation (the "Borrowers") and Canadian Imperial Bank of Commerce (the "Lender"), as amended, supplemented, restated or replaced from time to time (the "Credit Agreements").

In accordance with the Credit Agreement, the undersigned, being the duly appointed [insert position/title] of the Borrower, hereby certifies for and on behalf of the Borrower and not in his personal capacity that:

1. I have read and am familiar with the provisions of the Credit Agreement and I have made such examinations and investigations, including the review of the applicable books and records of the Borrower (and its Subsidiaries), as I have deemed necessary to enable me to express an informed opinion as to the matters set out herein.
2. All of the covenants, terms and conditions of the Credit Agreement to be performed or complied with by the Borrower and its Subsidiaries as at [insert date - last day of period in review as stipulated by the Credit Agreement] or prior to the date hereof have been performed or complied with (or describe any thereof that are not then true and accurate below)
3. As stipulated in the Credit Agreement (if required), attached hereto as Appendix A are the financial statements and financial covenant calculations required. The amounts and calculations expressed herein are based on such financial statements and such financial statements include a detailed breakdown sufficient to permit CIBC to determine how the amounts reported in Appendix A in respect of the financial covenants (including the components thereof) were calculated.
4. All representations and warranties of the Borrower set forth in the Credit Agreement are true and accurate as at [insert date - last day of period in review as stipulated by the Credit Agreement], except as set forth below:
5. The Borrower confirms that there is no suit or proceeding (whether or not purportedly on behalf of the Borrower or its Subsidiaries) pending or, to the knowledge of the Borrower, threatened, against or affecting any of the Borrower or its Subsidiaries before any court or before or by any governmental department, commission or agency, in Canada or elsewhere, or before any arbitrator or board, that if decided against the Borrower or its Subsidiaries may in the opinion of management of the Borrower acting reasonably and on the advice of its legal counsel, result in a judgment or award of \$250,000 or more or such other amount as needed based on materiality to the company.
6. The insurance coverage required by the Credit Agreement is in force as at the date hereof and is maintained as required. Neither the Borrower nor any Subsidiary has made any insurance claim under such policies in excess of \$250,000 as at the date hereof which has not been disclosed in a prior Compliance Certificate delivered to CIBC except as follows:

Signed this _____ day of _____, 20____.

The Manitoba Clinic Holding Co. Ltd. and Manitoba Clinic Medical Corporation

Per: _____

Name: _____

Title: _____

APPENDIX III : Demand Revolving Equipment Financing Loan

The following credit facility has been approved in principle and will be formally credit approved upon substantial completion of the New MB Clinic Project.

Credit Limit: \$2,000,000

Purpose: To finance up to 100% of the cost of new equipment (including installation and taxes).

Description: A revolving Credit, available as follows:

- ☐ Canadian dollar loans.
Interest on Canadian dollar loans will be calculated at the Prime Rate per annum.
- ☐ Canadian dollar B/As.
CIBC's stamping fee for B/As will be calculated at 1.50% per annum.
- ☐ Fixed rate loans in Canadian dollars.

Interest on each fixed rate loan will be calculated at a rate agreed upon by the Borrower and CIBC at the time of drawdown, for such period as they may agree upon. CIBC may require the Borrower to deliver a promissory note evidencing the principal amount, interest rate and term of any such fixed rate loan, and in the absence of such note CIBC's records will be conclusive evidence thereof.

Minimum

Drawdown: The minimum amount of each drawdown under this Credit is \$200,000 or such lesser amount as may be agreed to by CIBC.

Repayment: All amounts under this Credit are repayable immediately on demand by CIBC, and this Credit may be terminated in whole or in part at any time by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC's right to require immediate payment, the Borrower will repay each drawdown under this Credit in equal monthly instalments of principal and interest, commencing in the month following the month in which such drawdown is obtained to ensure repayment within the expected useful remaining life of the specific equipment being financed.

The Borrower shall have the option to repay any amount under this Credit at any time, provided that fixed rate loans may be repaid only at the end of the applicable fixed rate interest period, and B/As may be repaid only on their maturity. Any such optional repayment of part of a drawdown will be applied to its remaining instalments in the inverse order of their maturity.



Canadian Imperial Bank of Commerce
500 – One Lombard Place
Winnipeg, MB R3C 2P3


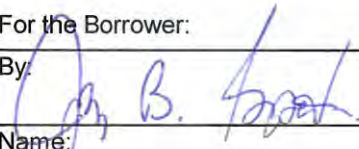
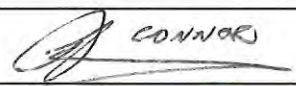
Amendment #1 to the Credit Agreement
dated August 11, 2017 (including all previous amendments thereto, the "Agreement"
between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

Amendments. The Agreement is amended as follows:
Refer to the Appendix A attached.

Confirmation: As revised by this Amendment, the Agreement remains in full force.

Dated as of:
January 4, 2018
For CIBC:

For the Borrower:

By: 	By: 	By: 
Name: Brad Ganczar	Name: Jeff Grapentine	Name: Dr. David Connor
Title: Director, Commercial Banking	Title: Executive Director	Title: Chairman



Appendix A

to Amendment #1 to the Credit Agreement dated August 11, 2017 (including all previous amendments thereto, the "Agreement" between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

A) The following new Credit Facility is hereby added.

Demand Revolving Equipment Financing Loan

Credit Limit: \$2,000,000

Purpose: To finance up to 100% of the cost of new equipment (including installation and taxes).

Description: A revolving Credit, available as follows:

- Canadian dollar loans.
Interest on Canadian dollar loans will be calculated at the Prime Rate per annum.
- Canadian dollar B/As.
CIBC's stamping fee for B/As will be calculated at 1.50% per annum.
- Fixed rate loans in Canadian dollars.

Interest on each fixed rate loan will be calculated at a rate agreed upon by the Borrower and CIBC at the time of drawdown, for such period as they may agree upon. CIBC may require the Borrower to deliver a promissory note evidencing the principal amount, interest rate and term of any such fixed rate loan, and in the absence of such note CIBC's records will be conclusive evidence thereof.

Minimum Drawdown: The minimum amount of each drawdown under this Credit is \$100,000.



Repayment: All amounts under this Credit are repayable immediately on demand by CIBC, and this Credit may be terminated in whole or in part at any time by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC's right to require immediate payment, the Borrower will repay each drawdown under this Credit in equal monthly instalments of principal and interest, commencing in the month following the month in which such drawdown is obtained to ensure repayment within the expected useful remaining life of the specific equipment being financed.

The Borrower shall have the option to repay any amount under this Credit at any time, provided that fixed rate loans may be repaid only at the end of the applicable fixed rate interest period, and B/As may be repaid only on their maturity. Any such optional repayment of part of a drawdown will be applied to its remaining instalments in the inverse order of their maturity.

- B) Special Provisions: Shared Credit Limit with related Borrower Manitoba Clinic Medical Corporation. Combined Credit Limit is maximum \$10,000,000.
- C) The Business Credit Card Facility is hereby deleted.



Canadian Imperial Bank of Commerce
500 – One Lombard Place
Winnipeg, MB R3C 2P3

Amendment #2 to the Credit Agreement
dated August 11, 2017 (including all previous amendments thereto, the "Agreement"
between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

Amendments. The Agreement is amended as follows:

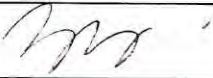
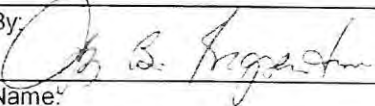

Refer to the Appendix A attached.

Confirmation: As revised by this Amendment, the Agreement remains in full force.

Dated as of: March 29, 2019

For CIBC:

For the Borrower:

By: 	By: 	By: 
Name: Brad Ganczar	Name: Jeff Grapentine	Name: D. Annels
Title: Director, Commercial Banking	Title: Executive Director	Title: Chairman



Appendix A

to Amendment #2 to the Credit Agreement dated August 11, 2017 (including all previous amendments thereto, the "Agreement" between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

A) The following new Credit Facility is hereby added.

Demand Revolving Equipment Financing Loan

Credit Limit: \$1,000,000

Purpose: To finance up to 100% of the cost of new equipment (including installation and taxes).

Description: A revolving Credit, available as follows:

- Canadian dollar loans.
Interest on Canadian dollar loans will be calculated at the Prime Rate per annum.
- Canadian dollar B/As.
CIBC's stamping fee for B/As will be calculated at 1.50% per annum.
- Fixed rate loans in Canadian dollars.

Interest on each fixed rate loan will be calculated at a rate agreed upon by the Borrower and CIBC at the time of drawdown, for such period as they may agree upon. CIBC may require the Borrower to deliver a promissory note evidencing the principal amount, interest rate and term of any such fixed rate loan, and in the absence of such note CIBC's records will be conclusive evidence thereof.

Minimum Drawdown: The minimum amount of each drawdown under this Credit is \$200,000.



Repayment: All amounts under this Credit are repayable immediately on demand by CIBC, and this Credit may be terminated in whole or in part at any time by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC's right to require immediate payment, the Borrower will repay each drawdown under this Credit in equal monthly instalments of principal and interest, commencing in the month following the month in which such drawdown is obtained to ensure repayment within the expected useful remaining life of the specific equipment being financed.

The Borrower shall have the option to repay any amount under this Credit at any time, provided that fixed rate loans may be repaid only at the end of the applicable fixed rate interest period, and B/As may be repaid only on their maturity. Any such optional repayment of part of a drawdown will be applied to its remaining instalments in the inverse order of their maturity.

B) Under the heading "Fees" the first bullet is hereby deleted and the following new bullet is hereby added:

Monitoring: A fee of \$250 payable monthly in arrears



500 – One Lombard Place
Winnipeg, MB
R3C 2P2

**Amendment #3 to the
Credit Agreement**
dated August 11, 2017 including all previous amendments thereto, the "Agreement"
between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

Amendments. The Agreement is hereby amended as follows:

Demand Non Revolving Construction Loan – New MB Clinic Construction Loan

Repayment: All amounts under this loan are repayable on demand by CIBC. Prior to the time that any such demand is made, and without prejudice to CIBC's right to require immediate payment, the Borrower shall repay this loan in either blended monthly payments of principal and interest or equal monthly payments of principal plus interest to ensure the loan is repaid in full within 360 months (30 years) beginning April 1, 2018.



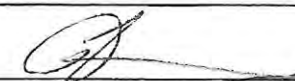
Financial Covenants:
The Current Ratio is deleted.

Confirmation: As revised by this Amendment, the Agreement remains in full force.

Dated as of: March 29, 2019

For CIBC:

For the Borrower:

By: 	By: 	By: 
Name: Brad Ganczar	Name: <u>FELIX B. GRAPENTINE</u>	Name: <u>D. GANCZAR</u>
Title: Authorized Signatory	Title: <u>EXECUTIVE DIRECTOR</u>	Title: <u>Chairman</u>



500 – One Lombard Place
Winnipeg, MB
R3C 2P2

**Amendment #4 to the
Credit Agreement**
dated August 11, 2017 including all previous amendments thereto, the "Agreement"
between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

Amendments. The Agreement is hereby amended as follows:

Financial Covenants

Covenants:

The Borrower and MCMC (on a combined basis) will ensure that:

Financial Covenants:

- ▶ The Debt to EBITDAC Ratio is not greater than 2.0 to 1.0 at any time.
- ▶ The Adjusted Debt Service Ratio is not less than 1.25 to 1.0 at any time. /

Confirmation: As revised by this Amendment, the Agreement remains in full force.

Dated as of:

December 31, 2018

For CIBC:

For the Borrower:

By:

[Signature]

By:

[Signature]

By:

[Signature]

Name: Brad Ganczar

Name:

JEFF B. GRAPENTINE

Name:

DAVID CONNOR

Title: Director, Commercial Banking

Title:

EXECUTIVE DIRECTOR

Title:

CHAIRMAN



500 – One Lombard Place
Winnipeg, MB
R3C 2P2

**Amendment #5 to the
Credit Agreement**
dated August 11, 2017 including all previous amendments thereto, the "Agreement"
between Canadian Imperial Bank of Commerce ("CIBC") and The Manitoba Clinic Holding Co. Ltd. (the "Borrower")

Amendments. The Agreement is hereby amended as follows:

Demand Term Loan – COVID related

Loan Amount: \$792,509 CAD

Purpose: This loan is to be used as a bridge for the 3 month Principal and Interest deferral program associated with the swapped portion of the clinic construction loan.

Description and Rate: A non-revolving Term Loan.
Interest on this loan will be calculated at the Prime Rate.
Interest on this loan is payable monthly.

Repayment: Interest only. Notwithstanding the foregoing, at any time that an Event of Default is continuing, this loan is repayable immediately on demand by CIBC.

Confirmation: As revised by this Amendment, the Agreement remains in full force.

Dated as of:

For CIBC:

For the Borrower:

By: *Brad Ganczar*

By: *Jeff B. Grapentine*

By: *D. Connor*

Name: Brad Ganczar

Name: *JEFF B. GRAPENTINE*

Name: *D. CONNOR*

Title: Director, Commercial Banking

Title: *EXECUTIVE DIRECTOR*

Title: *CHAIRMAN*

This is **Exhibit "10"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.



Guarantee

Canadian Imperial Bank of Commerce
500 – One Lombard Place, Winnipeg, Manitoba R3C 2P3
Bank Office

For valuable consideration, I, the undersigned guarantor, agree with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Customer's Name.** The name of the customer whose debts I am guaranteeing is The Manitoba Clinic Holding Co. Ltd. (the "Customer").
2. **Guarantee.** I guarantee payment to CIBC of all the Customer's Debts. My liability under this Guarantee is:
 - a) ☒ unlimited.
 - b) ☐ limited to the principal sum of Cdn\$ _____ plus interest and expenses in accordance with Section 5.**Note:** If neither box (a) nor box (b) is checked off, or if both are checked off, or if box (b) is checked off but no figure is inserted in the blank, then box (a) alone will be considered to have been checked off.
3. **Governing Law.** This Guarantee is governed by the laws of Manitoba (without reference to the choice of law rules). I irrevocably agree to submit to the non-exclusive jurisdiction of its courts.
4. **Copy Received.** I acknowledge having received a copy of this Guarantee.

Note: The "Additional Terms and Conditions of this Guarantee" on the following pages form part of this Guarantee.

August 22, 2017

Date

MANITOBA CLINIC MEDICAL CORPORATION

Guarantor's Name (record in full)

790 Sherbrook Street

Guarantor's Address

Winnipeg, MB, R3E 0L5

City/Town, Province and Postal Code

X

Signature

David Connor, chairman

Name & Title

X

Signature

Jeff B. Garapentine, Executive Director

Name & Title

- Note:**
- i) If the Guarantor is a corporation, no witness is needed. The office (such as "President" or "Secretary") of the person signing should be noted below that person's signature. The corporation's seal should be affixed if the resolution so states.
 - ii) If the Guarantor is an individual, a red wafer seal is advisable, but not mandatory. (No seal required in Quebec.)
 - iii) For *The Guarantees Acknowledgement Act* certificate in Alberta, see page 4.

Additional Terms and Conditions of this Guarantee

5. **Payment on demand.** I will immediately pay CIBC on demand:
- a) the amount (and in the currency) of the Customer's Debts (but if Section 2(b) applies, subject to that limitation), plus any expenses (including all legal fees and disbursements) incurred by CIBC in enforcing any of CIBC's rights under this Guarantee; and
 - b) interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts.
6. **Making Demand.** Demand and any other notices given under this Guarantee will be conclusively considered to have been made upon me when the envelope containing it, addressed to me (or, if there is more than one Person signing this Guarantee, to any one of us) at the last address known to CIBC, is deposited, postage prepaid, first class mail, in a post office, or is personally delivered to that address. I will give CIBC immediate written notice, addressed to the Manager of the Bank Office, of each and every change of my address.
7. **No Setoff or Counterclaim.** I will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that I have or may have against the Customer or CIBC.
8. **Application of Moneys Received.** CIBC may apply all moneys received from me, the Customer or any other Person (including under any Security that CIBC may from time to time hold) upon such part of the Customer's Debts as CIBC considers appropriate.
9. **Exhausting Recourse.** CIBC does not need to exhaust its recourse against the Customer or any other Person or under any Security CIBC may from time to time hold before being entitled to full payment from me under this Guarantee.
10. **Absolute Liability.** My liability under this Guarantee is absolute and unconditional. It will not be limited or reduced, nor will CIBC be responsible or owe any duty (as a fiduciary or otherwise) to me, nor will CIBC's rights under this Guarantee be prejudiced, by the existence or occurrence (with or without my knowledge or consent) of any one or more of the following events:
- a) any termination, invalidity, unenforceability or release by CIBC of any of its rights against the Customer or against any other Person or of any Security;
 - b) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Customer's Debts or to any credit extended by CIBC to the Customer; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Customer or any other Person; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by CIBC in respect of, or in the course of, doing any of these things;
 - c) accepting compositions from or granting releases or discharges to the Customer or any other Person, or any other dealing with the Customer or any other Person or with any Security that CIBC considers appropriate;
 - d) any unenforceability or loss of or in respect of any Security held from time to time by CIBC from me, the Customer or any other Person, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to CIBC's fault or any other reason;
 - e) the death of the Customer; any change in the Customer's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale, lease or otherwise) of the Customer or the Customer's business;
 - f) any change in my financial condition or that of the Customer or any other Guarantor (including insolvency and bankruptcy);
 - g) if I am or the Customer is a corporation, any change of effective control, or if I am or the Customer is a partnership, a dissolution or any change in the membership;
 - h) any event, whether or not attributable to CIBC, that may be considered to have caused or accelerated the bankruptcy or insolvency of the Customer or any Guarantor, or to have resulted in the initiation of any such proceedings;
 - i) CIBC's filing of any claim for payment with any administrator, provisional liquidator, conservator, trustee, receiver, custodian or other similar officer appointed for the Customer or for all or substantially all of the Customer's assets;
 - j) any failure by CIBC to abide by any of the terms and conditions of CIBC's agreements with, or to meet any of its obligations or duties owed to me, the Customer or any Person, or any breach of any duty (whether as a fiduciary or otherwise) that exists or is alleged to exist between CIBC and me, the Customer or any Person;
 - k) any incapacity, disability, or lack or limitation of status or of the power of the Customer or of the Customer's directors; managers, officers, partners or agents; the discovery that the Customer is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Customer's Debts; or
 - l) any event whatsoever that might be a defence available to, or result in a reduction or discharge of, me, the Customer or any other Person in respect of either the Customer's Debts or my liability under this Guarantee.
- For greater certainty, I agree that CIBC may deal with me, the Customer and any other Person in any manner without affecting my liability under this guarantee.
11. **Principal Debtor.** All moneys and liabilities (whether matured or unmatured, present or future, direct or indirect, absolute or contingent) obtained from CIBC will be deemed to form part of the Customer's Debts, notwithstanding the occurrence of any one or more of the events described in Section 10(k). I will pay CIBC as principal debtor any amount that CIBC cannot recover from me as Guarantor immediately following demand as provided in this Guarantee.

12. **No Liability for Negligence, etc.** CIBC will not be liable to me for any negligence or any breaches or omissions on the part of CIBC, or any of its employees, officers, directors or agents, or any receivers appointed by CIBC, in the course of any of its or their actions.
13. **Continuing Guarantee.** This is a continuing guarantee of the Customer's Debts.
14. **Terminating Further Liability.** I may discontinue any further liability to pay the Customer's Debts by written notice to the Bank Office. I will, however, continue to be liable under this Guarantee for any of the Customer's Debts that the Customer incurs up to and including the 30th day after CIBC receives my notice.
15. **Statement Conclusive.** Except for demonstrable errors or omissions, the amount appearing due in any account stated by CIBC or settled between CIBC and the Customer will be conclusive as to that amount being due.
16. **CIBC's Priority.**
 - a) If any payment made to CIBC by the Customer or any other Person is subsequently rendered void or must otherwise be returned for any reason, I will be liable for that payment (but if Section 2(b) applies, subject to that limitation). Until all of CIBC's claims against the Customer in respect of the Customer's Debts have been paid in full, I will not require that CIBC assign to me any Security held, or any other rights that CIBC may have, in connection with the Customer's Debts, and I will not assert any right of contribution against any Guarantor, or claim repayment from the Customer, for any payment that I make under this Guarantee.
 - b) If the Customer is bankrupt, or (if the Customer is a corporation) liquidated or wound up, or if the Customer makes a bulk sale of any assets under applicable law, or if the Customer proposes any composition with creditors or any scheme of arrangement, CIBC will be entitled to all dividends and other payments until CIBC is paid in full, and I will remain liable under this Guarantee (but if Section 2(b) applies, subject to that limitation).
 - c) If CIBC gives to any trustee in bankruptcy or receives a valuation of, or retains, any Security that CIBC holds for payment of the Customer's Debts, that will not be considered, as between CIBC and me, to be a purchase of such Security or payment, satisfaction or reduction of the Customer's Debts.
17. **Assignment and Postponement of Claim.** I postpone in favour of CIBC all debts and liabilities that the Customer now owes or later may from time to time owe to me in any manner until CIBC is paid in full. I further assign to CIBC all such debts and liabilities, to the extent of the Customer's Debts, until CIBC is paid in full. If I receive any moneys in payment of any such debts and liabilities, I will hold them in trust for, and will immediately pay them to, CIBC without reducing my liability under this Guarantee.
18. **Withholding Taxes.** Unless a law requires otherwise, I will make all payments under this Guarantee without deduction or withholding for any present or future taxes of any kind. If a law does so require, I will pay to CIBC an additional amount as is necessary to ensure CIBC receives the full amount CIBC would have received if no deduction or withholding had been made.
19. **Judgment Currency.** My liability to pay CIBC in a particular currency (the "First Currency") will not be discharged or satisfied by any tender or recovery under any judgment expressed in or converted into another currency (the "Other Currency") except to the extent the tender or recovery results in CIBC's effective receipt of the full amount of the First Currency so payable. Accordingly, I will be liable to CIBC in an additional cause of action to recover in the Other Currency the amount (if any) by which that effective receipt falls short of the full amount of the First Currency so payable, without being affected by any judgment obtained for any other sums due.
20. **Consent to Disclose Information.** CIBC may from time to time give any credit or other information about me to, or receive such information from, any credit bureau, reporting agency or other Person.
21. **General.** Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more Persons sign this Guarantee, each Person's liability will be joint and several. This Guarantee is in addition and without prejudice to any Security of any kind now or in the future held by CIBC. There are no representations, collateral agreements or conditions with respect to, or affecting my liability under, this Guarantee other than as contained in this Guarantee.
22. **Quebec Only.** If this Guarantee is governed by the laws of Quebec:
 - a) I acknowledge that the terms and conditions of the Customer's Debts have been expressly brought to my attention;
 - b) I renounce the benefit of division and discussion;
 - c) if two or more Persons sign this Guarantee, each Person's liability will be solidary;
 - d) I acknowledge that the thirty days' notice specified in Section 14 constitutes prior and sufficient notice to CIBC;
 - e) if this Guarantee is attached to the performance of special duties, I agree that this Guarantee shall not terminate upon cessation of such duties; and
 - f) it is the express wish of the parties that this document and any related documents be drawn up in English. Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés en anglais.
23. **Definitions.** In this Guarantee:
 - a) "Bank Office" means the CIBC office noted on the first page of this Guarantee, or such address as CIBC may, from time to time, advise me in the manner provided in Section 6;
 - b) "Customer's Debts" means the debts and liabilities that the Customer has incurred or may incur with CIBC including, among other things, those in respect of dealings between the Customer and CIBC, as well as any other dealings by which the Customer may become indebted or liable to CIBC in any manner whatever;

- c) "*Guarantor*" means any Person who has guaranteed or later guarantees to CIBC any or all of the Customer's Debts, whether or not such Person has signed this Guarantee or another document;
 - d) "*I*", "*me*" and "*my*" mean the Person who has signed this Guarantee, and if two or more Persons sign, each of them;
 - e) "*Person*" includes a natural person, personal representative, partnership, corporation, association, organization, estate, trade union, church or other religious organization, syndicate, joint venture, trust, trustee in bankruptcy, government and government body and any other entity, and, where appropriate, specifically includes any Guarantor;
 - f) "*Section*" means a section or paragraph of this Guarantee;
 - g) "*Security*" means any security held by CIBC as security for payment of the Customer's Debts and includes, among other things, any and all guarantees.
24. **Credit Agreement.** This Agreement is given to CIBC pursuant to the terms of the credit agreement dated August 11, 2017 made between CIBC and the Customer (the "**Credit Agreement**"). Any default or Event of Default (as defined in the Credit Agreement) under the terms of the Credit Agreement or under any security granted under the terms of the Credit Agreement shall constitute default hereunder. Any default under this agreement shall also be an Event of Default under the Credit Agreement and under any security granted pursuant to the Credit Agreement. In the event that any provisions set forth or contained in the Credit Agreement conflict with any of the provisions of this agreement, such that the provisions of this agreement and the provisions of the Credit Agreement cannot co-exist, the provisions of the Credit Agreement shall prevail.

This is **Exhibit "11"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 5th day of November, 2022.

A Notary Public in and for the Province of Manitoba.



Guarantee

Canadian Imperial Bank of Commerce
500 – One Lombard Place, Winnipeg, Manitoba R3C 2P3
Bank Office

For valuable consideration, I, the undersigned guarantor, agree with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Customer's Name.** The name of the customer whose debts I am guaranteeing is Manitoba Clinic Medical Corporation (the "Customer").
2. **Guarantee.** I guarantee payment to CIBC of all the Customer's Debts. My liability under this Guarantee is:
 - a) ☒ unlimited.
 - b) ☐ limited to the principal sum of Cdn\$ _____ plus interest and expenses in accordance with Section 5.**Note:** If neither box (a) nor box (b) is checked off, or if both are checked off, or if box (b) is checked off but no figure is inserted in the blank, then box (a) alone will be considered to have been checked off.
3. **Governing Law.** This Guarantee is governed by the laws of Manitoba (without reference to the choice of law rules). I irrevocably agree to submit to the non-exclusive jurisdiction of its courts.
4. **Copy Received.** I acknowledge having received a copy of this Guarantee.

Note: The "Additional Terms and Conditions of this Guarantee" on the following pages form part of this Guarantee.

August 22, 2017

Date

THE MANITOBA CLINIC HOLDING CO. LTD.

Guarantor's Name (record in full)

790 Sherbrook Street

Guarantor's Address

Winnipeg, MB, R3E 0L5

City/Town, Province and Postal Code

X

Signature

David Connor, Chairman

Name & Title

X

Signature

Jeff B. Garpentine, Executive Director

Name & Title

- Note:**
- i) If the Guarantor is a corporation, no witness is needed. The office (such as "President" or "Secretary") of the person signing should be noted below that person's signature. The corporation's seal should be affixed if the resolution so states.
 - ii) If the Guarantor is an individual, a red wafer seal is advisable, but not mandatory. (No seal required in Quebec.)
 - iii) For *The Guarantees Acknowledgement Act* certificate in Alberta, see page 4.

Additional Terms and Conditions of this Guarantee

5. **Payment on demand.** I will immediately pay CIBC on demand:
- a) the amount (and in the currency) of the Customer's Debts (but if Section 2(b) applies, subject to that limitation), plus any expenses (including all legal fees and disbursements) incurred by CIBC in enforcing any of CIBC's rights under this Guarantee; and
 - b) interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts.
6. **Making Demand.** Demand and any other notices given under this Guarantee will be conclusively considered to have been made upon me when the envelope containing it, addressed to me (or, if there is more than one Person signing this Guarantee, to any one of us) at the last address known to CIBC, is deposited, postage prepaid, first class mail, in a post office, or is personally delivered to that address. I will give CIBC immediate written notice, addressed to the Manager of the Bank Office, of each and every change of my address.
7. **No Setoff or Counterclaim.** I will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that I have or may have against the Customer or CIBC.
8. **Application of Moneys Received.** CIBC may apply all moneys received from me, the Customer or any other Person (including under any Security that CIBC may from time to time hold) upon such part of the Customer's Debts as CIBC considers appropriate.
9. **Exhausting Recourse.** CIBC does not need to exhaust its recourse against the Customer or any other Person or under any Security CIBC may from time to time hold before being entitled to full payment from me under this Guarantee.
10. **Absolute Liability.** My liability under this Guarantee is absolute and unconditional. It will not be limited or reduced, nor will CIBC be responsible or owe any duty (as a fiduciary or otherwise) to me, nor will CIBC's rights under this Guarantee be prejudiced, by the existence or occurrence (with or without my knowledge or consent) of any one or more of the following events:
- a) any termination, invalidity, unenforceability or release by CIBC of any of its rights against the Customer or against any other Person or of any Security;
 - b) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Customer's Debts or to any credit extended by CIBC to the Customer; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Customer or any other Person; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by CIBC in respect of, or in the course of, doing any of these things;
 - c) accepting compositions from or granting releases or discharges to the Customer or any other Person, or any other dealing with the Customer or any other Person or with any Security that CIBC considers appropriate;
 - d) any unenforceability or loss of or in respect of any Security held from time to time by CIBC from me, the Customer or any other Person, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to CIBC's fault or any other reason;
 - e) the death of the Customer; any change in the Customer's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale, lease or otherwise) of the Customer or the Customer's business;
 - f) any change in my financial condition or that of the Customer or any other Guarantor (including insolvency and bankruptcy);
 - g) if I am or the Customer is a corporation, any change of effective control, or if I am or the Customer is a partnership, a dissolution or any change in the membership;
 - h) any event, whether or not attributable to CIBC, that may be considered to have caused or accelerated the bankruptcy or insolvency of the Customer or any Guarantor, or to have resulted in the initiation of any such proceedings;
 - i) CIBC's filing of any claim for payment with any administrator, provisional liquidator, conservator, trustee, receiver, custodian or other similar officer appointed for the Customer or for all or substantially all of the Customer's assets;
 - j) any failure by CIBC to abide by any of the terms and conditions of CIBC's agreements with, or to meet any of its obligations or duties owed to me, the Customer or any Person, or any breach of any duty (whether as a fiduciary or otherwise) that exists or is alleged to exist between CIBC and me, the Customer or any Person;
 - k) any incapacity, disability, or lack or limitation of status or of the power of the Customer or of the Customer's directors; managers, officers, partners or agents; the discovery that the Customer is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Customer's Debts; or
 - l) any event whatsoever that might be a defence available to, or result in a reduction or discharge of, me, the Customer or any other Person in respect of either the Customer's Debts or my liability under this Guarantee.
- For greater certainty, I agree that CIBC may deal with me, the Customer and any other Person in any manner without affecting my liability under this guarantee.
11. **Principal Debtor.** All moneys and liabilities (whether matured or unmatured, present or future, direct or indirect, absolute or contingent) obtained from CIBC will be deemed to form part of the Customer's Debts, notwithstanding the occurrence of any one or more of the events described in Section 10(k). I will pay CIBC as principal debtor any amount that CIBC cannot recover from me as Guarantor immediately following demand as provided in this Guarantee.

12. **No Liability for Negligence, etc.** CIBC will not be liable to me for any negligence or any breaches or omissions on the part of CIBC, or any of its employees, officers, directors or agents, or any receivers appointed by CIBC, in the course of any of its or their actions.
13. **Continuing Guarantee.** This is a continuing guarantee of the Customer's Debts.
14. **Terminating Further Liability.** I may discontinue any further liability to pay the Customer's Debts by written notice to the Bank Office. I will, however, continue to be liable under this Guarantee for any of the Customer's Debts that the Customer incurs up to and including the 30th day after CIBC receives my notice.
15. **Statement Conclusive.** Except for demonstrable errors or omissions, the amount appearing due in any account stated by CIBC or settled between CIBC and the Customer will be conclusive as to that amount being due.
16. **CIBC's Priority.**
 - a) If any payment made to CIBC by the Customer or any other Person is subsequently rendered void or must otherwise be returned for any reason, I will be liable for that payment (but if Section 2(b) applies, subject to that limitation). Until all of CIBC's claims against the Customer in respect of the Customer's Debts have been paid in full, I will not require that CIBC assign to me any Security held, or any other rights that CIBC may have, in connection with the Customer's Debts, and I will not assert any right of contribution against any Guarantor, or claim repayment from the Customer, for any payment that I make under this Guarantee.
 - b) If the Customer is bankrupt, or (if the Customer is a corporation) liquidated or wound up, or if the Customer makes a bulk sale of any assets under applicable law, or if the Customer proposes any composition with creditors or any scheme of arrangement, CIBC will be entitled to all dividends and other payments until CIBC is paid in full, and I will remain liable under this Guarantee (but if Section 2(b) applies, subject to that limitation).
 - c) If CIBC gives to any trustee in bankruptcy or receives a valuation of, or retains, any Security that CIBC holds for payment of the Customer's Debts, that will not be considered, as between CIBC and me, to be a purchase of such Security or payment, satisfaction or reduction of the Customer's Debts.
17. **Assignment and Postponement of Claim.** I postpone in favour of CIBC all debts and liabilities that the Customer now owes or later may from time to time owe to me in any manner until CIBC is paid in full. I further assign to CIBC all such debts and liabilities, to the extent of the Customer's Debts, until CIBC is paid in full. If I receive any moneys in payment of any such debts and liabilities, I will hold them in trust for, and will immediately pay them to, CIBC without reducing my liability under this Guarantee.
18. **Withholding Taxes.** Unless a law requires otherwise, I will make all payments under this Guarantee without deduction or withholding for any present or future taxes of any kind. If a law does so require, I will pay to CIBC an additional amount as is necessary to ensure CIBC receives the full amount CIBC would have received if no deduction or withholding had been made.
19. **Judgment Currency.** My liability to pay CIBC in a particular currency (the "First Currency") will not be discharged or satisfied by any tender or recovery under any judgment expressed in or converted into another currency (the "Other Currency") except to the extent the tender or recovery results in CIBC's effective receipt of the full amount of the First Currency so payable. Accordingly, I will be liable to CIBC in an additional cause of action to recover in the Other Currency the amount (if any) by which that effective receipt falls short of the full amount of the First Currency so payable, without being affected by any judgment obtained for any other sums due.
20. **Consent to Disclose Information.** CIBC may from time to time give any credit or other information about me to, or receive such information from, any credit bureau, reporting agency or other Person.
21. **General.** Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more Persons sign this Guarantee, each Person's liability will be joint and several. This Guarantee is in addition and without prejudice to any Security of any kind now or in the future held by CIBC. There are no representations, collateral agreements or conditions with respect to, or affecting my liability under, this Guarantee other than as contained in this Guarantee.
22. **Quebec Only.** If this Guarantee is governed by the laws of Quebec:
 - a) I acknowledge that the terms and conditions of the Customer's Debts have been expressly brought to my attention;
 - b) I renounce the benefit of division and discussion;
 - c) if two or more Persons sign this Guarantee, each Person's liability will be solidary;
 - d) I acknowledge that the thirty days' notice specified in Section 14 constitutes prior and sufficient notice to CIBC;
 - e) if this Guarantee is attached to the performance of special duties, I agree that this Guarantee shall not terminate upon cessation of such duties; and
 - f) it is the express wish of the parties that this document and any related documents be drawn up in English. Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés en anglais.
23. **Definitions.** In this Guarantee:
 - a) "Bank Office" means the CIBC office noted on the first page of this Guarantee, or such address as CIBC may, from time to time, advise me in the manner provided in Section 6;
 - b) "Customer's Debts" means the debts and liabilities that the Customer has incurred or may incur with CIBC including, among other things, those in respect of dealings between the Customer and CIBC, as well as any other dealings by which the Customer may become indebted or liable to CIBC in any manner whatever;

- c) "*Guarantor*" means any Person who has guaranteed or later guarantees to CIBC any or all of the Customer's Debts, whether or not such Person has signed this Guarantee or another document;
 - d) "*I*", "*me*" and "*my*" mean the Person who has signed this Guarantee, and if two or more Persons sign, each of them;
 - e) "*Person*" includes a natural person, personal representative, partnership, corporation, association, organization, estate, trade union, church or other religious organization, syndicate, joint venture, trust, trustee in bankruptcy, government and government body and any other entity, and, where appropriate, specifically includes any Guarantor;
 - f) "*Section*" means a section or paragraph of this Guarantee;
 - g) "*Security*" means any security held by CIBC as security for payment of the Customer's Debts and includes, among other things, any and all guarantees.
24. **Credit Agreement.** This Agreement is given to CIBC pursuant to the terms of the credit agreement dated August 11, 2017 made between CIBC and the Customer (the "**Credit Agreement**"). Any default or Event of Default (as defined in the Credit Agreement) under the terms of the Credit Agreement or under any security granted under the terms of the Credit Agreement shall constitute default hereunder. Any default under this agreement shall also be an Event of Default under the Credit Agreement and under any security granted pursuant to the Credit Agreement. In the event that any provisions set forth or contained in the Credit Agreement conflict with any of the provisions of this agreement, such that the provisions of this agreement and the provisions of the Credit Agreement cannot co-exist, the provisions of the Credit Agreement shall prevail.

This is **Exhibit "12"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.



Security Agreement

Canadian Imperial Bank of Commerce
500 – One Lombard Place, Winnipeg, Manitoba R3C 2P3
Bank Office (insert transit, mailing address and postal code)

For valuable consideration, the undersigned (the "Customer") agrees with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Grant of Security.** The Customer mortgages, charges and assigns to CIBC, and grants to CIBC, and CIBC takes, a Security Interest in the property described in the following paragraph or paragraphs of this section (as applicable in accordance with the NOTE appearing at the end of this section), and in all property described in any schedules, documents or listings that the Customer may from time to time sign and provide to CIBC in connection with this Agreement, and in all present and future Accessions to, and all Proceeds of, any such property (collectively, the "Collateral") as a general and continuing collateral security for the due payment and performance of the Liabilities:
- ☐ a) **Specific Personal Property:** the Personal Property described in Schedule A.
- ☒ b) **All Personal Property:** all of the Customer's present and after-acquired undertaking and Personal Property (including any property that may be described in Schedule A).
- ☐ c) **All Real Property:** all of the Customer's present and after-acquired real property (including any property that may be described in Schedule A), together with all buildings placed, installed or erected on any such property, and all fixtures.

NOTE: Check appropriate box or boxes to indicate which of paragraphs (a), (b) or (c) are to apply. If no box is checked off, paragraph (b) will apply.

2. **Governing Law.** This Agreement is governed by the laws of Manitoba.

ADDITIONAL TERMS AND CONDITIONS. The Additional Terms and Conditions (including any schedules) on the following pages form part of this agreement.

August 22, 2017

Date

MANITOBA CLINIC MEDICAL CORPORATION

Customer's Name (record in full)

790 Sherbrook Street

Customer's Address

Winnipeg, MB, R3E 0L5

City/Town, Province and Postal Code

X

David L. Munn Signature Chairman

Name & Title

X

Jeff B. Grapentine Signature

Jeff B. Grapentine, Executive Director

Name & Title

Note: If the Customer is a corporation, the office (such as "President" or "Secretary") of the person signing should be noted below that person's signature.

For individuals only, record the following information:

First and second names in full; surname	Birth Date*			Sex M/F
		Month		

*For Alberta, Ontario, Saskatchewan and Yukon, record: *Day/Month/Year*

*For all other provinces and territories, record: *Year/Month/Day*

Schedule A

The following is a description of property included in the Collateral (describe personal property by item or kind; if space is insufficient, use a separate sheet):

All of the Customer's present and after-acquired Personal Property.

Schedule B

The following are the Places of Business (if space is insufficient, use a separate sheet):

790 Sherbrook Street
Winnipeg, MB R3E 0L5

Additional Terms and Conditions

3. **Places of Business.** The Customer represents and warrants that the locations of all existing Places of Business are specified in Schedule B. The Customer will promptly notify CIBC in writing of any additional Places of Business as soon as they are established. Subject to section 5, the Collateral will at all times be kept at the Places of Business, and will not be removed without CIBC's prior written consent.
4. **Collateral Free of Charges.** The Customer represents and warrants that the Collateral is, and agrees that the Collateral will at all times be, free of any Charge or trust except in favour of CIBC or incurred with CIBC's prior written consent. CIBC may, but will not have to, pay any amount or take any action required to remove or redeem any unauthorized Charge. The Customer will immediately reimburse CIBC for any amount so paid and will indemnify CIBC in respect of any action so taken.
5. **Use of Collateral.** The Customer will not, without CIBC's prior written consent, sell, lease or otherwise dispose of any of the Collateral (other than Inventory, which may be sold, leased or otherwise disposed of in the ordinary course of the Customer's business). All Proceeds of the Collateral (including among other things all amounts received in respect of Receivables), whether or not arising in the ordinary course of the Customer's business, will be received by the Customer as trustee for CIBC and will be immediately paid to CIBC.
6. **Insurance.** The Customer will keep the Collateral insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral (and against such other risks as CIBC may reasonably require). At CIBC's request, all policies in respect of such insurance will contain a loss payable clause, and if the Collateral includes real property will contain a mortgage clause, in favour of CIBC and in any event the Customer assigns all proceeds of insurance on the Collateral to CIBC. The Customer will, from time to time at CIBC's request, deliver such policies (or satisfactory evidence of such policies) to CIBC. If the Customer does not obtain or maintain such insurance, CIBC may, but will not have to, do so. The Customer will immediately reimburse CIBC for any amount so paid. The Customer will promptly give CIBC written notice of any loss or damage to all or any part of the Collateral.
7. **Information and Inspection.** The Customer will from time to time immediately give CIBC in writing all information requested by CIBC relating to the Collateral, the Places of Business, and the Customer's financial or business affairs. The Customer will promptly advise CIBC of the Serial Number, model year, make and model of each Serial Number Good at any time included in the Collateral that is held as Equipment, including in circumstances where the Customer ceases holding such Serial Number Good as Inventory and begins holding it as Equipment. CIBC may from time to time inspect any Books and Records and any Collateral, wherever located. For that purpose CIBC may, without charge, have access to each Place of Business and to all mechanical or electronic equipment, devices and processes where any of them may be stored or from which any of them may be retrieved. The Customer authorizes any Person holding any Books and Records to make them available to CIBC, in a readable form, upon request by CIBC.
8. **Receivables.** If the Collateral includes Receivables, CIBC may advise any Person who is liable to make any payment to the Customer of the existence of this Agreement. CIBC may from time to time confirm with such Persons the existence and the amount of the Receivables. Upon Default, CIBC may collect and otherwise deal with the Receivables in such manner and upon such terms as CIBC considers appropriate.
9. **Receipts Prior to Default.** Until Default, all amounts received by CIBC as Proceeds of the Collateral will be applied on account of the Liabilities in such manner and at such times as CIBC may consider appropriate or, at CIBC's option, may be held unappropriated in a collateral account or released to the Customer.
10. **Default.**
 - (1) **Events of Default.** The occurrence of any of the following events or conditions will be a Default:
 - (a) the Customer does not pay any of the Liabilities when due;
 - (b) the Customer does not observe or perform any of the Customer's obligations under this Agreement or any other agreement or document existing at any time between the Customer and CIBC;
 - (c) any representation, warranty or statement made by or on behalf of the Customer to CIBC is untrue in any material respect at the time when or as of which it was made;
 - (d) the Customer ceases or threatens to cease to carry on in the normal course the Customer's business or any material part thereof;
 - (e) if the Customer is a corporation, there is, in CIBC's reasonable opinion, a change in effective control of the Customer, or if the Customer is a partnership, there is a dissolution or change in the membership of the partnership;
 - (f) the Customer becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy and Insolvency Act (Canada) or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Customer; or, if the Customer is a corporation, steps are taken under any legislation by or against the Customer seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - (g) a Receiver, trustee, custodian or other similar official is appointed in respect of the Customer or any of the Customer's property;
 - (h) the holder of a Charge takes possession of all or any part of the Customer's property, or a distress, execution or other similar process is levied against all or any part of such property; or
 - (i) CIBC, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy.

- (2) **Rights upon Default.** Upon Default, CIBC and a Receiver, as applicable, will to the extent permitted by law have the following rights.
- (a) **Appointment of Receiver.** CIBC may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. CIBC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by CIBC will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Customer's agent. CIBC may from time to time fix the Receiver's remuneration and the Customer will pay CIBC the amount of such remuneration. CIBC will not be liable to the Customer or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.
 - (b) **Dealings with the Collateral.** CIBC or a Receiver may take possession of all or any part of the Collateral and retain it for as long as CIBC or the Receiver considers appropriate, receive any rents and profits from the Collateral, carry on (or concur in carrying on) all or any part of the Customer's business or refrain from doing so, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other disposition, and sell or lease (or concur in selling or leasing) or otherwise dispose of the Collateral on such terms and conditions (including among other things by arrangement providing for deferred payment) as CIBC or the Receiver considers appropriate. CIBC or the Receiver may (without charge and to the exclusion of all other Persons including the Customer) enter upon any Place of Business.
 - (c) **Realization.** CIBC or a Receiver may use, collect, sell, lease or otherwise dispose of, realize upon, release to the Customer or other Persons and otherwise deal with, the Collateral in such manner, upon such terms (including among other things by arrangement providing for deferred payment) and at such times as CIBC or the Receiver considers appropriate. CIBC or the Receiver may make any sale, lease or other disposition of the Collateral in the name of and on behalf of the Customer or otherwise.
 - (d) **Application of Proceeds After Default.** All Proceeds of Collateral received by CIBC or a Receiver may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration and other expenses of enforcing CIBC's rights under this Agreement), Charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by CIBC or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Charges on the Collateral ranking in priority to any Charge created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds will be applied to the Liabilities in such manner and at such times as CIBC considers appropriate and thereafter will be accounted for as required by law.
- (3) **Other Legal Rights.** Before and after Default, CIBC will have, in addition to the rights specifically provided in this Agreement, the rights of a secured party under the PPSA, as well as the rights recognized at law and in equity. No right will be exclusive of or dependent upon or merge in any other right, and one or more of such rights may be exercised independently or in combination from time to time.
- (4) **Deficiency.** The Customer will remain liable to CIBC for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.
11. **CIBC not Liable.** CIBC will not be liable to the Customer or any other Person for any failure or delay in exercising any of its rights under this Agreement (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). None of CIBC, a Receiver or any agent of CIBC (including, in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Chattel Paper, Securities or Instrument in possession of CIBC, a Receiver or CIBC's agent.
12. **Charges and Expenses.** The Customer agrees to pay on demand all costs and expenses incurred (including among other things legal fees on a solicitor and client basis) and fees charged by CIBC in connection with obtaining or discharging this Agreement or establishing or confirming the priority of the Charges created by this Agreement or by law, compliance with any demand by any Person under the PPSA to amend or discharge any registration relating to this Agreement, and by CIBC or any Receiver in exercising any remedy under this Agreement (including among other things preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Customer's business. All such amounts will bear interest from time to time at the highest interest rate then applicable to any of the Liabilities, and the Customer will reimburse CIBC upon demand for any amount so paid.
13. **Further Assurances.** The Customer will from time to time immediately upon request by CIBC take such action (including among other things the signing and delivery of financing statements and financing change statements, other schedules, documents or listings describing property included in the Collateral, further assignments and other documents, and the registration of this Agreement or any other Charge against any of the Customer's real property) as CIBC may require in connection with the Collateral or as CIBC may consider necessary to give effect to this Agreement. If permitted by law, the Customer waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this Agreement. The Customer irrevocably appoints the Manager or the Acting Manager from time to time of CIBC's branch specified on the first page of this Agreement as the Customer's attorney (with full powers of substitution and delegation) to sign, upon Default, all documents required to give effect to this section. Nothing in this section affects the right of CIBC as secured party, or any other Person on CIBC's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as CIBC or such other Person considers appropriate.

14. **Dealings by CIBC.** CIBC may from time to time increase, reduce, discontinue or otherwise vary the Customer's credit facilities, grant extensions of time and other indulgences, take and give up any Charge, abstain from taking, perfecting or registering any Charge, accept compositions, grant releases and discharges and otherwise deal with the Customer, customers of the Customer, guarantors and others, and with the Collateral and any Charges held by CIBC, as CIBC considers appropriate without affecting the Customer's obligations to CIBC or CIBC's rights under this Agreement.
15. **Definitions.** In this Agreement:
- "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Proceeds", "Purchase-Money Security Interest" and "Security Interest" have the respective meanings given to them in the PPSA.
- "Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Customer (or any Person on the Customer's behalf) has access.
- "Charge" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, financial lease, title retention agreement or arrangement, security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property that is prior to the right of any other creditor in respect of such property.
- "Consumer Goods" has the meaning given to it in the PPSA, except that, if this Agreement is governed by the laws of the Yukon, it does not include special consumer goods as that term is defined in the Yukon PPSA.
- "Default" has the meaning set out in subsection 10(1).
- "Liabilities" means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Customer to CIBC, wherever and however incurred and any unpaid balance thereof.
- "Money" has the meaning given to it in the PPSA or, if there is no such definition, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency.
- "Person" means any natural person or artificial body (including among others any firm, corporation or government).
- "Personal Property" means personal property and includes among other things Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money, and Securities, and includes all Accessions to such property.
- "Place of Business" means a location where the Customer carries on business or where any of the Collateral is located (including any location described in Schedule B).
- "PPSA" means the Personal Property Security Act in the province or territory noted in section 2 of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations made from time to time under such legislation) and in the case of any province or territory that does not have an act by that name, such legislation as deals generally with Charges on personal property.
- "Receivables" means all debts, claims and choses in action (including among other things Accounts and Chattel Paper) now or in the future due or owing to or owned by the Customer.
- "Receiver" means a receiver or a receiver and manager.
- "Securities" has the meaning given to it in the PPSA or, if there is no such definition and the PPSA defines "security" instead, it means the plural of that term.
- "Serial Number" means the number that the Person who manufactured or constructed a Serial Number Good permanently marked or attached to it for identification purposes or, if applicable, such other number as the PPSA stipulates as the serial number or vehicle information number to be used for registration purposes of such Serial Number Good.
- "Serial Number Good" means a motor vehicle, trailer, mobile home, aircraft airframe, aircraft engine or aircraft propeller, boat or an outboard motor for a boat.
16. **General.**
- (1) **Reservation of the Last Day of any Lease.** The Charges created by this Agreement do not extend to the last day of the term of any lease or agreement for lease; however, the Customer will hold such last day in trust for CIBC and, upon the exercise by CIBC of any of its rights under this Agreement following Default, will assign such last day as directed by CIBC.
- (2) **Attachment of Security Interest.** The Security Interests created by this Agreement are intended to attach
- to existing Collateral when the Customer signs this Agreement, and
 - to Collateral subsequently acquired by the Customer, immediately upon the Customer acquiring any rights in such Collateral. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.
- (3) **Purchase-Money Security Interest.** If CIBC gives value for the purpose of enabling the Customer to acquire rights in or to any of the Collateral, the Customer will in fact apply such value to acquire those rights (and will provide CIBC with such evidence in this regard as CIBC may require), and the Customer grants to CIBC, and CIBC takes, a Purchase-Money Security Interest in such Collateral to the extent that the value is applied to acquire such rights. A certificate or affidavit of any of CIBC's authorized representatives is admissible in evidence to establish the amount of any such value.
- (4) **Description of Collateral in Schedule A.** The fact that box (b) or box (c) of section 1 has been checked without there being any property described in Schedule A does not affect the nature or validity of CIBC's security in the Collateral.

- (5) **Entire Agreement.** CIBC has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out in this Agreement, and in particular nothing contained in this Agreement will require CIBC to make, renew or extend the time for payment of any loan or other credit accommodation to the Customer or any other Person.
- (6) **Additional Security.** The Charges created by this Agreement are in addition and without prejudice to any other Charge now or later held by CIBC. No Charge held by CIBC will be exclusive of or dependent upon or merge in any other Charge, and CIBC may exercise its rights under such Charges independently or in combination.
- (7) **Joint and Several Liability.** If more than one Person signs this Agreement as the Customer, the obligations of such Persons will be joint and several.
- (8) **Severability; Headings.** Any provision of this Agreement that is void or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions of this Agreement. The headings in this Agreement are for convenience only and do not limit or extend the provisions of this Agreement.
- (9) **Interpretation.** When the context so requires, the singular will be read as the plural, and vice versa.
- (10) **Copy of Agreement.** The Customer acknowledges receipt of a copy of this Agreement.
- (11) **Waivers.** If this Agreement is governed by the laws of Saskatchewan and the Customer is a corporation, the Customer agrees that The Limitation of Civil Rights Act, The Land Contracts (Actions) Act and Part IV (excepting only section 46) of The Saskatchewan Farm Security Act do not apply insofar as they relate to actions as defined in those Acts, or insofar as they relate to or affect this Agreement, the rights of CIBC under this Agreement or any instrument, Charge, security agreement or other document of any nature that renews, extends or is collateral to this Agreement.
- (12) **Notice.** CIBC may send to the Customer, by prepaid regular mail addressed to the Customer at the Customer's address last known to CIBC, copies of any document required by the PPSA to be delivered by CIBC to the Customer. Any document mailed in this manner will be deemed to have been received by the Customer upon the earlier of actual receipt by the Customer and the expiry of 10 days after the mailing date. A certificate or affidavit of any of CIBC's authorized representatives is admissible in evidence to establish the mailing date.
- (13) **Enurement; Assignment.** This Agreement will enure to the benefit of and be binding upon CIBC, its successors and assigns, and the Customer and the Customer's heirs, executors, administrators, successors and permitted assigns. The Customer will not assign this Agreement without CIBC's prior written consent.

**Manitoba Clinic Medical Corporation/
Manitoba Clinic Holding Co. Ltd.**

LIST OF EQUIPMENT

(2)	Visual Field Analyzers Model HFA2 7401 Serial Numbers: 7401-17538, 7401-17542	Purchased prior to 2010	Approximate Price \$22,000 each
(8)	OPMI Pico Colposcopes Serial Numbers: 6030104854, 6030105100, 6030102480, 6030104867, 6030114602, 396255, 443825, 525394	Purchased between 2008 & 2016	2016 Price \$35,029
(1)	OPMI 150FC Colposcope Serial Number: 6022508627		Approximate Price \$35,000
(1)	Cirrus HD-OCT 5000 Serial Number: 5000-5904	Purchase 2015	\$100,687
	Upgrade with AngioPlex	2016	Additional \$67,744
(1)	Forum Archive & Viewer Support (V3) Serial Numbers: 484704541596, 819138539069, 7140016138	2016	\$14,317
(1)	SD-OCT 5000 New ENH4 Angio Serial Number: 5000-7287 & Lic Anterior Segment Premier Module Serial Number: 7140018447	2016	\$148,992
(1)	Visucam 224 Serial Number: 1158781 & Visupac 4.5.3 Viewer License, Node- Locked Serial Number: 674128	2016	\$32,689
(2)	IOL Master 500 Serial Numbers: 1035340, 1035341	Purchased prior to 2012	\$88,920
	Quantel Supra Laser System Serial Number: 617	2016	\$76,081
	Quantel Supra Multi Spot Scanner	2016	\$28,829
	Quantel Supra Slit Lamp Serial Number: 14110019	2016	\$21,067
	Quantel Supra Heine Omega L10 Serial Number: 1349012	2016	\$12,197
	Quantel Aviso S Imaging System Ultrasound Serial Number: 3626	2016	\$44,274
	Quantel Aviso Mac Computer	2016	\$10,204
	Quantel Aviso Linear UBM Probe Serial Number: 1348	2016	\$30,612
	Haag-Streit BQ 900 Slit Lamp Serial Number: 00849	2016	\$77,010
	Reliance Exam Chair Serial Number: 070025C0316005	2016	\$29,016
	Reliance Instrument Stand Serial Number: 7900000J1115080	2016	\$22,238

**Manitoba Clinic Medical Corporation/
Manitoba Clinic Holding Co. Ltd.**

LIST OF EQUIPMENT

(2)	Tono-Pen Avia Tonometer Serial Numbers: 45324-0316, 45789-0616	2016	\$11,856
(4)	Keeler-Vantage Bio Wireless Slimline Serial Numbers: 58232, 58237, 58019, 58201	2016	\$17,211
(1)	Ultrasound System with Transducers & Battery	2016	\$36,548
	Video Colonoscope Evis Exera Light Olympus Canada Inc. Serial Numbers: 7634418, 2671241	2017	\$32,878
	Video Colonoscope Exera Olympus Canada Inc. Serial Numbers: 2806047, 2908834	2017	\$24,000
	Video Gastroscope Olympus Canada Inc. Serial Numbers: 2103507, 2105141	2017	\$22,000
	QA4 Procedural Surgical Table Serial Number: 2367	2015	\$10,015
	GE EKG Model Mac 5500 Serial Number: 2161000245SA Treadmill T2100 Serial Number: 816090234SA	2016	\$25,976
(2)	EMG Machine with Keypoint Focus Notebook System Natus Serial Numbers: 38457, 38458	2016	\$57,268
	Digital Video Capture Module Kaypentax Camera HD & Lens Kaypentax Strobe Light Source Video Esophagoscope Video Nao-Pharyngoscope Video Processor Serial Number: UFO 11742	\$47,302 \$27,515 \$22,741 \$22,103 \$28,702 \$27,205	2014 \$175,568

This is **Exhibit "13"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 28th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

**Security Agreement**

Canadian Imperial Bank of Commerce
500 – One Lombard Place, Winnipeg, Manitoba R3C 2P3
Bank Office (insert transit, mailing address and postal code)

For valuable consideration, the undersigned (the "Customer") agrees with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Grant of Security.** The Customer mortgages, charges and assigns to CIBC, and grants to CIBC, and CIBC takes, a Security Interest in the property described in the following paragraph or paragraphs of this section (as applicable in accordance with the NOTE appearing at the end of this section), and in all property described in any schedules, documents or listings that the Customer may from time to time sign and provide to CIBC in connection with this Agreement, and in all present and future Accessions to, and all Proceeds of, any such property (collectively, the "Collateral") as a general and continuing collateral security for the due payment and performance of the Liabilities:
- ☐ a) **Specific Personal Property:** the Personal Property described in Schedule A.
- ☒ b) **All Personal Property:** all of the Customer's present and after-acquired undertaking and Personal Property (including any property that may be described in Schedule A).
- ☐ c) **All Real Property:** all of the Customer's present and after-acquired real property (including any property that may be described in Schedule A), together with all buildings placed, installed or erected on any such property, and all fixtures.

NOTE: Check appropriate box or boxes to indicate which of paragraphs (a), (b) or (c) are to apply. If no box is checked off, paragraph (b) will apply.

2. **Governing Law.** This Agreement is governed by the laws of Manitoba.

ADDITIONAL TERMS AND CONDITIONS. The Additional Terms and Conditions (including any schedules) on the following pages form part of this agreement.

August 22, 2017
Date
THE MANITOBA CLINIC HOLDING CO. LTD.
Customer's Name (record in full)
790 Sherbrook Street
Customer's Address
Winnipeg, MB, R3E 0L5
City/Town, Province and Postal Code

X
Signature
Name & Title
David Connor, Chairman
X
Signature
Name & Title
Jeff B. Gaudreault, Executive Director

Note: If the Customer is a corporation, the office (such as "President" or "Secretary") of the person signing should be noted below that person's signature.

For individuals only, record the following information:				
First and second names in full; surname	Birth Date*			Sex M/F
		Month		

*For Alberta, Ontario, Saskatchewan and Yukon, record: Day/Month/Year

*For all other provinces and territories, record: Year/Month/Day

Schedule A

The following is a description of property included in the Collateral (describe personal property by item or kind; if space is insufficient, use a separate sheet):

All of the Customer's present and after-acquired Personal Property.

Schedule B

The following are the Places of Business (if space is insufficient, use a separate sheet):

790 Sherbrook Street
Winnipeg, MB R3E 0L5

Additional Terms And Conditions

3. **Places of Business.** The Customer represents and warrants that the locations of all existing Places of Business are specified in Schedule B. The Customer will promptly notify CIBC in writing of any additional Places of Business as soon as they are established. Subject to section 5, the Collateral will at all times be kept at the Places of Business, and will not be removed without CIBC's prior written consent.
4. **Collateral Free of Charges.** The Customer represents and warrants that the Collateral is, and agrees that the Collateral will at all times be, free of any Charge or trust except in favour of CIBC or incurred with CIBC's prior written consent. CIBC may, but will not have to, pay any amount or take any action required to remove or redeem any unauthorized Charge. The Customer will immediately reimburse CIBC for any amount so paid and will indemnify CIBC in respect of any action so taken.
5. **Use of Collateral.** The Customer will not, without CIBC's prior written consent, sell, lease or otherwise dispose of any of the Collateral (other than Inventory, which may be sold, leased or otherwise disposed of in the ordinary course of the Customer's business). All Proceeds of the Collateral (including among other things all amounts received in respect of Receivables), whether or not arising in the ordinary course of the Customer's business, will be received by the Customer as trustee for CIBC and will be immediately paid to CIBC.
6. **Insurance.** The Customer will keep the Collateral insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral (and against such other risks as CIBC may reasonably require). At CIBC's request, all policies in respect of such insurance will contain a loss payable clause, and if the Collateral includes real property will contain a mortgage clause, in favour of CIBC and in any event the Customer assigns all proceeds of insurance on the Collateral to CIBC. The Customer will, from time to time at CIBC's request, deliver such policies (or satisfactory evidence of such policies) to CIBC. If the Customer does not obtain or maintain such insurance, CIBC may, but will not have to, do so. The Customer will immediately reimburse CIBC for any amount so paid. The Customer will promptly give CIBC written notice of any loss or damage to all or any part of the Collateral.
7. **Information and Inspection.** The Customer will from time to time immediately give CIBC in writing all information requested by CIBC relating to the Collateral, the Places of Business, and the Customer's financial or business affairs. The Customer will promptly advise CIBC of the Serial Number, model year, make and model of each Serial Number Good at any time included in the Collateral that is held as Equipment, including in circumstances where the Customer ceases holding such Serial Number Good as Inventory and begins holding it as Equipment. CIBC may from time to time inspect any Books and Records and any Collateral, wherever located. For that purpose CIBC may, without charge, have access to each Place of Business and to all mechanical or electronic equipment, devices and processes where any of them may be stored or from which any of them may be retrieved. The Customer authorizes any Person holding any Books and Records to make them available to CIBC, in a readable form, upon request by CIBC.
8. **Receivables.** If the Collateral includes Receivables, CIBC may advise any Person who is liable to make any payment to the Customer of the existence of this Agreement. CIBC may from time to time confirm with such Persons the existence and the amount of the Receivables. Upon Default, CIBC may collect and otherwise deal with the Receivables in such manner and upon such terms as CIBC considers appropriate.
9. **Receipts Prior to Default.** Until Default, all amounts received by CIBC as Proceeds of the Collateral will be applied on account of the Liabilities in such manner and at such times as CIBC may consider appropriate or, at CIBC's option, may be held unappropriated in a collateral account or released to the Customer.
10. **Default.**
 - (1) **Events of Default.** The occurrence of any of the following events or conditions will be a Default:
 - (a) the Customer does not pay any of the Liabilities when due;
 - (b) the Customer does not observe or perform any of the Customer's obligations under this Agreement or any other agreement or document existing at any time between the Customer and CIBC;
 - (c) any representation, warranty or statement made by or on behalf of the Customer to CIBC is untrue in any material respect at the time when or as of which it was made;
 - (d) the Customer ceases or threatens to cease to carry on in the normal course the Customer's business or any material part thereof;
 - (e) if the Customer is a corporation, there is, in CIBC's reasonable opinion, a change in effective control of the Customer, or if the Customer is a partnership, there is a dissolution or change in the membership of the partnership;
 - (f) the Customer becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy and Insolvency Act (Canada) or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Customer; or, if the Customer is a corporation, steps are taken under any legislation by or against the Customer seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - (g) a Receiver, trustee, custodian or other similar official is appointed in respect of the Customer or any of the Customer's property;
 - (h) the holder of a Charge takes possession of all or any part of the Customer's property, or a distress, execution or other similar process is levied against all or any part of such property; or
 - (i) CIBC, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy.

Security Agreement

- (2) **Rights upon Default.** Upon Default, CIBC and a Receiver, as applicable, will to the extent permitted by law have the following rights.
- (a) **Appointment of Receiver.** CIBC may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. CIBC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by CIBC will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Customer's agent. CIBC may from time to time fix the Receiver's remuneration and the Customer will pay CIBC the amount of such remuneration. CIBC will not be liable to the Customer or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.
 - (b) **Dealings with the Collateral.** CIBC or a Receiver may take possession of all or any part of the Collateral and retain it for as long as CIBC or the Receiver considers appropriate, receive any rents and profits from the Collateral, carry on (or concur in carrying on) all or any part of the Customer's business or refrain from doing so, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other disposition, and sell or lease (or concur in selling or leasing) or otherwise dispose of the Collateral on such terms and conditions (including among other things by arrangement providing for deferred payment) as CIBC or the Receiver considers appropriate. CIBC or the Receiver may (without charge and to the exclusion of all other Persons including the Customer) enter upon any Place of Business.
 - (c) **Realization.** CIBC or a Receiver may use, collect, sell, lease or otherwise dispose of, realize upon, release to the Customer or other Persons and otherwise deal with, the Collateral in such manner, upon such terms (including among other things by arrangement providing for deferred payment) and at such times as CIBC or the Receiver considers appropriate. CIBC or the Receiver may make any sale, lease or other disposition of the Collateral in the name of and on behalf of the Customer or otherwise.
 - (d) **Application of Proceeds After Default.** All Proceeds of Collateral received by CIBC or a Receiver may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration and other expenses of enforcing CIBC's rights under this Agreement), Charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by CIBC or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Charges on the Collateral ranking in priority to any Charge created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds will be applied to the Liabilities in such manner and at such times as CIBC considers appropriate and thereafter will be accounted for as required by law.
- (3) **Other Legal Rights.** Before and after Default, CIBC will have, in addition to the rights specifically provided in this Agreement, the rights of a secured party under the PPSA, as well as the rights recognized at law and in equity. No right will be exclusive of or dependent upon or merge in any other right, and one or more of such rights may be exercised independently or in combination from time to time.
- (4) **Deficiency.** The Customer will remain liable to CIBC for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.
11. **CIBC not Liable.** CIBC will not be liable to the Customer or any other Person for any failure or delay in exercising any of its rights under this Agreement (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). None of CIBC, a Receiver or any agent of CIBC (including, in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Chattel Paper, Securities or Instrument in possession of CIBC, a Receiver or CIBC's agent.
12. **Charges and Expenses.** The Customer agrees to pay on demand all costs and expenses incurred (including among other things legal fees on a solicitor and client basis) and fees charged by CIBC in connection with obtaining or discharging this Agreement or establishing or confirming the priority of the Charges created by this Agreement or by law, compliance with any demand by any Person under the PPSA to amend or discharge any registration relating to this Agreement, and by CIBC or any Receiver in exercising any remedy under this Agreement (including among other things preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Customer's business. All such amounts will bear interest from time to time at the highest interest rate then applicable to any of the Liabilities, and the Customer will reimburse CIBC upon demand for any amount so paid.
13. **Further Assurances.** The Customer will from time to time immediately upon request by CIBC take such action (including among other things the signing and delivery of financing statements and financing change statements, other schedules, documents or listings describing property included in the Collateral, further assignments and other documents, and the registration of this Agreement or any other Charge against any of the Customer's real property) as CIBC may require in connection with the Collateral or as CIBC may consider necessary to give effect to this Agreement. If permitted by law, the Customer waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this Agreement. The Customer irrevocably appoints the Manager or the Acting Manager from time to time of CIBC's branch specified on the first page of this Agreement as the Customer's attorney (with full powers of substitution and delegation) to sign, upon Default, all documents required to give effect to this section. Nothing in this section affects the right of CIBC as secured party, or any other Person on CIBC's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as CIBC or such other Person considers appropriate.

14. **Dealings by CIBC.** CIBC may from time to time increase, reduce, discontinue or otherwise vary the Customer's credit facilities, grant extensions of time and other indulgences, take and give up any Charge, abstain from taking, perfecting or registering any Charge, accept compositions, grant releases and discharges and otherwise deal with the Customer, customers of the Customer, guarantors and others, and with the Collateral and any Charges held by CIBC, as CIBC considers appropriate without affecting the Customer's obligations to CIBC or CIBC's rights under this Agreement.
15. **Definitions.** In this Agreement:
- "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Proceeds", "Purchase-Money Security Interest" and "Security Interest"* have the respective meanings given to them in the PPSA.
- "Books and Records"* means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Customer (or any Person on the Customer's behalf) has access.
- "Charge"* means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, financial lease, title retention agreement or arrangement, security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property that is prior to the right of any other creditor in respect of such property.
- "Consumer Goods"* has the meaning given to it in the PPSA, except that, if this Agreement is governed by the laws of the Yukon, it does not include special consumer goods as that term is defined in the Yukon PPSA.
- "Default"* has the meaning set out in subsection 10(1).
- "Liabilities"* means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Customer to CIBC, wherever and however incurred and any unpaid balance thereof.
- "Money"* has the meaning given to it in the PPSA or, if there is no such definition, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency.
- "Person"* means any natural person or artificial body (including among others any firm, corporation or government).
- "Personal Property"* means personal property and includes among other things Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money, and Securities, and includes all Accessions to such property.
- "Place of Business"* means a location where the Customer carries on business or where any of the Collateral is located (including any location described in Schedule B).
- "PPSA"* means the Personal Property Security Act in the province or territory noted in section 2 of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations made from time to time under such legislation) and in the case of any province or territory that does not have an act by that name, such legislation as deals generally with Charges on personal property.
- "Receivables"* means all debts, claims and choses in action (including among other things Accounts and Chattel Paper) now or in the future due or owing to or owned by the Customer.
- "Receiver"* means a receiver or a receiver and manager.
- "Securities"* has the meaning given to it in the PPSA or, if there is no such definition and the PPSA defines "security" instead, it means the plural of that term.
- "Serial Number"* means the number that the Person who manufactured or constructed a Serial Number Good permanently marked or attached to it for identification purposes or, if applicable, such other number as the PPSA stipulates as the serial number or vehicle information number to be used for registration purposes of such Serial Number Good.
- "Serial Number Good"* means a motor vehicle, trailer, mobile home, aircraft airframe, aircraft engine or aircraft propeller, boat or an outboard motor for a boat.
16. **General.**
- (1) **Reservation of the Last Day of any Lease.** The Charges created by this Agreement do not extend to the last day of the term of any lease or agreement for lease; however, the Customer will hold such last day in trust for CIBC and, upon the exercise by CIBC of any of its rights under this Agreement following Default, will assign such last day as directed by CIBC.
 - (2) **Attachment of Security Interest.** The Security Interests created by this Agreement are intended to attach
 - i) to existing Collateral when the Customer signs this Agreement, and
 - ii) to Collateral subsequently acquired by the Customer, immediately upon the Customer acquiring any rights in such Collateral. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.
 - (3) **Purchase-Money Security Interest.** If CIBC gives value for the purpose of enabling the Customer to acquire rights in or to any of the Collateral, the Customer will in fact apply such value to acquire those rights (and will provide CIBC with such evidence in this regard as CIBC may require), and the Customer grants to CIBC, and CIBC takes, a Purchase-Money Security Interest in such Collateral to the extent that the value is applied to acquire such rights. A certificate or affidavit of any of CIBC's authorized representatives is admissible in evidence to establish the amount of any such value.
 - (4) **Description of Collateral in Schedule A.** The fact that box (b) or box (c) of section 1 has been checked without there being any property described in Schedule A does not affect the nature or validity of CIBC's security in the Collateral.

Security Agreement

- (5) **Entire Agreement.** CIBC has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out in this Agreement, and in particular nothing contained in this Agreement will require CIBC to make, renew or extend the time for payment of any loan or other credit accommodation to the Customer or any other Person.
- (6) **Additional Security.** The Charges created by this Agreement are in addition and without prejudice to any other Charge now or later held by CIBC. No Charge held by CIBC will be exclusive of or dependent upon or merge in any other Charge, and CIBC may exercise its rights under such Charges independently or in combination.
- (7) **Joint and Several Liability.** If more than one Person signs this Agreement as the Customer, the obligations of such Persons will be joint and several.
- (8) **Severability; Headings.** Any provision of this Agreement that is void or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions of this Agreement. The headings in this Agreement are for convenience only and do not limit or extend the provisions of this Agreement.
- (9) **Interpretation.** When the context so requires, the singular will be read as the plural, and vice versa.
- (10) **Copy of Agreement.** The Customer acknowledges receipt of a copy of this Agreement.
- (11) **Waivers.** If this Agreement is governed by the laws of Saskatchewan and the Customer is a corporation, the Customer agrees that The Limitation of Civil Rights Act, The Land Contracts (Actions) Act and Part IV (excepting only section 46) of The Saskatchewan Farm Security Act do not apply insofar as they relate to actions as defined in those Acts, or insofar as they relate to or affect this Agreement, the rights of CIBC under this Agreement or any instrument, Charge, security agreement or other document of any nature that renews, extends or is collateral to this Agreement.
- (12) **Notice.** CIBC may send to the Customer, by prepaid regular mail addressed to the Customer at the Customer's address last known to CIBC, copies of any document required by the PPSA to be delivered by CIBC to the Customer. Any document mailed in this manner will be deemed to have been received by the Customer upon the earlier of actual receipt by the Customer and the expiry of 10 days after the mailing date. A certificate or affidavit of any of CIBC's authorized representatives is admissible in evidence to establish the mailing date.
- (13) **Enurement; Assignment.** This Agreement will enure to the benefit of and be binding upon CIBC, its successors and assigns, and the Customer and the Customer's heirs, executors, administrators, successors and permitted assigns. The Customer will not assign this Agreement without CIBC's prior written consent.

**Manitoba Clinic Medical Corporation/
Manitoba Clinic Holding Co. Ltd.**

LIST OF EQUIPMENT

(2)	Visual Field Analyzers Model HFA2 7401 Serial Numbers: 7401-17538, 7401-17542	Purchased prior to 2010	Approximate Price \$22,000 each
(8)	OPMI Pico Colposcopes Serial Numbers: 6030104854, 6030105100, 6030102480, 6030104867, 6030114602, 396255, 443825, 525394	Purchased between 2008 & 2016	2016 Price \$35,029
(1)	OPMI 150FC Colposcope Serial Number: 6022508627		Approximate Price \$35,000
(1)	Cirrus HD-OCT 5000 Serial Number: 5000-5904	Purchase 2015	\$100,687
	Upgrade with AngioPlex	2016	Additional \$67,744
(1)	Forum Archive & Viewer Support (V3) Serial Numbers: 484704541596, 819138539069, 7140016138	2016	\$14,317
(1)	SD-OCT 5000 New ENH4 Angio Serial Number: 5000-7287 & Lic Anterior Segment Premier Module Serial Number: 7140018447	2016	\$148,992
(1)	Visucam 224 Serial Number: 1158781 & Visupac 4.5.3 Viewer License, Node- Locked Serial Number: 674128	2016	\$32,689
(2)	IOL Master 500 Serial Numbers: 1035340, 1035341	Purchased prior to 2012	\$88,920
	Quantel Supra Laser System Serial Number: 617	2016	\$76,081
	Quantel Supra Multi Spot Scanner	2016	\$28,829
	Quantel Supra Slit Lamp Serial Number: 14110019	2016	\$21,067
	Quantel Supra Heine Omega L10 Serial Number: 1349012	2016	\$12,197
	Quantel Aviso S Imaging System Ultrasound Serial Number: 3626	2016	\$44,274
	Quantel Aviso Mac Computer	2016	\$10,204
	Quantel Aviso Linear UBM Probe Serial Number: 1348	2016	\$30,612
	Haag-Streit BQ 900 Slit Lamp Serial Number: 00849	2016	\$77,010
	Reliance Exam Chair Serial Number: 070025C0316005	2016	\$29,016
	Reliance Instrument Stand Serial Number: 7900000J1115080	2016	\$22,238

**Manitoba Clinic Medical Corporation/
Manitoba Clinic Holding Co. Ltd.**

LIST OF EQUIPMENT

(2)	Tono-Pen Avia Tonometer Serial Numbers: 45324-0316, 45789-0616	2016	\$11,856
(4)	Keeler-Vantage Bio Wireless Slimline Serial Numbers: 58232, 58237, 58019, 58201	2016	\$17,211
(1)	Ultrasound System with Transducers & Battery	2016	\$36,548
	Video Colonoscope Evis Exera Light Olympus Canada Inc. Serial Numbers: 7634418, 2671241	2017	\$32,878
	Video Colonoscope Exera Olympus Canada Inc. Serial Numbers: 2806047, 2908834	2017	\$24,000
	Video Gastroscope Olympus Canada Inc. Serial Numbers: 2103507, 2105141	2017	\$22,000
	QA4 Procedural Surgical Table Serial Number: 2367	2015	\$10,015
	GE EKG Model Mac 5500 Serial Number: 2161000245SA Treadmill T2100 Serial Number: 816090234SA	2016	\$25,976
(2)	EMG Machine with Keypoint Focus Notebook System Natus Serial Numbers: 38457, 38458	2016	\$57,268
	Digital Video Capture Module Kaypentax Camera HD & Lens Kaypentax Strobe Light Source Video Esophagoscope Video Nao-Pharyngoscope Video Processor Serial Number: UFO 11742	\$47,302 \$27,515 \$22,741 \$22,103 \$28,702 \$27,205	2014 \$175,568

This is **Exhibit "14"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

DEMAND DEBENTURE

BANK BRANCH AND ADDRESS
CIBC Commercial Banking
500 – One Lombard Place
Winnipeg, MB R3C 2P3

DATE

August 22, 2017

1 - PROMISE TO PAY

1.1 THE MANITOBA CLINIC HOLDING CO. LTD. (the "Company"),

a body corporate duly existing under the laws of Manitoba for value received, hereby acknowledges itself indebted and promises to pay **on demand** to or to the order of **Canadian Imperial Bank of Commerce** ("CIBC") the principal sum set out below in lawful money of Canada on presentation and surrender of this Debenture at CIBC's branch mentioned above, or at such other place as CIBC may designate by notice in writing to the Company, and to pay interest thereon from the date hereof at the rate set out below in like money at the same place on the last day of each month; and should the Company at any time make default in payment of any principal or interest, to pay interest both before and after default and judgment on the amount in default at the same rate in like money at the same place on the same dates.

2 - PRINCIPAL SUM

2.1 Principal Sum: SEVENTY-FIVE MILLION ----- 00/100 ----- Dollars (\$ 75,000,000.00).

3 - INTEREST RATE

3.1 Interest Rate: A nominal rate of ----- % per annum.

3.2 Interest Rate: A nominal rate per year equal to 0.25 percentage points above the variable reference interest rate per year declared by CIBC from time to time to be its prime rate for Canadian dollar loans made by CIBC in Canada (the "Prime Rate"); provided that the interest rate under this Debenture will vary automatically from time to time without notice on the day the Prime Rate is varied by CIBC. The applicable interest rate on the date hereof is 1.75% per annum.

4 - SECURITY

4.1 As security for the due payment of all amounts payable hereunder, the Company as beneficial owner hereby:

- (a) grants, assigns, conveys, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of CIBC, its successors and assigns
 - (i) all lands and premises described or referred to in Schedule A hereto, including all appurtenances, buildings and fixtures now or hereafter situate thereon, and all other lands and premises, including appurtenances, buildings and fixtures now owned or hereafter acquired by the Company TO HAVE AND TO HOLD the same unto CIBC, its successors and assigns, forever; and
 - (ii) all machinery, equipment, plant, vehicles, goods and chattels described or referred to in Schedule B hereto and all other machinery, equipment, plant, vehicles, goods and chattels with the exception of inventory, now owned or hereafter acquired by the Company TO HAVE AND TO HOLD the same unto CIBC, its successors and assigns, forever; and
- (b) charges as and by way of a first floating charge to and in favour of CIBC, its successors and assigns, all its undertaking, property and assets, both present and future, of every nature and kind and wherever situate (other than such as are at all times validly subjected to the fixed and specific mortgage and charge hereby created) including, without limitation, its franchises and uncalled capital.

If CIBC gives value for the purpose of enabling the Company to acquire rights in or to any of the Charged Property, the Company grants CIBC a purchase-money security interest in such Charged Property to the extent that the value is applied to acquire such rights. In this Debenture, the mortgages and charges hereby constituted are called the "Security" and the subject matter of the Security is called the "Charged Property".

4.2 Until the Security becomes enforceable, the Company may dispose of or deal with the subject matter of the floating charge in the ordinary course of its business and for the purpose of carrying on the same, provided that the Company will not, without the prior written consent of CIBC, create, assume or have outstanding, except to CIBC, any mortgage, charge or other encumbrance on any part of the Charged Property ranking or purporting to rank or capable of being enforced in priority to or pari passu with the Security, other than any inchoate liens for taxes or assessments by public authorities or any mortgage, lien or other encumbrance upon property, enforceable as against third parties generally, created or assumed only to secure funds required for the purchase of such property or any

extension or renewal or replacement thereof upon the same property if the principal amount of the indebtedness secured thereby is not increased.

- 4.3 The Security shall not extend or apply to the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security the Company shall stand possessed of such last day in trust to assign the same to any person acquiring the balance of such term.
- 4.4 CIBC is the party entitled to receive all amounts payable hereunder and to give a discharge hereof.

5 - ENFORCEMENT

- 5.1 In the event that the Company makes default in the payment of any amount payable hereunder, the Security shall immediately become enforceable.
- 5.2 Whenever the Security has become enforceable, CIBC may realize upon the Security and, to the extent permitted by law, enforce its rights by the following remedies:
 - (a) entry into possession;
 - (b) sale in accordance with section 5.3 hereof;
 - (c) proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Debenture includes a receiver and manager) of all or any part of the Charged Property;
 - (d) proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Property;
 - (e) filing of proofs of claim and other documents to establish its claims in any proceeding relative to the Company;
 - (f) appointment by instrument in writing of a receiver of all or any part of the Charged Property and removal or replacement from time to time of any such receiver; and
 - (g) any other remedy or proceeding authorized or permitted hereby or by law or equity.

Such remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of CIBC however created.

- 5.3 If the Security hereby constituted shall become enforceable, CIBC may, either before or after any entry, and to the extent permitted by law, sell and dispose of the Charged Property, either as a whole or in separate parcels, at a public auction or by tender or by private sale at such time or times as CIBC may determine, with or without notice to the Company, and may make any such sale, either for cash or credit or part cash and part credit, and with or without advertisement, and with or without a reserve bid as CIBC may see fit, and CIBC may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the Charged Property or any part thereof a good and sufficient deed or deeds for the same, the Manager or Acting Manager for the time being of CIBC's branch mentioned above being hereby constituted the irrevocable attorney of the Company for the purpose of making such sale and executing such deeds, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Company and all other persons claiming all or any part of the Charged Property by, from, through or under the Company.
- 5.4 Any receiver appointed by instrument in writing shall, to the extent permitted by law, have power to:
 - (a) take possession of, collect and get in all or any part of the Charged Property and, for that purpose, to take proceedings in the name of the Company or otherwise and to make any arrangement or compromise;
 - (b) from time to time and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plant and undertaking of or occupied or used by the Company without being or being deemed to be a mortgagee in possession;
 - (c) carry on or concur in carrying on all or any part of the business of the Company;
 - (d) borrow or raise money on all or any part of the Charged Property in priority to this Debenture or otherwise for such purposes as may be approved by CIBC; and
 - (e) sell or concur in selling all or any part of the Charged Property without notice and in such manner as may seem advisable to the receiver, and to effect such sale by conveying in the name and on behalf of the Company or otherwise.

The receiver shall be vested with such other discretions and powers as are granted in the instrument of appointment and any supplement thereto including, without limitation, any or all of the powers of CIBC or of the Manager or Acting Manager of the branch mentioned above.

- 5.5 To the extent permitted by law, the receiver shall for all purposes be deemed to be the agent of the Company and not of CIBC, and the Company shall be solely responsible for the receiver's acts or defaults and remuneration. All amounts from time to time received by CIBC or the receiver may be applied as follows: first, in discharge of all operating expenses and other outgoings affecting the Charged Property; secondly, in keeping in good standing all mortgages, charges and liens on the Charged Property having priority over the Security; thirdly, in payment of the remuneration and disbursements of the receiver (if any); fourthly, in payment to CIBC of the amounts payable hereunder; fifthly, to such reserves against potential claims that CIBC or the receiver in good faith believes should be maintained, until such potential claims are settled; and the balance, if any, shall be paid to the Company.
- 5.6 The Security is subject to the following proviso for redemption: PROVIDED that if the Company pays to CIBC the balance of the Principal Sum (including all amounts forming part thereof) with interest thereon as set forth in this Debenture and any and all other amounts that are payable to CIBC on or in relation to the repayment thereof, then CIBC will, at the request and cost of the Company, reassign and reconvey the Charged Property and release the Security.
- 5.7 Any failure or omission by CIBC to present this Debenture for payment will not invalidate or adversely affect in any way any demand for payment or enforcement proceeding taken under this Debenture, provided that CIBC or its agent is, at the time of demand or enforcement, in possession of this Debenture and has not assigned its rights under it.

6 - EXPENSES

- 6.1 The Company agrees to pay CIBC forthwith on demand all costs, charges and expenses, including all legal fees (on a solicitor and his own client basis), incurred by CIBC in connection with the recovery or enforcement of payment of any amounts payable hereunder whether by realization or otherwise. All such sums shall be secured hereby and shall be added to the amounts hereby secured and bear interest at the rate and shall be calculated in the manner set forth above.

7 - PLEDGE OF DEBENTURE

- 7.1 This Debenture may be assigned, deposited or pledged by the Company as security for its present and future indebtedness and liabilities and, when redelivered to the Company or its nominees, shall be forthwith cancelled; but this Debenture shall not be deemed to have been redeemed by reason of the account of the Company having ceased to be in debit while this Debenture was so assigned, deposited or pledged and no payment shall reduce the amount owing or payable under this Debenture unless specifically appropriated to and noted on this Debenture by CIBC at the time of payment.

8 - NEGOTIABILITY

- 8.1 Debenture is a negotiable instrument and all rights created hereunder are exercisable by any holder hereof.

9 - WAIVER

- 9.1 No consent or waiver by CIBC shall be effective unless made in writing and signed by an authorized officer of CIBC.

10 - NOTICE

- 10.1 Any notice to the Company may be given by delivery or by prepaid registered mail to the Company at its head office and any notice so given shall be deemed to have been duly given on the day on which the notice is delivered to the head office of the Company or on the third business day after the day on which the envelope containing such notice was deposited prepaid and registered in a post office.

IN WITNESS WHEREOF the Company has duly executed this Debenture the ^{20th} day of August, 2017.

THE MANITOBA CLINIC HOLDING CO. LTD.
(Company Name)

Witness

Witness

By:

(Signature and Title)

By:

(Signature and Title)

Executive Director

Schedule A

The following lands and premises:

Certificate of Title No. 2821678/1


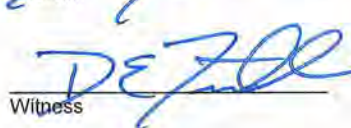
LOT 1 PLAN 58713 WLTO IN RL 5 AND 6 PARISH OF ST JOHN


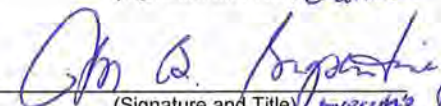
Permitted Encumbrances:

Caveat No. 2135458/1
Caveat No. 2312825/1
Mortgage No. 2327122/1
Caveat No. 2327123/1
Caveat No. 2636464/1
Caveat No. 2636465/1
Caveat No. 3346984/1
Amending Agreement No. 3968841/1
Amending Agreement No. 4251443/1
Caveat No. 4629394/1
Amending Agreement No. 4686030/1
Amending Agreement No. 4686031/1
Caveat No. 4686039/1
Easement No. 4686040/1
Postponement No. 4688647/1
Postponement No. 4688648/1
Mortgage No. 4776070/1
Caveat No. 4801927/1
PPSN No. 4801928/1

DATED this 22nd day of August, 2017.

THE MANITOBA CLINIC HOLDING CO. LTD.
(Company Name)


Witness

Witness

By: 
(Signature and Title) Chairman
By: 
(Signature and Title) Executive Director

Schedule B

The following machinery, equipment, plant, vehicles, goods and chattels (include descriptions by serial number):

All present and after-acquired personal property, including the following described serial numbered goods:

DATED this 22nd day of August, 2017.

THE MANITOBA CLINIC HOLDING CO. LTD.
(Company Name)

[Signature]
Witness

[Signature]
Witness

By: [Signature]
(Signature and Title) Chairman

By: [Signature]
(Signature and Title) Executive Director

**Manitoba Clinic Medical Corporation/
Manitoba Clinic Holding Co. Ltd.**

LIST OF EQUIPMENT

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	Upgrade with AngioPlex	2016	Additional \$67,744
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(1)	SD-OCT 5000 New ENH4 Angio Serial Number: 5000-7287 & Lic Anterior Segment Premier Module Serial Number: 7140018447	2016	\$148,992
(1)	Visucam 224 Serial Number: 1158781 & Visupac 4.5.3 Viewer License, Node- Locked Serial Number: 674128	2016	\$32,689
(2)	IOL Master 500 Serial Numbers: 1035340, 1035341	Purchased prior to 2012	\$88,920
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**Manitoba Clinic Medical Corporation/
Manitoba Clinic Holding Co. Ltd.**

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	GE EKG Model Mac 5500 Serial Number: 2161000245SA Treadmill T2100 Serial Number: 816090234SA	2016	\$25,976
(2)	EMG Machine with Keypoint Focus Notebook System Natus Serial Numbers: 38457, 38458	2016	\$57,268
	Digital Video Capture Module Kaypentax Camera HD & Lens Kaypentax Strobe Light Source Video Esophagoscope Video Nao-Pharyngoscope Video Processor Serial Number: UFO 11742	\$47,302 \$27,515 \$22,741 \$22,103 \$28,702 \$27,205	2014 \$175,568

This is **Exhibit "15"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

ENGLISH
FRANÇAIS

The Property Registry

A Service Provider
for the Province of ManitobaLorraine Joyce
Martin
(tm1lmar)

Logoff

Business Debtor

Search Results	Similar Matches	Print Requests	Mailing Information	Payment
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Help

Search by Business Debtor

Date: 2022-11-23
 Time: 7:33:12 AM
 Transaction Number: 10266777653
 User ID: Lorraine Joyce Martin

Business Name: Manitoba Clinic Medical Corporation

Account Balance: \$6,398.00

2 exact matches were found.**3 similar matches were found.**

EXACT MATCHES

Business Debtor Name	No. of Registrations
1. MANITOBA CLINIC MEDICAL CORPORATION	1
2. Manitoba Clinic Medical Corporation	1

1. MANITOBA CLINIC MEDICAL CORPORATION

1.1 MANITOBA CLINIC MEDICAL CORPORATION: Registration 202211924405 (2022-07-15 3:52:45 PM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2026-07-15
Debtor Address	790 Sherbrook Street Winnipeg, MB Canada R3A1M3
Secured Parties (party code, name, address)	CSI LEASING CANADA LTD. 2400 Winston Park Drive Unit 4 Oakville, ON Canada L6H0G7
General Collateral Description	VARIOUS GOODS, EQUIPMENT, SOFTWARE, PERIPHERALS, AND PERSONAL PROPERTY, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPAIRS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO LEASED TO LESSEE PURSUANT TO EQUIPMENT SCHEDULE 1 TO MASTER LEASE NO. 301206, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, INCLUDING WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

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2. Manitoba Clinic Medical Corporation

2.1 Manitoba Clinic Medical Corporation: Registration 201715549803 (2017-08-25 3:38:56 PM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2027-08-25
Special Notices	Purchase Money Security Interest
Debtor Address	790 Sherbrook Street Winnipeg, Manitoba Canada R3A 1M3
Secured Parties (party code, name, address)	Canadian Imperial Bank of Commerce 500 - One Lombard Place Winnipeg, Manitoba Canada R3C 2P3
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.
Change History	Registration Number: 202103103519 (2021-02-24 2:00:12 PM) Sections Changed: Business Debtors

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END OF EXACT MATCHES

Additional Options:

To view similar matches, please select the "Similar Matches" tab.

To request Printed Search Results or Printed Registered Documents, please select the "Print Requests" tab.

To start a new search, please select the "New Search" button:

New Search

Search Results	Similar Matches	Print Requests	Mailing Information	Payment
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[Printer Friendly Version](#)[Privacy](#)

ENGLISH
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The Property Registry

A Service Provider
for the Province of ManitobaLorraine Joyce
Martin
(tm1lmar)

Logoff

Business Debtor

Search
ResultsSimilar
MatchesPrint
RequestsMailing
Information

Payment

Help

Search by Business Debtor: 3 similar matches were found.

Business Debtor Name	No. of Registrations
1. MANITOBA CLINIC CO LTD.	1
2. Manitoba Clinic Holding (Parent) Co. Ltd.	1
3. The Manitoba Clinic Holding Co. Ltd.	1

1. MANITOBA CLINIC CO LTD.

☐ Include in Printed Search Results

1.1 MANITOBA CLINIC CO LTD.: Registration 201900188809 (2019-01-04 10:36:25 AM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2029-01-04
Debtor Address	790 SHERBROOK STREET WINNIPEG, MB Canada R3A1M3
Secured Parties (party code, name, address)	PATTISON SIGN GROUP, A DIVISION OF JIM PATTISON INDUSTRIES LTD. 555 ELLESMERE RD. TORONTO, ON Canada M1R4E8
General Collateral Description	SIGNAGE AS PER CONTRACT LW272430

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2. Manitoba Clinic Holding (Parent) Co. Ltd.

☐ Include in Printed Search Results

2.1 Manitoba Clinic Holding (Parent) Co. Ltd.: Registration 201715550704 (2017-08-25 3:42:56 PM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2027-08-25
Special Notices	Purchase Money Security Interest
Debtor Address	790 Sherbrook Street Winnipeg, Manitoba Canada R3A 1M3
Secured Parties (party code, name, address)	Canadian Imperial Bank of Commerce 500 - One Lombard Place Winnipeg, Manitoba Canada R3C 2P3
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.
Change History	Registration Number: 202103103217 (2021-02-24 1:56:27 PM) Sections Changed: Business Debtors

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3. The Manitoba Clinic Holding Co. Ltd.

☐ Include in Printed Search Results

3.1 The Manitoba Clinic Holding Co. Ltd.: Registration 201715549102 (2017-08-25 3:33:56 PM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2027-08-25
Special Notices	Purchase Money Security Interest
Debtor Address	790 Sherbrook Street Winnipeg, Manitoba Canada R3A 1M3
Secured Parties (party code, name, address)	Canadian Imperial Bank of Commerce 500 - One Lombard Place Winnipeg, Manitoba Canada R3C 2P3
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.

Services

Registration Services

Financing Statement

Change Statement

Discharge Statement

Global Change

Search Services

Individual Debtor

Business Debtor

Registration Number

Serial Number

Document Copies

Other Services

Fees

Party Code

Registration History

Contact Us

eRegistration

Land Titles Online

Plan Deposit

Submission

Title Check

Account Information

Change History		Registration Number: 202103103713 (2021-02-24 2:02:12 PM) Sections Changed: Business Debtors		
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Search Results	Similar Matches	Print Requests	Mailing Information	Payment

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This is **Exhibit "16"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

ENGLISH
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The Property Registry

A Service Provider
for the Province of ManitobaLorraine Joyce
Martin
(tm1lmar)

Logoff

Services

Registration Services

Financing Statement

Change Statement

Discharge Statement

Global Change

Search Services

Individual Debtor

Business Debtor

Registration Number

Serial Number

Document Copies

Other Services

Fees

Party Code

Registration History

Contact Us

eRegistration

Land Titles Online

Plan Deposit

Submission

Title Check

Account Information

Business Debtor

Search
ResultsSimilar
MatchesPrint
RequestsMailing
Information

Payment

Help

Search by Business Debtor

Date: 2022-11-23

Time: 7:35:29 AM

Transaction Number: 10266777680

User ID: Lorraine Joyce Martin

Business Name: The Manitoba Clinic Holding Co. Ltd.

Account Balance: \$6,387.00

1 exact match was found.**4 similar matches were found.**

EXACT MATCHES

Business Debtor Name	No. of Registrations
1. The Manitoba Clinic Holding Co. Ltd.	1

1. The Manitoba Clinic Holding Co. Ltd.**1.1 The Manitoba Clinic Holding Co. Ltd.: Registration 201715549102 (2017-08-25 3:33:56 PM)**

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2027-08-25
Special Notices	Purchase Money Security Interest
Debtor Address	790 Sherbrook Street Winnipeg, Manitoba Canada R3A 1M3
Secured Parties (party code, name, address)	Canadian Imperial Bank of Commerce 500 - One Lombard Place Winnipeg, Manitoba Canada R3C 2P3
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.
Change History	Registration Number: 202103103713 (2021-02-24 2:02:12 PM) Sections Changed: Business Debtors

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END OF EXACT MATCHES

Additional Options:

To view similar matches, please select the "Similar Matches" tab.

To request Printed Search Results or Printed Registered Documents, please select the "Print Requests" tab.

To start a new search, please select the "New Search" button:

New Search

Search
ResultsSimilar
MatchesPrint
RequestsMailing
Information

Payment

[Printer Friendly Version](#)[Privacy](#)

ENGLISH
FRANÇAIS

The Property Registry

A Service Provider
for the Province of ManitobaLorraine Joyce
Martin
(tm1lmar)

Logoff

Business Debtor

Search
ResultsSimilar
MatchesPrint
RequestsMailing
Information

Payment

Help

Search by Business Debtor: 4 similar matches were found.

Business Debtor Name	No. of Registrations
1. MANITOBA CLINIC CO LTD.	1
2. MANITOBA CLINIC MEDICAL CORPORATION	1
3. Manitoba Clinic Holding (Parent) Co. Ltd.	1
4. Manitoba Clinic Medical Corporation	1

1. MANITOBA CLINIC CO LTD.

☐ Include in Printed Search Results

1.1 MANITOBA CLINIC CO LTD.: Registration 201900188809 (2019-01-04 10:36:25 AM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2029-01-04
Debtor Address	790 SHERBROOK STREET WINNIPEG, MB Canada R3A1M3
Secured Parties (party code, name, address)	PATTISON SIGN GROUP, A DIVISION OF JIM PATTISON INDUSTRIES LTD. 555 ELLESMERE RD. TORONTO, ON Canada M1R4E8
General Collateral Description	SIGNAGE AS PER CONTRACT LW272430

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2. MANITOBA CLINIC MEDICAL CORPORATION

☐ Include in Printed Search Results

2.1 MANITOBA CLINIC MEDICAL CORPORATION: Registration 202211924405 (2022-07-15 3:52:45 PM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2026-07-15
Debtor Address	790 Sherbrook Street Winnipeg, MB Canada R3A1M3
Secured Parties (party code, name, address)	CSI LEASING CANADA LTD. 2400 Winston Park Drive Unit 4 Oakville, ON Canada L6H0G7
General Collateral Description	VARIOUS GOODS, EQUIPMENT, SOFTWARE, PERIPHERALS, AND PERSONAL PROPERTY, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPAIRS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO LEASED TO LESSEE PURSUANT TO EQUIPMENT SCHEDULE 1 TO MASTER LEASE NO. 301206, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, INCLUDING WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

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3. Manitoba Clinic Holding (Parent) Co. Ltd.

☐ Include in Printed Search Results

3.1 Manitoba Clinic Holding (Parent) Co. Ltd.: Registration 201715550704 (2017-08-25 3:42:56 PM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2027-08-25
Special Notices	Purchase Money Security Interest
Debtor Address	790 Sherbrook Street Winnipeg, Manitoba Canada R3A 1M3

Services

Registration Services

Financing Statement

Change Statement

Discharge Statement

Global Change

Search Services

Individual Debtor

Business Debtor

Registration Number

Serial Number

Document Copies

Other Services

Fees

Party Code

Registration History

Contact Us

eRegistration

Land Titles Online

Plan Deposit

Submission

Title Check

Account Information

Secured Parties (party code, name, address)	Canadian Imperial Bank of Commerce 500 - One Lombard Place Winnipeg, Manitoba Canada R3C 2P3
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.
Change History	Registration Number: 202103103217 (2021-02-24 1:56:27 PM) Sections Changed: Business Debtors

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4. Manitoba Clinic Medical Corporation

☐ Include in Printed Search Results

4.1 Manitoba Clinic Medical Corporation: Registration 201715549803 (2017-08-25 3:38:56 PM)	
Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2027-08-25
Special Notices	Purchase Money Security Interest
Debtor Address	790 Sherbrook Street Winnipeg, Manitoba Canada R3A 1M3
Secured Parties (party code, name, address)	Canadian Imperial Bank of Commerce 500 - One Lombard Place Winnipeg, Manitoba Canada R3C 2P3
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.
Change History	Registration Number: 202103103519 (2021-02-24 2:00:12 PM) Sections Changed: Business Debtors

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Search Results	Similar Matches	Print Requests	Mailing Information	Payment
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This is **Exhibit "17"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 28th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

Confirmation Letter / Lettre de confirmation**Teranet Collateral Management Solutions Corporation / Teranet Solutions de gestion des garanties**

Suite 200, 4126 Norland Avenue, Burnaby, BC V5G 3S8

Authorized Section 427 Bank Act Registrar / Bureau d'enregistrement autorisé conformément à l'article 427 de la
*Loi sur les banques.*Taylor McCaffrey
2200-201 Portage Avenue
Winnipeg, Manitoba
R3B 3L3

2022/11/24 08:57 AM EST

Ref / Objet: 05371750 1102-154

Attn: Douglas E. Finkbeiner
Acct# 1358

Tel/Tél: 1-204-988-0388

Fax/Télécopie: 1-204-953-7168

Dear Sir / Madam

Monsieur / Madame

Re: Bank Act Security - Section 427

Objet: Garanties données en vertu de la Loi sur les banques -
article 427We have processed your request(s) and hereby confirm
the following results: (*see below).Nous avons donné suite à votre (vos) demande(s) et nous
vous faisons part des résultats suivants: (* voir ci-dessous).

Reference

Reference

(2) A search has been made of the notice of intention
under the Bank Act registered in the province of
Manitoba. As at the date and time above, our records
indicate the following.(2) Nous avons examiné les préavis qui se rapportent aux
garanties données en vertu de la Loi sur les banques et qui
sont enregistrés pour la province de: Manitoba. À la date et à
l'heure indiquées ci-dessus.

Your search for the company

Votre recherche pour la société

*Manitoba Clinic Medical Corporation**Manitoba Clinic Medical Corporation*

returns the following results:

révèle les résultats suivants:

(2) No matches were found / Aucune donnée correspondante au registre



For Registrar / Pour le Régistrare

We acknowledge receipt of fees as follows:

Nous accusons réception des droits prescrits dont les
montants s'établissent comme suit:

Type	Fee	GST/HST	Quantity	TOTAL	Receipt No.
Type	Tarif	TPS/TVH	Quantité	TOTAL	Numéro du reçu

This is **Exhibit "18"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

Confirmation Letter / Lettre de confirmation**Teranet Collateral Management Solutions Corporation / Teranet Solutions de gestion des garanties**

Suite 200, 4126 Norland Avenue, Burnaby, BC V5G 3S8

Authorized Section 427 Bank Act Registrar / Bureau d'enregistrement autorisé conformément à l'article 427 de la
*Loi sur les banques.*Taylor McCaffrey
2200-201 Portage Avenue
Winnipeg, Manitoba
R3B 3L3

2022/11/24 08:56 AM EST

Ref / Objet: 05371748 1102-154

Attn: Douglas E. Finkbeiner
Acct# 1358

Tel/Tél: 1-204-988-0388

Fax/Télécopie: 1-204-953-7168

Dear Sir / Madam

Monsieur / Madame

Re: Bank Act Security - Section 427

Objet: Garanties données en vertu de la Loi sur les banques -
article 427We have processed your request(s) and hereby confirm
the following results: (*see below).Nous avons donné suite à votre (vos) demande(s) et nous
vous faisons part des résultats suivants: (* voir ci-dessous).

Reference

Reference

(2) A search has been made of the notice of intention
under the Bank Act registered in the province of
Manitoba. As at the date and time above, our records
indicate the following.(2) Nous avons examiné les préavis qui se rapportent aux
garanties données en vertu de la Loi sur les banques et qui
sont enregistrés pour la province de: Manitoba. À la date et à
l'heure indiquées ci-dessus.

Your search for the company

Votre recherche pour la société

*The Manitoba Clinic Holding Co. Ltd.**The Manitoba Clinic Holding Co. Ltd.*

returns the following results:

révèle les résultats suivants:

(2) No matches were found / Aucune donnée correspondante au registre



For Registrar / Pour le Régistraire

We acknowledge receipt of fees as follows:

Nous accusons réception des droits prescrits dont les
montants s'établissent comme suit:

Type	Fee	GST/HST	Quantity	TOTAL	Receipt No.
Type	Tarif	TPS/TVH	Quantité	TOTAL	Numéro du reçu

This is **Exhibit "19"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 28th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

CONFIDENTIAL

September 4, 2020

Executive Director
Manitoba Clinic Medical Corporation
790 Sherbrook Street
Winnipeg, MB
R3E 0L5

Attention: Mr. Jeff Grapentine , Executive Director

Dear Sir:

**RE: Manitoba Clinic Medical Corporation (“MCMC”) and The Manitoba Clinic Holding Co. Ltd.
(collectively the “Borrowers”)
Indebtedness to Canadian Imperial Bank of Commerce (“CIBC” or “the Bank”)**

We refer to our conference call on September 3, 2020 at which time we discussed the Borrowers’ deteriorating collateral value as outlined in the Altus appraisal (effective date February 15, 2020) and the clinic’s deteriorating liquidity position. The fact that the lease between the Borrowers has not been adhered to, coupled with overhead charges not being sufficiently covered by the physicians as per their contractual “tweak” obligation (as defined under Schedule “B” of the Services Agreement) has resulted in the need for the clinic to use their Revolving facility to fund the difference. CIBC had relied upon the lease when underwriting our original construction loan for the new Manitoba Medical Clinic.

We thank you for the information provided to date and now ask that you provide the following to the Bank :

- a) By September 15, 2020 you are to advise the Bank of the Province of Manitoba’s willingness to provide financial assistance to the Borrowers’ as per your formal request of them in June 2020;
- b) By October 9, 2020 you are to provide the findings of the Deloitte engagement inclusive of their financial model and potential asset sale scenario analysis;
- c) By October 23, 2020 you are to provide the Borrowers’ updated written business strategy, documenting the steps and actions you have taken or will be taking in order to attain sustainable revenues and profitable operations. The business plan is also to include financial projections for the years ending December 31, 2020 and December 31, 2021, with a written narrative as to the underlying assumptions, together with quarterly projected balance sheets, income statements and cash flow forecasts.

In addition to the above, we ask Manitoba Medical Clinic Corporation to honour the obligations stipulated in the existing lease as contractually agreed to between Manitoba Medical Clinic Corporation and The Manitoba Clinic Holding Co. Ltd.

Please be advised that CIBC continues to reserve all of its rights and remedies available to it as a consequence of the existing and any future non-compliance on the part of the Borrowers of their obligations in favour of CIBC, whether under the various Credit Agreements, at law or in equity. Nothing contained herein or in any prior discussion or correspondence constitutes a forbearance or waiver of any such rights by CIBC.

Yours truly,

CANADIAN IMPERIAL BANK OF COMMERCE

Per:



Brad Ganczar
Authorized Signatory



Ernie Knoblauch
Authorized Signatory

Acknowledged by:

Jeff Grapentine
Executive Director, Manitoba Clinic Medical Corporation

Dr. David Connor
Board Chairman, Manitoba Clinic Medical corporation

This is **Exhibit "20"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

MANITOBA CLINIC

790 SHERBROOK STREET
WINNIPEG, MANITOBA
CANADA R3A 1M3

TELEPHONE 204-774-6541
FAX 204-775-6378

November 3, 2020

Mr. Brad Ganczar
CIBC
500 – One Lombard Place
Winnipeg, MB R3C 2P2

Dear Mr. Ganczar:

Manitoba Clinic's board discussed CIBC's request for our position on increasing physician overhead to eliminate the deficit. Attached is a spreadsheet which shows the impact of a deficit eliminating overhead on our physicians across a broad spectrum of earning levels (\$350,000 - \$2,500,000). The spreadsheet represents a good approximation of how we physicians assess the value of staying at a clinic by looking at annual overhead and running that over the long term.

The spreadsheet shows that 61% of Manitoba Clinic physicians generated annual production of \$500,000 or more in 2019 (blue band). When one looks at the next lowest cohort, 70% of physicians generated annual production of \$450,000 or more (green band). This suggests that for the overwhelming majority of Manitoba Clinic physicians, charging the 7.94% extra overhead necessary to eradicate the deficit would mean a minimum increase in overhead of approximately \$36,000 - \$40,000 (boxed area). For the big earners, a 7.94% increase in overhead means a surcharge of over \$100,000. The board was very concerned that an order of magnitude increase such as that would produce catastrophic results. We would lose a significant number of physicians and, once the word was out, our ability to recruit would be significantly impaired. We are therefore caught in a dilemma of wanting to honor our financial obligations to you but knowing the cost of doing so would bring about the demise of Manitoba Clinic.

We realize that 2020 is an exceptional year and we realize that an increase in overhead is necessary. The board considers an additional 3% overhead would likely be palatable to our physicians in what is an exceptional year. This additional 3%, on top of the 2019 Tweak of 1.8% would mean 4.8% more overhead in 2020. If we use the 2020 fee forecast in the Deloitte report (\$42,250,000), the 4.8% overhead would generate an additional $4.8\% \times \$42,250,000 = \$2,028,000$ toward overhead beyond what is the contractual overhead in our rate grid. With more discussion with CIBC necessary and ahead of our meeting with Manitoba Health which will take place on November 9, 2020, the board is reluctant to opine beyond this year.

Importantly, we are very much aware that the year could still be sent way off forecast with Covid cases increasing steadily. We look very much forward to working with you to find an acceptable solution.

Sincerely yours,

A handwritten signature in black ink, consisting of a stylized 'D' followed by a long horizontal stroke.

David Connor, MD, FRCPC
Chair, Board of Directors

DC/bz

Att.

IMPACT OF TWEAKS AT VARIOUS PRODUCTION LEVELS

Annual Production	Actual 2019 Tweak of 1.80%	Additional Tweak of 6.14% to Eliminate 2019 Deficit of \$2,700,000	Total Tweak Required to Break Even 1.80% + 6.14%= 7.94%	Lost Earnings over 10 years with a Tweak of 7.94%	Lost Earnings over 20 years with a Tweak of 7.94%	Lost Earnings over a 35 Year Career with a Tweak of 7.94%	
350,000	6,300	21,490	27,790	277,900	555,800	972,650	
400,000	7,200	24,560	31,760	317,600	635,200	1,111,600	
450,000	8,100	27,630	35,730	357,300	714,600	1,250,550	70%
500,000	9,000	30,700	39,700	397,000	794,000	1,389,500	61%
550,000	9,900	33,770	43,670	436,700	873,400	1,528,450	
600,000	10,800	36,840	47,640	476,400	952,800	1,667,400	
650,000	11,700	39,910	51,610	516,100	1,032,200	1,806,350	
700,000	12,600	42,980	55,580	555,800	1,111,600	1,945,300	
750,000	13,500	46,050	59,550	595,500	1,191,000	2,084,250	
800,000	14,400	49,120	63,520	635,200	1,270,400	2,223,200	
850,000	15,300	52,190	67,490	674,900	1,349,800	2,362,150	
900,000	16,200	55,260	71,460	714,600	1,429,200	2,501,100	
950,000	17,100	58,330	75,430	754,300	1,508,600	2,640,050	
1,000,000	18,000	61,400	79,400	794,000	1,588,000	2,779,000	
1,250,000	22,500	76,750	99,250	992,500	1,985,000	3,473,750	
1,500,000	27,000	92,100	119,100	1,191,000	2,382,000	4,168,500	
1,750,000	31,500	107,450	138,950	1,389,500	2,779,000	4,863,250	
2,000,000	36,000	122,800	158,800	1,588,000	3,176,000	5,558,000	
2,250,000	40,500	138,150	178,650	1,786,500	3,573,000	6,252,750	
2,500,000	45,000	153,500	198,500	1,985,000	3,970,000	6,947,500	

Additional Tweak to break even	$\frac{2,700,000}{44,000,000}$	6.14%
--------------------------------	--------------------------------	-------

Add: 2019 Tweak that was used	1.80%
Total Tweak required to break even	7.94%

This is **Exhibit "21"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

February 24, 2021

BY EMAIL

Manitoba Clinic Medical Corporation
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir:

Re: Indebtedness of Manitoba Clinic Medical Corporation ("Manitoba Clinic") to Canadian Imperial Bank of Commerce (the "Bank")
File No.: 0001085-04880

We are solicitors for the Bank in connection with the above-noted matter.

By means of a credit agreement dated August 11, 2017, as amended from time to time (collectively, the "**Credit Agreement**"), the Bank made available to you certain credit facilities (the "**Credit Facilities**"), the particulars of which are set out below.

We are advised by the Bank that as at February 19, 2021, Manitoba Clinic, in its capacity as borrower, is indebted to the Bank in respect of the Credit Facilities:

1. Demand Operating Credit
(Account No. 7/8082715)
Total \$2,130,060.73 CAD
Interest continues to accrue at the Bank's
Prime Rate per annum

On behalf of the Bank, we hereby demand payment in full of all outstanding amounts under the Credit Facilities, totalling \$2,130,060.73 CAD (the "**Total Indebtedness**") as at February 19, 2021, together with interest thereon at the rates set out above to date of payment and all reasonable expenses, including solicitor's fees and disbursements.

This demand shall constitute demand by the Bank under all security held by it on Manitoba



WESTERN CANADA'S LAW FIRM

Clinic's property, including, without limitation:

- General Security Agreement from Manitoba Clinic in favour of the Lender dated August 22, 2017 (the "**Security Agreement**").

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreement and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada) in respect of Manitoba Clinic.

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:49 CST)

J. J. Burnell

JJBB:as
Encl.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)

To: MANITOBA CLINIC MEDICAL CORPORATION ("**Manitoba Clinic**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of Manitoba Clinic's present and after-acquired Personal Property (as defined in the GSA);

2. The security that is to be enforced is in the form of:

- General Security Agreement from Manitoba Clinic in favour of the Lender dated August 22, 2017 (the "**GSA**"); and

3. The total amount of indebtedness secured by the security is the sum of \$2,130,060.73 CAD, inclusive of interest, as at February 19, 2021.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

JJ Burnell

Per: JJ Burnell (Feb 24, 2021 12:49 CST)

J.J. Burnell

February 24, 2021

BY EMAIL

The Manitoba Clinic Holding Co. Ltd.
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir,

Re: Indebtedness of Manitoba Clinic Medical Corporation ("Manitoba Clinic) to Canadian Imperial Bank of Commerce (the "Bank")

File No.: 0001085-04880

We are solicitors for the Bank in connection with the above-noted matter.

By an unlimited guarantee in writing dated August 22, 2017 (the "**Guarantee**") (copy attached), The Manitoba Clinic Holding Co. Ltd. ("**HoldCo**") guaranteed payment to the Bank of all debts of Manitoba Clinic plus any expenses (including all legal fees and disbursements) incurred by the Bank in enforcing any of the Bank's rights under the Guarantee and interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under the Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts (as defined in the Guarantee).

By letter dated February 24, 2021 and provided to Manitoba Clinic (the "**MC Demand**"), a copy of which is attached hereto, the Bank has demanded repayment in full of the Total Indebtedness (as defined in the MC Demand). The Total Indebtedness as at February 19, 2021 is \$2,130,060.73 CAD.

On behalf of the Bank, we hereby demand payment of the Total Indebtedness as at February 19, 2021, of \$2,130,060.73 CAD, together with interest thereon at the corresponding Customer's Debts.

This demand shall constitute demand by the Bank under all security held by it on your property, including, without limitation:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017 (the "**Security Agreement**").

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreement and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada).

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:50 CST)

J. J. Burnell

JJBB:as
Encls.



Guarantee

Canadian Imperial Bank of Commerce
500 – One Lombard Place, Winnipeg, Manitoba R3C 2P3
Bank Office

For valuable consideration, I, the undersigned guarantor, agree with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Customer's Name.** The name of the customer whose debts I am guaranteeing is Manitoba Clinic Medical Corporation (the "Customer").
2. **Guarantee.** I guarantee payment to CIBC of all the Customer's Debts. My liability under this Guarantee is:
 - a) ☒ unlimited.
 - b) ☐ limited to the principal sum of Cdn\$ _____ plus interest and expenses in accordance with Section 5.

Note: If neither box (a) nor box (b) is checked off, or if both are checked off, or if box (b) is checked off but no figure is inserted in the blank, then box (a) alone will be considered to have been checked off.
3. **Governing Law.** This Guarantee is governed by the laws of Manitoba (without reference to the choice of law rules). I irrevocably agree to submit to the non-exclusive jurisdiction of its courts.
4. **Copy Received.** I acknowledge having received a copy of this Guarantee.

Note: The "Additional Terms and Conditions of this Guarantee" on the following pages form part of this Guarantee.

<p>August <u>22</u>, 2017</p> <hr/> <p style="text-align: center;">Date</p> <p>THE MANITOBA CLINIC HOLDING CO. LTD.</p> <hr/> <p style="text-align: center;">Guarantor's Name (record in full)</p> <p>790 Sherbrook Street</p> <hr/> <p style="text-align: center;">Guarantor's Address</p> <p>Winnipeg, MB, R3E 0L5</p> <hr/> <p style="text-align: center;">City/Town, Province and Postal Code</p>	<p>X</p> <hr/> <p style="text-align: center;">Signature</p> <p><u>Darja Connor, Chairman</u></p> <hr/> <p style="text-align: center;">Name & Title</p> <p>X</p> <hr/> <p style="text-align: center;">Signature</p> <p><u>Jeff B. Grapentine, Executive Director</u></p> <hr/> <p style="text-align: center;">Name & Title</p>
--	---

- Note:**
- i) If the Guarantor is a corporation, no witness is needed. The office (such as "President" or "Secretary") of the person signing should be noted below that person's signature. The corporation's seal should be affixed if the resolution so states.
 - ii) If the Guarantor is an individual, a red wafer seal is advisable, but not mandatory. (No seal required in Quebec.)
 - iii) For *The Guarantees Acknowledgement Act* certificate in Alberta, see page 4.

Additional Terms and Conditions of this Guarantee

5. **Payment on demand.** I will immediately pay CIBC on demand:
- the amount (and in the currency) of the Customer's Debts (but if Section 2(b) applies, subject to that limitation), plus any expenses (including all legal fees and disbursements) incurred by CIBC in enforcing any of CIBC's rights under this Guarantee; and
 - interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts.
6. **Making Demand.** Demand and any other notices given under this Guarantee will be conclusively considered to have been made upon me when the envelope containing it, addressed to me (or, if there is more than one Person signing this Guarantee, to any one of us) at the last address known to CIBC, is deposited, postage prepaid, first class mail, in a post office, or is personally delivered to that address. I will give CIBC immediate written notice, addressed to the Manager of the Bank Office, of each and every change of my address.
7. **No Setoff or Counterclaim.** I will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that I have or may have against the Customer or CIBC.
8. **Application of Moneys Received.** CIBC may apply all moneys received from me, the Customer or any other Person (including under any Security that CIBC may from time to time hold) upon such part of the Customer's Debts as CIBC considers appropriate.
9. **Exhausting Recourse.** CIBC does not need to exhaust its recourse against the Customer or any other Person or under any Security CIBC may from time to time hold before being entitled to full payment from me under this Guarantee.
10. **Absolute Liability.** My liability under this Guarantee is absolute and unconditional. It will not be limited or reduced, nor will CIBC be responsible or owe any duty (as a fiduciary or otherwise) to me, nor will CIBC's rights under this Guarantee be prejudiced, by the existence or occurrence (with or without my knowledge or consent) of any one or more of the following events:
- any termination, invalidity, unenforceability or release by CIBC of any of its rights against the Customer or against any other Person or of any Security;
 - any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Customer's Debts or to any credit extended by CIBC to the Customer; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Customer or any other Person; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by CIBC in respect of, or in the course of, doing any of these things;
 - accepting compositions from or granting releases or discharges to the Customer or any other Person, or any other dealing with the Customer or any other Person or with any Security that CIBC considers appropriate;
 - any unenforceability or loss of or in respect of any Security held from time to time by CIBC from me, the Customer or any other Person, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to CIBC's fault or any other reason;
 - the death of the Customer; any change in the Customer's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale, lease or otherwise) of the Customer or the Customer's business;
 - any change in my financial condition or that of the Customer or any other Guarantor (including insolvency and bankruptcy);
 - if I am or the Customer is a corporation, any change of effective control, or if I am or the Customer is a partnership, a dissolution or any change in the membership;
 - any event, whether or not attributable to CIBC, that may be considered to have caused or accelerated the bankruptcy or insolvency of the Customer or any Guarantor, or to have resulted in the initiation of any such proceedings;
 - CIBC's filing of any claim for payment with any administrator, provisional liquidator, conservator, trustee, receiver, custodian or other similar officer appointed for the Customer or for all or substantially all of the Customer's assets;
 - any failure by CIBC to abide by any of the terms and conditions of CIBC's agreements with, or to meet any of its obligations or duties owed to me, the Customer or any Person, or any breach of any duty (whether as a fiduciary or otherwise) that exists or is alleged to exist between CIBC and me, the Customer or any Person;
 - any incapacity, disability, or lack or limitation of status or of the power of the Customer or of the Customer's directors; managers, officers, partners or agents; the discovery that the Customer is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Customer's Debts; or
 - any event whatsoever that might be a defence available to, or result in a reduction or discharge of, me, the Customer or any other Person in respect of either the Customer's Debts or my liability under this Guarantee.
- For greater certainty, I agree that CIBC may deal with me, the Customer and any other Person in any manner without affecting my liability under this guarantee.
11. **Principal Debtor.** All moneys and liabilities (whether matured or unmatured, present or future, direct or indirect, absolute or contingent) obtained from CIBC will be deemed to form part of the Customer's Debts, notwithstanding the occurrence of any one or more of the events described in Section 10(k). I will pay CIBC as principal debtor any amount that CIBC cannot recover from me as Guarantor immediately following demand as provided in this Guarantee.

Guarantee

12. **No Liability for Negligence, etc.** CIBC will not be liable to me for any negligence or any breaches or omissions on the part of CIBC, or any of its employees, officers, directors or agents, or any receivers appointed by CIBC, in the course of any of its or their actions.
13. **Continuing Guarantee.** This is a continuing guarantee of the Customer's Debts.
14. **Terminating Further Liability.** I may discontinue any further liability to pay the Customer's Debts by written notice to the Bank Office. I will, however, continue to be liable under this Guarantee for any of the Customer's Debts that the Customer incurs up to and including the 30th day after CIBC receives my notice.
15. **Statement Conclusive.** Except for demonstrable errors or omissions, the amount appearing due in any account stated by CIBC or settled between CIBC and the Customer will be conclusive as to that amount being due.
16. **CIBC's Priority.**
 - a) If any payment made to CIBC by the Customer or any other Person is subsequently rendered void or must otherwise be returned for any reason, I will be liable for that payment (but if Section 2(b) applies, subject to that limitation). Until all of CIBC's claims against the Customer in respect of the Customer's Debts have been paid in full, I will not require that CIBC assign to me any Security held, or any other rights that CIBC may have, in connection with the Customer's Debts, and I will not assert any right of contribution against any Guarantor, or claim repayment from the Customer, for any payment that I make under this Guarantee.
 - b) If the Customer is bankrupt, or (if the Customer is a corporation) liquidated or wound up, or if the Customer makes a bulk sale of any assets under applicable law, or if the Customer proposes any composition with creditors or any scheme of arrangement, CIBC will be entitled to all dividends and other payments until CIBC is paid in full, and I will remain liable under this Guarantee (but if Section 2(b) applies, subject to that limitation).
 - c) If CIBC gives to any trustee in bankruptcy or receives a valuation of, or retains, any Security that CIBC holds for payment of the Customer's Debts, that will not be considered, as between CIBC and me, to be a purchase of such Security or payment, satisfaction or reduction of the Customer's Debts.
17. **Assignment and Postponement of Claim.** I postpone in favour of CIBC all debts and liabilities that the Customer now owes or later may from time to time owe to me in any manner until CIBC is paid in full. I further assign to CIBC all such debts and liabilities, to the extent of the Customer's Debts, until CIBC is paid in full. If I receive any moneys in payment of any such debts and liabilities, I will hold them in trust for, and will immediately pay them to, CIBC without reducing my liability under this Guarantee.
18. **Withholding Taxes.** Unless a law requires otherwise, I will make all payments under this Guarantee without deduction or withholding for any present or future taxes of any kind. If a law does so require, I will pay to CIBC an additional amount as is necessary to ensure CIBC receives the full amount CIBC would have received if no deduction or withholding had been made.
19. **Judgment Currency.** My liability to pay CIBC in a particular currency (the "First Currency") will not be discharged or satisfied by any tender or recovery under any judgment expressed in or converted into another currency (the "Other Currency") except to the extent the tender or recovery results in CIBC's effective receipt of the full amount of the First Currency so payable. Accordingly, I will be liable to CIBC in an additional cause of action to recover in the Other Currency the amount (if any) by which that effective receipt falls short of the full amount of the First Currency so payable, without being affected by any judgment obtained for any other sums due.
20. **Consent to Disclose Information.** CIBC may from time to time give any credit or other information about me to, or receive such information from, any credit bureau, reporting agency or other Person.
21. **General.** Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more Persons sign this Guarantee, each Person's liability will be joint and several. This Guarantee is in addition and without prejudice to any Security of any kind now or in the future held by CIBC. There are no representations, collateral agreements or conditions with respect to, or affecting my liability under, this Guarantee other than as contained in this Guarantee.
22. **Quebec Only.** If this Guarantee is governed by the laws of Quebec:
 - a) I acknowledge that the terms and conditions of the Customer's Debts have been expressly brought to my attention;
 - b) I renounce the benefit of division and discussion;
 - c) if two or more Persons sign this Guarantee, each Person's liability will be solidary;
 - d) I acknowledge that the thirty days' notice specified in Section 14 constitutes prior and sufficient notice to CIBC;
 - e) if this Guarantee is attached to the performance of special duties, I agree that this Guarantee shall not terminate upon cessation of such duties; and
 - f) it is the express wish of the parties that this document and any related documents be drawn up in English. Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés en anglais.
23. **Definitions.** In this Guarantee:
 - a) "Bank Office" means the CIBC office noted on the first page of this Guarantee, or such address as CIBC may, from time to time, advise me in the manner provided in Section 6;
 - b) "Customer's Debts" means the debts and liabilities that the Customer has incurred or may incur with CIBC including, among other things, those in respect of dealings between the Customer and CIBC, as well as any other dealings by which the Customer may become indebted or liable to CIBC in any manner whatever;

Guarantee

- c) "*Guarantor*" means any Person who has guaranteed or later guarantees to CIBC any or all of the Customer's Debts, whether or not such Person has signed this Guarantee or another document;
- d) "*I*", "*me*" and "*my*" mean the Person who has signed this Guarantee, and if two or more Persons sign, each of them;
- e) "*Person*" includes a natural person, personal representative, partnership, corporation, association, organization, estate, trade union, church or other religious organization, syndicate, joint venture, trust, trustee in bankruptcy, government and government body and any other entity, and, where appropriate, specifically includes any Guarantor;
- f) "*Section*" means a section or paragraph of this Guarantee;
- g) "*Security*" means any security held by CIBC as security for payment of the Customer's Debts and includes, among other things, any and all guarantees.

24. **Credit Agreement.** This Agreement is given to CIBC pursuant to the terms of the credit agreement dated August 11, 2017 made between CIBC and the Customer (the "**Credit Agreement**"). Any default or Event of Default (as defined in the Credit Agreement) under the terms of the Credit Agreement or under any security granted under the terms of the Credit Agreement shall constitute default hereunder. Any default under this agreement shall also be an Event of Default under the Credit Agreement and under any security granted pursuant to the Credit Agreement. In the event that any provisions set forth or contained in the Credit Agreement conflict with any of the provisions of this agreement, such that the provisions of this agreement and the provisions of the Credit Agreement cannot co-exist, the provisions of the Credit Agreement shall prevail.

COPY

MLT Aikins LLP
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Winnipeg, MB R3C 4G1
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F: (204) 957-0840

J.J. Burnell*
* services provided by
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Direct Line: (204) 957-4663
Fax: (204) 957-4282
E-mail: jburnell@mltaikins.com

Lucy Toews
Legal Assistant
Direct Line: (204) 957-4855
E-mail: ltoews@mltaikins.com

February 24, 2021

BY EMAIL

Manitoba Clinic Medical Corporation
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir:

Re: Indebtedness of Manitoba Clinic Medical Corporation ("Manitoba Clinic") to Canadian Imperial Bank of Commerce (the "Bank")
File No.: 0001085-04880

We are solicitors for the Bank in connection with the above-noted matter.

By means of a credit agreement dated August 11, 2017, as amended from time to time (collectively, the "**Credit Agreement**"), the Bank made available to you certain credit facilities (the "**Credit Facilities**"), the particulars of which are set out below.

We are advised by the Bank that as at February 19, 2021, Manitoba Clinic, in its capacity as borrower, is indebted to the Bank in respect of the Credit Facilities:

- | | |
|--|--|
| 1. Demand Operating Credit
(Account No. 7/8082715)
Total
Interest continues to accrue at the Bank's
Prime Rate per annum |

\$2,130,060.73 CAD |
|--|--|

On behalf of the Bank, we hereby demand payment in full of all outstanding amounts under the Credit Facilities, totalling \$2,130,060.73 CAD (the "**Total Indebtedness**") as at February 19, 2021, together with interest thereon at the rates set out above to date of payment and all reasonable expenses, including solicitor's fees and disbursements.

This demand shall constitute demand by the Bank under all security held by it on Manitoba

Clinic's property, including, without limitation:

- General Security Agreement from Manitoba Clinic in favour of the Lender dated August 22, 2017 (the "**Security Agreement**").

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreement and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada) in respect of Manitoba Clinic.

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:49 CST)

J. J. Burnell

JJBB:as

Encl.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)

To: MANITOBA CLINIC MEDICAL CORPORATION ("**Manitoba Clinic**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of Manitoba Clinic's present and after-acquired Personal Property (as defined in the GSA);

2. The security that is to be enforced is in the form of:

- General Security Agreement from Manitoba Clinic in favour of the Lender dated August 22, 2017 (the "**GSA**"); and

3. The total amount of indebtedness secured by the security is the sum of \$2,130,060.73 CAD, inclusive of interest, as at February 19, 2021.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

COPY

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:49 CST)
J.J. Burnell

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)

To: MANITOBA CLINIC HOLDING CO. LTD. ("**HoldCo**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of HoldCo's present and after-acquired Personal Property (as defined in the **GSA**).

2. The security that is to be enforced is in the form of:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017 (the "**GSA**").


3. The total amount of indebtedness secured by the security is the sum of \$2,130,060.73 CAD, inclusive of interest, as at February 19, 2021.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

Per:



J.J. Burnell (Feb 24, 2021 12:50 CST)

J.J. Burnell

This is **Exhibit "22"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

February 24, 2021

BY EMAILManitoba Clinic (Parent) Holding Co. Ltd.
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir,

Re: Indebtedness of Manitoba Clinic Medical Corporation ("Manitoba Clinic") to Canadian Imperial Bank of Commerce (the "Bank")**File No.: 0001085-04880**

We are solicitors for the Bank in connection with the above-noted matter.

By an unlimited guarantee in writing dated August 22, 2017 (the "**Guarantee**") (copy attached), Manitoba Clinic (Parent) Holding Co. Ltd. ("**ParentCo**") guaranteed payment to the Bank of all debts of Manitoba Clinic plus any expenses (including all legal fees and disbursements) incurred by the Bank in enforcing any of the Bank's rights under the Guarantee and interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under the Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts (as defined in the Guarantee).

By letter dated February 24, 2021 and provided to Manitoba Clinic (the "**MC Demand**"), a copy of which is attached hereto, the Bank has demanded repayment in full of the Total Indebtedness (as defined in the MC Demand). The Total Indebtedness as at February 19, 2021 is \$2,130,060.73 CAD.

On behalf of the Bank, we hereby demand payment of the Total Indebtedness as at February 19, 2021, of \$2,130,060.73 CAD, together with interest thereon at the corresponding Customer's Debts.



WESTERN CANADA'S LAW FIRM

This demand shall constitute demand by the Bank under all security held by it on your property, including, without limitation:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017 (the "Security Agreement").

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreement and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada).

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:51 CST)

J. J. Burnell

JJBB:as
Encls.



Guarantee

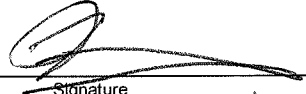
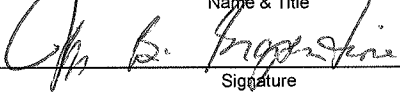
Canadian Imperial Bank of Commerce
500 – One Lombard Place, Winnipeg, Manitoba R3C 2P3
Bank Office

For valuable consideration, I, the undersigned guarantor, agree with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Customer's Name.** The name of the customer whose debts I am guaranteeing is Manitoba Clinic Medical Corporation (the "Customer").
2. **Guarantee.** I guarantee payment to CIBC of all the Customer's Debts. My liability under this Guarantee is:
 - a) ☒ unlimited.
 - b) ☐ limited to the principal sum of Cdn\$ _____ plus interest and expenses in accordance with Section 5.

Note: If neither box (a) nor box (b) is checked off, or if both are checked off, or if box (b) is checked off but no figure is inserted in the blank, then box (a) alone will be considered to have been checked off.
3. **Governing Law.** This Guarantee is governed by the laws of Manitoba (without reference to the choice of law rules). I irrevocably agree to submit to the non-exclusive jurisdiction of its courts.
4. **Copy Received.** I acknowledge having received a copy of this Guarantee.

Note: The "Additional Terms and Conditions of this Guarantee" on the following pages form part of this Guarantee.

August <u>22</u> , 2017	X	
Date		Signature
MANITOBA CLINIC HOLDING (PARENT) CO. LTD.		David Connor, Chairman
Guarantor's Name (record in full)		Name & Title
790 Sherbrook Street	X	
Guarantor's Address		Signature
Winnipeg, MB, R3E 0L5		Jeff B. Girard, Executive Director
City/Town, Province and Postal Code		Name & Title

- Note:**
- i) If the Guarantor is a corporation, no witness is needed. The office (such as "President" or "Secretary") of the person signing should be noted below that person's signature. The corporation's seal should be affixed if the resolution so states.
 - ii) If the Guarantor is an individual, a red wafer seal is advisable, but not mandatory. (No seal required in Quebec.)
 - iii) For *The Guarantees Acknowledgement Act* certificate in Alberta, see page 4.

Additional Terms and Conditions of this Guarantee

5. **Payment on demand.** I will immediately pay CIBC on demand:
- a) the amount (and in the currency) of the Customer's Debts (but if Section 2(b) applies, subject to that limitation), plus any expenses (including all legal fees and disbursements) incurred by CIBC in enforcing any of CIBC's rights under this Guarantee; and
 - b) interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts.
6. **Making Demand.** Demand and any other notices given under this Guarantee will be conclusively considered to have been made upon me when the envelope containing it, addressed to me (or, if there is more than one Person signing this Guarantee, to any one of us) at the last address known to CIBC, is deposited, postage prepaid, first class mail, in a post office, or is personally delivered to that address. I will give CIBC immediate written notice, addressed to the Manager of the Bank Office, of each and every change of my address.
7. **No Setoff or Counterclaim.** I will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that I have or may have against the Customer or CIBC.
8. **Application of Moneys Received.** CIBC may apply all moneys received from me, the Customer or any other Person (including under any Security that CIBC may from time to time hold) upon such part of the Customer's Debts as CIBC considers appropriate.
9. **Exhausting Recourse.** CIBC does not need to exhaust its recourse against the Customer or any other Person or under any Security CIBC may from time to time hold before being entitled to full payment from me under this Guarantee.
10. **Absolute Liability.** My liability under this Guarantee is absolute and unconditional. It will not be limited or reduced, nor will CIBC be responsible or owe any duty (as a fiduciary or otherwise) to me, nor will CIBC's rights under this Guarantee be prejudiced, by the existence or occurrence (with or without my knowledge or consent) of any one or more of the following events:
- a) any termination, invalidity, unenforceability or release by CIBC of any of its rights against the Customer or against any other Person or of any Security;
 - b) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Customer's Debts or to any credit extended by CIBC to the Customer; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Customer or any other Person; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by CIBC in respect of, or in the course of, doing any of these things;
 - c) accepting compositions from or granting releases or discharges to the Customer or any other Person, or any other dealing with the Customer or any other Person or with any Security that CIBC considers appropriate;
 - d) any unenforceability or loss of or in respect of any Security held from time to time by CIBC from me, the Customer or any other Person, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to CIBC's fault or any other reason;
 - e) the death of the Customer; any change in the Customer's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale, lease or otherwise) of the Customer or the Customer's business;
 - f) any change in my financial condition or that of the Customer or any other Guarantor (including insolvency and bankruptcy);
 - g) if I am or the Customer is a corporation, any change of effective control, or if I am or the Customer is a partnership, a dissolution or any change in the membership;
 - h) any event, whether or not attributable to CIBC, that may be considered to have caused or accelerated the bankruptcy or insolvency of the Customer or any Guarantor, or to have resulted in the initiation of any such proceedings;
 - i) CIBC's filing of any claim for payment with any administrator, provisional liquidator, conservator, trustee, receiver, custodian or other similar officer appointed for the Customer or for all or substantially all of the Customer's assets;
 - j) any failure by CIBC to abide by any of the terms and conditions of CIBC's agreements with, or to meet any of its obligations or duties owed to me, the Customer or any Person, or any breach of any duty (whether as a fiduciary or otherwise) that exists or is alleged to exist between CIBC and me, the Customer or any Person;
 - k) any incapacity, disability, or lack or limitation of status or of the power of the Customer or of the Customer's directors; managers, officers, partners or agents; the discovery that the Customer is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Customer's Debts; or
 - l) any event whatsoever that might be a defence available to, or result in a reduction or discharge of, me, the Customer or any other Person in respect of either the Customer's Debts or my liability under this Guarantee.
- For greater certainty, I agree that CIBC may deal with me, the Customer and any other Person in any manner without affecting my liability under this guarantee.
11. **Principal Debtor.** All moneys and liabilities (whether matured or unmatured, present or future, direct or indirect, absolute or contingent) obtained from CIBC will be deemed to form part of the Customer's Debts, notwithstanding the occurrence of any one or more of the events described in Section 10(k). I will pay CIBC as principal debtor any amount that CIBC cannot recover from me as Guarantor immediately following demand as provided in this Guarantee.

Guarantee

12. **No Liability for Negligence, etc.** CIBC will not be liable to me for any negligence or any breaches or omissions on the part of CIBC, or any of its employees, officers, directors or agents, or any receivers appointed by CIBC, in the course of any of its or their actions.
13. **Continuing Guarantee.** This is a continuing guarantee of the Customer's Debts.
14. **Terminating Further Liability.** I may discontinue any further liability to pay the Customer's Debts by written notice to the Bank Office. I will, however, continue to be liable under this Guarantee for any of the Customer's Debts that the Customer incurs up to and including the 30th day after CIBC receives my notice.
15. **Statement Conclusive.** Except for demonstrable errors or omissions, the amount appearing due in any account stated by CIBC or settled between CIBC and the Customer will be conclusive as to that amount being due.
16. **CIBC's Priority.**
 - a) If any payment made to CIBC by the Customer or any other Person is subsequently rendered void or must otherwise be returned for any reason, I will be liable for that payment (but if Section 2(b) applies, subject to that limitation). Until all of CIBC's claims against the Customer in respect of the Customer's Debts have been paid in full, I will not require that CIBC assign to me any Security held, or any other rights that CIBC may have, in connection with the Customer's Debts, and I will not assert any right of contribution against any Guarantor, or claim repayment from the Customer, for any payment that I make under this Guarantee.
 - b) If the Customer is bankrupt, or (if the Customer is a corporation) liquidated or wound up, or if the Customer makes a bulk sale of any assets under applicable law, or if the Customer proposes any composition with creditors or any scheme of arrangement, CIBC will be entitled to all dividends and other payments until CIBC is paid in full, and I will remain liable under this Guarantee (but if Section 2(b) applies, subject to that limitation).
 - c) If CIBC gives to any trustee in bankruptcy or receives a valuation of, or retains, any Security that CIBC holds for payment of the Customer's Debts, that will not be considered, as between CIBC and me, to be a purchase of such Security or payment, satisfaction or reduction of the Customer's Debts.
17. **Assignment and Postponement of Claim.** I postpone in favour of CIBC all debts and liabilities that the Customer now owes or later may from time to time owe to me in any manner until CIBC is paid in full. I further assign to CIBC all such debts and liabilities, to the extent of the Customer's Debts, until CIBC is paid in full. If I receive any moneys in payment of any such debts and liabilities, I will hold them in trust for, and will immediately pay them to, CIBC without reducing my liability under this Guarantee.
18. **Withholding Taxes.** Unless a law requires otherwise, I will make all payments under this Guarantee without deduction or withholding for any present or future taxes of any kind. If a law does so require, I will pay to CIBC an additional amount as is necessary to ensure CIBC receives the full amount CIBC would have received if no deduction or withholding had been made.
19. **Judgment Currency.** My liability to pay CIBC in a particular currency (the "First Currency") will not be discharged or satisfied by any tender or recovery under any judgment expressed in or converted into another currency (the "Other Currency") except to the extent the tender or recovery results in CIBC's effective receipt of the full amount of the First Currency so payable. Accordingly, I will be liable to CIBC in an additional cause of action to recover in the Other Currency the amount (if any) by which that effective receipt falls short of the full amount of the First Currency so payable, without being affected by any judgment obtained for any other sums due.
20. **Consent to Disclose Information.** CIBC may from time to time give any credit or other information about me to, or receive such information from, any credit bureau, reporting agency or other Person.
21. **General.** Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more Persons sign this Guarantee, each Person's liability will be joint and several. This Guarantee is in addition and without prejudice to any Security of any kind now or in the future held by CIBC. There are no representations, collateral agreements or conditions with respect to, or affecting my liability under, this Guarantee other than as contained in this Guarantee.
22. **Quebec Only.** If this Guarantee is governed by the laws of Quebec:
 - a) I acknowledge that the terms and conditions of the Customer's Debts have been expressly brought to my attention;
 - b) I renounce the benefit of division and discussion;
 - c) if two or more Persons sign this Guarantee, each Person's liability will be solidary;
 - d) I acknowledge that the thirty days' notice specified in Section 14 constitutes prior and sufficient notice to CIBC;
 - e) if this Guarantee is attached to the performance of special duties, I agree that this Guarantee shall not terminate upon cessation of such duties; and
 - f) it is the express wish of the parties that this document and any related documents be drawn up in English. Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés en anglais.
23. **Definitions.** In this Guarantee:
 - a) "**Bank Office**" means the CIBC office noted on the first page of this Guarantee, or such address as CIBC may, from time to time, advise me in the manner provided in Section 6;
 - b) "**Customer's Debts**" means the debts and liabilities that the Customer has incurred or may incur with CIBC including, among other things, those in respect of dealings between the Customer and CIBC, as well as any other dealings by which the Customer may become indebted or liable to CIBC in any manner whatever;

Guarantee

- c) "*Guarantor*" means any Person who has guaranteed or later guarantees to CIBC any or all of the Customer's Debts, whether or not such Person has signed this Guarantee or another document;
 - d) "*I*", "*me*" and "*my*" mean the Person who has signed this Guarantee, and if two or more Persons sign, each of them;
 - e) "*Person*" includes a natural person, personal representative, partnership, corporation, association, organization, estate, trade union, church or other religious organization, syndicate, joint venture, trust, trustee in bankruptcy, government and government body and any other entity, and, where appropriate, specifically includes any Guarantor;
 - f) "*Section*" means a section or paragraph of this Guarantee;
 - g) "*Security*" means any security held by CIBC as security for payment of the Customer's Debts and includes, among other things, any and all guarantees.
24. **Credit Agreement.** This Agreement is given to CIBC pursuant to the terms of the credit agreement dated August 11, 2017 made between CIBC and the Customer (the "**Credit Agreement**"). Any default or Event of Default (as defined in the Credit Agreement) under the terms of the Credit Agreement or under any security granted under the terms of the Credit Agreement shall constitute default hereunder. Any default under this agreement shall also be an Event of Default under the Credit Agreement and under any security granted pursuant to the Credit Agreement. In the event that any provisions set forth or contained in the Credit Agreement conflict with any of the provisions of this agreement, such that the provisions of this agreement and the provisions of the Credit Agreement cannot co-exist, the provisions of the Credit Agreement shall prevail.

COPY

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Winnipeg, MB R3C 4G1
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J.J. Burnell*
* services provided by
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Fax: (204) 957-4282
E-mail: jburnell@mltaikins.com

Lucy Toews
Legal Assistant
Direct Line: (204) 957-4855
E-mail: ltoews@mltaikins.com

February 24, 2021

BY EMAIL

Manitoba Clinic Medical Corporation
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir:

Re: Indebtedness of Manitoba Clinic Medical Corporation ("Manitoba Clinic") to Canadian Imperial Bank of Commerce (the "Bank")
File No.: 0001085-04880

We are solicitors for the Bank in connection with the above-noted matter.

By means of a credit agreement dated August 11, 2017, as amended from time to time (collectively, the "**Credit Agreement**"), the Bank made available to you certain credit facilities (the "**Credit Facilities**"), the particulars of which are set out below.

We are advised by the Bank that as at February 19, 2021, Manitoba Clinic, in its capacity as borrower, is indebted to the Bank in respect of the Credit Facilities:

- | | |
|--|--------------------|
| 1. Demand Operating Credit
(Account No. 7/8082715) | |
| Total | \$2,130,060.73 CAD |
| Interest continues to accrue at the Bank's
Prime Rate per annum | |

On behalf of the Bank, we hereby demand payment in full of all outstanding amounts under the Credit Facilities, totalling \$2,130,060.73 CAD (the "**Total Indebtedness**") as at February 19, 2021, together with interest thereon at the rates set out above to date of payment and all reasonable expenses, including solicitor's fees and disbursements.

This demand shall constitute demand by the Bank under all security held by it on Manitoba

Clinic's property, including, without limitation:

- General Security Agreement from Manitoba Clinic in favour of the Lender dated August 22, 2017 (the "**Security Agreement**").

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreement and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada) in respect of Manitoba Clinic.

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:49 CST)

J. J. Burnell

JJBB:as

Encl.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)

To: MANITOBA CLINIC MEDICAL CORPORATION ("**Manitoba Clinic**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of Manitoba Clinic's present and after-acquired Personal Property (as defined in the GSA);

2. The security that is to be enforced is in the form of:

- General Security Agreement from Manitoba Clinic in favour of the Lender dated August 22, 2017 (the "**GSA**"); and

3. The total amount of indebtedness secured by the security is the sum of \$2,130,060.73 CAD, inclusive of interest, as at February 19, 2021.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

COPY

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:49 CST)
J.J. Burnell

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)

To: MANITOBA CLINIC (PARENT) HOLDING CO. LTD. ("**ParentCo**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):
 - All of ParentCo's present and after-acquired Personal Property (as defined in the **GSA**).
2. The security that is to be enforced is in the form of:
 - General Security Agreement from ParentCo in favour of the Lender dated August 22, 2017 (the "**GSA**").
3. The total amount of indebtedness secured by the security is the sum of \$2,130,060.73 CAD, inclusive of interest, as at February 19, 2021.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

JJ Burnell

Per: JJ Burnell (Feb 24, 2021 12:51 CST)

J.J. Burnell

February 24, 2021

BY EMAILThe Manitoba Clinic Holding Co. Ltd.
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir:

**Re: Indebtedness of The Manitoba Clinic Holding Co. Ltd. ("HoldCo") to
Canadian Imperial Bank of Commerce (the "Bank")****File No.: 0001085-04880**

We are solicitors for the Bank in connection with the above-noted matter.

By means of a credit agreement dated August 11, 2017, as amended from time to time (collectively, the "**Credit Agreement**"), the Bank made available to you certain credit facilities (the "**Credit Facilities**"), the particulars of which are set out below.

We are advised by the Bank that as at February 19, 2021, HoldCo, in its capacity as borrower, is indebted to the Bank in respect of the Credit Facilities:

- | | | |
|----|--|---------------------------|
| 1. | Demand Operating Credit
(Account No. 7/8082219)
Total | \$2,743,542.71 CAD |
| | Interest continues to accrue at the Bank's
Prime Rate per annum | |
| 2. | Demand Instalment Loan –
Old MB Clinic Loan - DynaCare
Total | \$951,156.34 CAD |
| | Interest continues to accrue at the Bank's
Prime Rate per annum | |
| 3. | Demand Non Revolving Construction Loan –
New MB Clinic Construction Loan
Total | \$5,659,851.41 CAD |



WESTERN CANADA'S LAW FIRM

Interest continues to accrue at Prime Rate
plus 0.25% per annum

4. Demand Non Revolving Construction Loan (CDOR) –
New MB Clinic Construction Loan
Total **\$51,771,151.00CAD**
Interest continues to accrue at 2.1675% per annum
5. Demand Revolving Equipment Financing Loan #1
Total **\$1,669,922.37 CAD**
Interest continues to accrue at the Bank's
Prime Rate per annum
6. Demand Revolving Equipment Financing Loan #2
Total **\$nil CAD**
Interest continues to accrue at the Bank's
Prime Rate per annum

On behalf of the Bank, we hereby demand payment in full of all outstanding amounts under each of the Credit Facilities, totalling **\$62,795,623.83 CAD** (together, the “**Total Indebtedness**”) as at February 19, 2021, together with interest thereon at the rates set out above to date of payment and all reasonable expenses, including solicitor's fees and disbursements.

This demand shall constitute demand by the Bank under all security held by it on HoldCo's property, including, without limitation:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017;
- Demand Debenture from HoldCo to the Bank dated August 22, 2017 and registered on the property having a civic address of 790 Sherbrook Street, Winnipeg, Manitoba and legally described in Schedule “A” attached hereto (the “**Real Property**”) at the Winnipeg Land Titles Office on August 28, 2017 as No. 4879369/1;
- General Assignment of Leases and Rents executed August 22, 2017 by HoldCo in favour of the Bank;
- Assignment of Specific Lease or Leases executed August 22, 2017 by HoldCo in favour of the Bank;
- Assignment of Plans and Related Agreements executed August 22, 2017 by HoldCo, in favour of the Lender and Architect's Consent;



WESTERN CANADA'S LAW FIRM

- Assignment of Sale Proceeds executed August 22, 2017 by HoldCo, in favour of the Lender, along with a letter of direction, dated August 22, 2017;
- Assignment of Insurance executed August 22, 2017 by HoldCo, in favour of the Lender (and the attached certificates of insurance); and
- Unit Pledge Agreement executed August 22, 2017 by HoldCo in favour of the Lender and consented to by Gamma-DynaCare Central Medical Laboratory Limited Partnership, by its general partner, Gamma-Dynacare Central Medical Laboratories GP Inc. regarding the interests owned in Gamma-Dynacare Central Medical Laboratory Limited Partnership,

(collectively, the “**Security Agreements**”)

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreements and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada) in respect of HoldCo.

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 14:04 CST)

J. J. Burnell

JJBB:as

Encl.

SCHEDULE A

Civic Address: 790 Sherbrook Street, Winnipeg, Manitoba

Legal Description:

Title No. 2821678/1

LOT 1 PLAN 58713 WLTO IN RL 5 AND 6 PARISH OF ST JOHN

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)**

To: MANITOBA CLINIC HOLDING CO. LTD. ("**HoldCo**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of HoldCo's present and after-acquired Personal Property (as defined in the GSA);
- Real property civically known as 790 Sherbrook Street, Winnipeg, Manitoba, and legally described as follows:

LOT 1 PLAN 58713 WLTO IN RL 5 AND 6 PARISH OF ST JOHN

(the "**Real Property**")

- All lands and premises on the Real Property, including all appurtenances, buildings and fixtures now or hereafter situated thereon and all other lands and premises, including appurtenances, buildings, buildings and fixtures now owned or hereafter acquired by HoldCo and All machinery, equipment, plant, vehicles, goods and chattels with the exception of inventory now owned or hereafter acquired by HoldCo (as defined in the Debenture);
- HoldCo's right, title, benefit and interest in and to the Assigned Leases and Assigned Rents with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Assigned Rents, and to exercise the rights of HoldCo with respect to the enforcement of the Assigned Leases and the payment of the Assigned Rents in the name of HoldCo (as defined in the GALR);
- HoldCo's the Leases and all renewals and replacements and all rents and other moneys now or hereafter to become due and payable, together with the benefit of any present or future guarantee, security or bond now or hereafter held for the obligations thereunder, with full power and authority to demand, collect, sue for, recover, enforce, receive and give receipts for the rents and performance by HoldCo of other obligations thereunder (as defined in the ASL);

- HoldCo's right, title and interest in and to the Plans, and all right, title and interest of HoldCo in, to and under any Agreements pursuant to which the Plans were, or are to be, prepared, including but not limited to any architect's and engineer's contracts related to the construction of the Project (as defined in the Assignment of Plans);
- Pledged Units, all Distributions, interest, and other payments and rights with respect to any of the Pledged Units, and all proceeds of any of the foregoing (as defined in the Unit Pledge);
- All net sale proceeds payable under the Sale Agreement, subject only to (i) the usual adjustments between purchaser and vendor in a transaction of the type set out in the Sale Agreement; and (ii) any real estate commissions and legal fees and other closing costs that may be payable by the Assignor respecting the Sale Agreement, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the net sale proceeds and deposits and to enforce payment thereof in the name of Holdco, its successors and assigns (as defined in the Assignment of Sale Proceeds); and
- All property and rights in and to the Policies and all monies, proceeds and other amounts which may be, or at any time in the future may become, payable or due under or by reason of the Policies or any of them (as defined in the Assignment of Insurance).

2. The security that is to be enforced is in the form of:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017 (the "**GSA**");
- Demand Debenture from HoldCo to the Lender dated August 22, 2017 and registered at the Winnipeg Land Titles Office on August 28, 2017 as No. 4879369/1;
- General Assignment of Leases and Rents executed August 22, 2017 by HoldCo in favour of the Lender (the "**GALR**");
- Assignment of Specific Lease or Leases executed August 22, 2017 by HoldCo in favour of the Lender (the "**ASL**");
- Assignment of Plans and Related Agreements executed August 22, 2017 by HoldCo, in favour of the Lender and Architect's Consent (the "**Assignment of Plans**");

- Assignment of Sale Proceeds executed August 22, 2017 by HoldCo, in favour of the Lender, along with a letter of direction, dated August 22, 2017 (the "**Assignment of Sale Proceeds**");
 - Assignment of Insurance executed August 22, 2017 by HoldCo, in favour of the Lender (and the attached certificates of insurance) (the "**Assignment of Insurance**"); and
 - Unit Pledge Agreement executed August 22, 2017 by HoldCo in favour of the Lender and consented to by Gamma-DynaCare Central Medical Laboratory Limited Partnership, by its general partner, Gamma-Dynacare Central Medical Laboratories GP Inc. regarding the interests owned in Gamma-Dynacare Central Medical Laboratory Limited Partnership (the "**Unit Pledge**").
3. The total amount of indebtedness secured by the security is the sum of \$62,795,623.83 CAD, inclusive of interest, as at February 19, 2021.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:52 CST)
J.J. Burnell

February 24, 2021

BY EMAIL

Manitoba Clinic Medical Corporation
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir,

**Re: Indebtedness of The Manitoba Clinic Holding Co. Ltd. ("HoldCo") to
Canadian Imperial Bank of Commerce (the "Bank")**
File No.: 0001085-04880

We are solicitors for the Bank in connection with the above-noted matter.

By an unlimited guarantee in writing dated August 22, 2017 (the "**Guarantee**") (copy attached), Manitoba Clinic Medical Corporation ("**Manitoba Clinic**") guaranteed payment to the Bank of all debts of HoldCo plus any expenses (including all legal fees and disbursements) incurred by the Bank in enforcing any of the Bank's rights under the Guarantee and interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under the Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts (as defined in the Guarantee).

By letter dated February 24, 2021 and provided to HoldCo (the "**HoldCo Demand**"), a copy of which is attached hereto, the Bank has demanded repayment in full of the Total Indebtedness (as defined in the HoldCo Demand). The Total Indebtedness as at February 19, 2021 is \$62,795,623.83 CAD.

On behalf of the Bank, we hereby demand payment of the Total Indebtedness as at February 19, 2021, of \$62,795,623.83 CAD, together with interest thereon at the corresponding Customer's Debts.

This demand shall constitute demand by the Bank under all security held by it on your

property, including, without limitation:

- General Security Agreement from the Manitoba Clinic in favour of the Lender dated August 22, 2017 (the "**Security Agreement**").

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreement and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada).

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:52 CST)

J. J. Burnell

JJBB:as

Encls.



Guarantee

Canadian Imperial Bank of Commerce
500 – One Lombard Place, Winnipeg, Manitoba R3C 2P3
Bank Office

For valuable consideration, I, the undersigned guarantor, agree with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Customer's Name.** The name of the customer whose debts I am guaranteeing is The Manitoba Clinic Holding Co. Ltd. (the "Customer").
2. **Guarantee.** I guarantee payment to CIBC of all the Customer's Debts. My liability under this Guarantee is:
 - a) ☒ unlimited.
 - b) ☐ limited to the principal sum of Cdn\$ _____ plus interest and expenses in accordance with Section 5.

Note: If neither box (a) nor box (b) is checked off, or if both are checked off, or if box (b) is checked off but no figure is inserted in the blank, then box (a) alone will be considered to have been checked off.
3. **Governing Law.** This Guarantee is governed by the laws of Manitoba (without reference to the choice of law rules). I irrevocably agree to submit to the non-exclusive jurisdiction of its courts.
4. **Copy Received.** I acknowledge having received a copy of this Guarantee.

Note: The "Additional Terms and Conditions of this Guarantee" on the following pages form part of this Guarantee.

August 22, 2017

Date
MANITOBA CLINIC MEDICAL CORPORATION

Guarantor's Name (record in full)
790 Sherbrook Street

Guarantor's Address
Winnipeg, MB, R3E 0L5

City/Town, Province and Postal Code

X _____
Signature
David Connor, Chairman

Name & Title
X _____
Signature
Jeff B. Argentine, Executive Director

Name & Title

- Note:**
- i) If the Guarantor is a corporation, no witness is needed. The office (such as "President" or "Secretary") of the person signing should be noted below that person's signature. The corporation's seal should be affixed if the resolution so states.
 - ii) If the Guarantor is an individual, a red wafer seal is advisable, but not mandatory. (No seal required in Quebec.)
 - iii) For *The Guarantees Acknowledgement Act* certificate in Alberta, see page 4.

Additional Terms and Conditions of this Guarantee

5. **Payment on demand.** I will immediately pay CIBC on demand:
- a) the amount (and in the currency) of the Customer's Debts (but if Section 2(b) applies, subject to that limitation), plus any expenses (including all legal fees and disbursements) incurred by CIBC in enforcing any of CIBC's rights under this Guarantee; and
 - b) interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts.
6. **Making Demand.** Demand and any other notices given under this Guarantee will be conclusively considered to have been made upon me when the envelope containing it, addressed to me (or, if there is more than one Person signing this Guarantee, to any one of us) at the last address known to CIBC, is deposited, postage prepaid, first class mail, in a post office, or is personally delivered to that address. I will give CIBC immediate written notice, addressed to the Manager of the Bank Office, of each and every change of my address.
7. **No Setoff or Counterclaim.** I will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that I have or may have against the Customer or CIBC.
8. **Application of Moneys Received.** CIBC may apply all moneys received from me, the Customer or any other Person (including under any Security that CIBC may from time to time hold) upon such part of the Customer's Debts as CIBC considers appropriate.
9. **Exhausting Recourse.** CIBC does not need to exhaust its recourse against the Customer or any other Person or under any Security CIBC may from time to time hold before being entitled to full payment from me under this Guarantee.
10. **Absolute Liability.** My liability under this Guarantee is absolute and unconditional. It will not be limited or reduced, nor will CIBC be responsible or owe any duty (as a fiduciary or otherwise) to me, nor will CIBC's rights under this Guarantee be prejudiced, by the existence or occurrence (with or without my knowledge or consent) of any one or more of the following events:
- a) any termination, invalidity, unenforceability or release by CIBC of any of its rights against the Customer or against any other Person or of any Security;
 - b) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Customer's Debts or to any credit extended by CIBC to the Customer; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Customer or any other Person; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by CIBC in respect of, or in the course of, doing any of these things;
 - c) accepting compositions from or granting releases or discharges to the Customer or any other Person, or any other dealing with the Customer or any other Person or with any Security that CIBC considers appropriate;
 - d) any unenforceability or loss of or in respect of any Security held from time to time by CIBC from me, the Customer or any other Person, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to CIBC's fault or any other reason;
 - e) the death of the Customer; any change in the Customer's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale, lease or otherwise) of the Customer or the Customer's business;
 - f) any change in my financial condition or that of the Customer or any other Guarantor (including insolvency and bankruptcy);
 - g) if I am or the Customer is a corporation, any change of effective control, or if I am or the Customer is a partnership, a dissolution or any change in the membership;
 - h) any event, whether or not attributable to CIBC, that may be considered to have caused or accelerated the bankruptcy or insolvency of the Customer or any Guarantor, or to have resulted in the initiation of any such proceedings;
 - i) CIBC's filing of any claim for payment with any administrator, provisional liquidator, conservator, trustee, receiver, custodian or other similar officer appointed for the Customer or for all or substantially all of the Customer's assets;
 - j) any failure by CIBC to abide by any of the terms and conditions of CIBC's agreements with, or to meet any of its obligations or duties owed to me, the Customer or any Person, or any breach of any duty (whether as a fiduciary or otherwise) that exists or is alleged to exist between CIBC and me, the Customer or any Person;
 - k) any incapacity, disability, or lack or limitation of status or of the power of the Customer or of the Customer's directors; managers, officers, partners or agents; the discovery that the Customer is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Customer's Debts; or
 - l) any event whatsoever that might be a defence available to, or result in a reduction or discharge of, me, the Customer or any other Person in respect of either the Customer's Debts or my liability under this Guarantee.
- For greater certainty, I agree that CIBC may deal with me, the Customer and any other Person in any manner without affecting my liability under this guarantee.
11. **Principal Debtor.** All moneys and liabilities (whether matured or unmatured, present or future, direct or indirect, absolute or contingent) obtained from CIBC will be deemed to form part of the Customer's Debts, notwithstanding the occurrence of any one or more of the events described in Section 10(k). I will pay CIBC as principal debtor any amount that CIBC cannot recover from me as Guarantor immediately following demand as provided in this Guarantee.

Guarantee

12. **No Liability for Negligence, etc.** CIBC will not be liable to me for any negligence or any breaches or omissions on the part of CIBC, or any of its employees, officers, directors or agents, or any receivers appointed by CIBC, in the course of any of its or their actions.
13. **Continuing Guarantee.** This is a continuing guarantee of the Customer's Debts.
14. **Terminating Further Liability.** I may discontinue any further liability to pay the Customer's Debts by written notice to the Bank Office. I will, however, continue to be liable under this Guarantee for any of the Customer's Debts that the Customer incurs up to and including the 30th day after CIBC receives my notice.
15. **Statement Conclusive.** Except for demonstrable errors or omissions, the amount appearing due in any account stated by CIBC or settled between CIBC and the Customer will be conclusive as to that amount being due.
16. **CIBC's Priority.**
 - a) If any payment made to CIBC by the Customer or any other Person is subsequently rendered void or must otherwise be returned for any reason, I will be liable for that payment (but if Section 2(b) applies, subject to that limitation). Until all of CIBC's claims against the Customer in respect of the Customer's Debts have been paid in full, I will not require that CIBC assign to me any Security held, or any other rights that CIBC may have, in connection with the Customer's Debts, and I will not assert any right of contribution against any Guarantor, or claim repayment from the Customer, for any payment that I make under this Guarantee.
 - b) If the Customer is bankrupt, or (if the Customer is a corporation) liquidated or wound up, or if the Customer makes a bulk sale of any assets under applicable law, or if the Customer proposes any composition with creditors or any scheme of arrangement, CIBC will be entitled to all dividends and other payments until CIBC is paid in full, and I will remain liable under this Guarantee (but if Section 2(b) applies, subject to that limitation).
 - c) If CIBC gives to any trustee in bankruptcy or receives a valuation of, or retains, any Security that CIBC holds for payment of the Customer's Debts, that will not be considered, as between CIBC and me, to be a purchase of such Security or payment, satisfaction or reduction of the Customer's Debts.
17. **Assignment and Postponement of Claim.** I postpone in favour of CIBC all debts and liabilities that the Customer now owes or later may from time to time owe to me in any manner until CIBC is paid in full. I further assign to CIBC all such debts and liabilities, to the extent of the Customer's Debts, until CIBC is paid in full. If I receive any moneys in payment of any such debts and liabilities, I will hold them in trust for, and will immediately pay them to, CIBC without reducing my liability under this Guarantee.
18. **Withholding Taxes.** Unless a law requires otherwise, I will make all payments under this Guarantee without deduction or withholding for any present or future taxes of any kind. If a law does so require, I will pay to CIBC an additional amount as is necessary to ensure CIBC receives the full amount CIBC would have received if no deduction or withholding had been made.
19. **Judgment Currency.** My liability to pay CIBC in a particular currency (the "First Currency") will not be discharged or satisfied by any tender or recovery under any judgment expressed in or converted into another currency (the "Other Currency") except to the extent the tender or recovery results in CIBC's effective receipt of the full amount of the First Currency so payable. Accordingly, I will be liable to CIBC in an additional cause of action to recover in the Other Currency the amount (if any) by which that effective receipt falls short of the full amount of the First Currency so payable, without being affected by any judgment obtained for any other sums due.
20. **Consent to Disclose Information.** CIBC may from time to time give any credit or other information about me to, or receive such information from, any credit bureau, reporting agency or other Person.
21. **General.** Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more Persons sign this Guarantee, each Person's liability will be joint and several. This Guarantee is in addition and without prejudice to any Security of any kind now or in the future held by CIBC. There are no representations, collateral agreements or conditions with respect to, or affecting my liability under, this Guarantee other than as contained in this Guarantee.
22. **Quebec Only.** If this Guarantee is governed by the laws of Quebec:
 - a) I acknowledge that the terms and conditions of the Customer's Debts have been expressly brought to my attention;
 - b) I renounce the benefit of division and discussion;
 - c) if two or more Persons sign this Guarantee, each Person's liability will be solidary;
 - d) I acknowledge that the thirty days' notice specified in Section 14 constitutes prior and sufficient notice to CIBC;
 - e) if this Guarantee is attached to the performance of special duties, I agree that this Guarantee shall not terminate upon cessation of such duties; and
 - f) it is the express wish of the parties that this document and any related documents be drawn up in English. Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés en anglais.
23. **Definitions.** In this Guarantee:
 - a) "Bank Office" means the CIBC office noted on the first page of this Guarantee, or such address as CIBC may, from time to time, advise me in the manner provided in Section 6;
 - b) "Customer's Debts" means the debts and liabilities that the Customer has incurred or may incur with CIBC including, among other things, those in respect of dealings between the Customer and CIBC, as well as any other dealings by which the Customer may become indebted or liable to CIBC in any manner whatever;

Guarantee

- c) "*Guarantor*" means any Person who has guaranteed or later guarantees to CIBC any or all of the Customer's Debts, whether or not such Person has signed this Guarantee or another document;
 - d) "*I*", "*me*" and "*my*" mean the Person who has signed this Guarantee, and if two or more Persons sign, each of them;
 - e) "*Person*" includes a natural person, personal representative, partnership, corporation, association, organization, estate, trade union, church or other religious organization, syndicate, joint venture, trust, trustee in bankruptcy, government and government body and any other entity, and, where appropriate, specifically includes any Guarantor;
 - f) "*Section*" means a section or paragraph of this Guarantee;
 - g) "*Security*" means any security held by CIBC as security for payment of the Customer's Debts and includes, among other things, any and all guarantees.
24. **Credit Agreement.** This Agreement is given to CIBC pursuant to the terms of the credit agreement dated August 11, 2017 made between CIBC and the Customer (the "**Credit Agreement**"). Any default or Event of Default (as defined in the Credit Agreement) under the terms of the Credit Agreement or under any security granted under the terms of the Credit Agreement shall constitute default hereunder. Any default under this agreement shall also be an Event of Default under the Credit Agreement and under any security granted pursuant to the Credit Agreement. In the event that any provisions set forth or contained in the Credit Agreement conflict with any of the provisions of this agreement, such that the provisions of this agreement and the provisions of the Credit Agreement cannot co-exist, the provisions of the Credit Agreement shall prevail.

COPY

MLT Aikins LLP
30th Floor - 360 Main Street
Winnipeg, MB R3C 4G1
T: (204) 957-0050
F: (204) 957-0840

J.J. Burnell*
* services provided by
JJ Burnell Law Corporation
Direct Line: (204) 957-4663
Fax: (204) 957-4282
E-mail: jburnell@mltaikins.com

Lucy Toews
Legal Assistant
Direct Line: (204) 957-4855
E-mail: ltoews@mltaikins.com

February 24, 2021

BY EMAIL

The Manitoba Clinic Holding Co. Ltd.
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir:

Re: Indebtedness of The Manitoba Clinic Holding Co. Ltd. ("HoldCo") to Canadian Imperial Bank of Commerce (the "Bank")

File No.: 0001085-04880

We are solicitors for the Bank in connection with the above-noted matter.

By means of a credit agreement dated August 11, 2017, as amended from time to time (collectively, the "**Credit Agreement**"), the Bank made available to you certain credit facilities (the "**Credit Facilities**"), the particulars of which are set out below.

We are advised by the Bank that as at February 19, 2021, HoldCo, in its capacity as borrower, is indebted to the Bank in respect of the Credit Facilities:

- | | | |
|----|--|---------------------------|
| 1. | Demand Operating Credit
(Account No. 7/8082219)
Total | \$2,743,542.71 CAD |
| | Interest continues to accrue at the Bank's
Prime Rate per annum | |
| 2. | Demand Instalment Loan –
Old MB Clinic Loan - DynaCare
Total | \$951,156.34 CAD |
| | Interest continues to accrue at the Bank's
Prime Rate per annum | |
| 3. | Demand Non Revolving Construction Loan –
New MB Clinic Construction Loan
Total | \$5,659,851.41 CAD |

Interest continues to accrue at Prime Rate
plus 0.25% per annum

4. Demand Non Revolving Construction Loan (CDOR) –
New MB Clinic Construction Loan
Total **\$51,771,151.00CAD**
Interest continues to accrue at 2.1675% per annum
5. Demand Revolving Equipment Financing Loan #1
Total **\$1,669,922.37 CAD**
Interest continues to accrue at the Bank's
Prime Rate per annum
6. Demand Revolving Equipment Financing Loan #2
Total **\$nil CAD**
Interest continues to accrue at the Bank's
Prime Rate per annum

On behalf of the Bank, we hereby demand payment in full of all outstanding amounts under each of the Credit Facilities, totalling **\$62,795,623.83 CAD** (together, the “**Total Indebtedness**”) as at February 19, 2021, together with interest thereon at the rates set out above to date of payment and all reasonable expenses, including solicitor's fees and disbursements.

This demand shall constitute demand by the Bank under all security held by it on HoldCo's property, including, without limitation:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017;
- Demand Debenture from HoldCo to the Bank dated August 22, 2017 and registered on the property having a civic address of 790 Sherbrook Street, Winnipeg, Manitoba and legally described in Schedule “A” attached hereto (the “**Real Property**”) at the Winnipeg Land Titles Office on August 28, 2017 as No. 4879369/1;
- General Assignment of Leases and Rents executed August 22, 2017 by HoldCo in favour of the Bank;
- Assignment of Specific Lease or Leases executed August 22, 2017 by HoldCo in favour of the Bank;
- Assignment of Plans and Related Agreements executed August 22, 2017 by HoldCo, in favour of the Lender and Architect's Consent;

- Assignment of Sale Proceeds executed August 22, 2017 by HoldCo, in favour of the Lender, along with a letter of direction, dated August 22, 2017;
- Assignment of Insurance executed August 22, 2017 by HoldCo, in favour of the Lender (and the attached certificates of insurance); and
- Unit Pledge Agreement executed August 22, 2017 by HoldCo in favour of the Lender and consented to by Gamma-DynaCare Central Medical Laboratory Limited Partnership, by its general partner, Gamma-Dynacare Central Medical Laboratories GP Inc. regarding the interests owned in Gamma-Dynacare Central Medical Laboratory Limited Partnership,

(collectively, the “**Security Agreements**”)

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreements and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada) in respect of HoldCo.

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 14:04 CST)
J. J. Burnell

JJBB:as
Encl.

SCHEDULE A

Civic Address: 790 Sherbrook Street, Winnipeg, Manitoba

Legal Description:

Title No. 2821678/1

LOT 1 PLAN 58713 WLTO IN RL 5 AND 6 PARISH OF ST JOHN

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)

To: MANITOBA CLINIC HOLDING CO. LTD. ("**HoldCo**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of HoldCo's present and after-acquired Personal Property (as defined in the GSA);
- Real property civically known as 790 Sherbrook Street, Winnipeg, Manitoba, and legally described as follows:

LOT 1 PLAN 58713 WLTO IN RL 5 AND 6 PARISH OF ST JOHN

(the "**Real Property**)

- All lands and premises on the Real Property, including all appurtenances, buildings and fixtures now or hereafter situated thereon and all other lands and premises, including appurtenances, buildings, buildings and fixtures now owned or hereafter acquired by HoldCo and All machinery, equipment, plant, vehicles, goods and chattels with the exception of inventory now owned or hereafter acquired by HoldCo (as defined in the Debenture);
- HoldCo's right, title, benefit and interest in and to the Assigned Leases and Assigned Rents with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Assigned Rents, and to exercise the rights of HoldCo with respect to the enforcement of the Assigned Leases and the payment of the Assigned Rents in the name of HoldCo (as defined in the GALR);
- HoldCo's the Leases and all renewals and replacements and all rents and other moneys now or hereafter to become due and payable, together with the benefit of any present or future guarantee, security or bond now or hereafter held for the obligations thereunder, with full power and authority to demand, collect, sue for, recover, enforce, receive and give receipts for the rents and performance by HoldCo of other obligations thereunder (as defined in the ASL);

- HoldCo's right, title and interest in and to the Plans, and all right, title and interest of HoldCo in, to and under any Agreements pursuant to which the Plans were, or are to be, prepared, including but not limited to any architect's and engineer's contracts related to the construction of the Project (as defined in the Assignment of Plans);
- Pledged Units, all Distributions, interest, and other payments and rights with respect to any of the Pledged Units, and all proceeds of any of the foregoing (as defined in the Unit Pledge);
- All net sale proceeds payable under the Sale Agreement, subject only to (i) the usual adjustments between purchaser and vendor in a transaction of the type set out in the Sale Agreement; and (ii) any real estate commissions and legal fees and other closing costs that may be payable by the Assignor respecting the Sale Agreement, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the net sale proceeds and deposits and to enforce payment thereof in the name of Holdco, its successors and assigns (as defined in the Assignment of Sale Proceeds); and
- All property and rights in and to the Policies and all monies, proceeds and other amounts which may be, or at any time in the future may become, payable or due under or by reason of the Policies or any of them (as defined in the Assignment of Insurance).

2. The security that is to be enforced is in the form of:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017 (the "**GSA**");
- Demand Debenture from HoldCo to the Lender dated August 22, 2017 and registered at the Winnipeg Land Titles Office on August 28, 2017 as No. 4879369/1;
- General Assignment of Leases and Rents executed August 22, 2017 by HoldCo in favour of the Lender (the "**GALR**");
- Assignment of Specific Lease or Leases executed August 22, 2017 by HoldCo in favour of the Lender (the "**ASL**");
- Assignment of Plans and Related Agreements executed August 22, 2017 by HoldCo, in favour of the Lender and Architect's Consent (the "**Assignment of Plans**");

- Assignment of Sale Proceeds executed August 22, 2017 by HoldCo, in favour of the Lender, along with a letter of direction, dated August 22, 2017 (the "**Assignment of Sale Proceeds**");
- Assignment of Insurance executed August 22, 2017 by HoldCo, in favour of the Lender (and the attached certificates of insurance) (the "**Assignment of Insurance**"); and
- Unit Pledge Agreement executed August 22, 2017 by HoldCo in favour of the Lender and consented to by Gamma-DynaCare Central Medical Laboratory Limited Partnership, by its general partner, Gamma-Dynacare Central Medical Laboratories GP Inc. regarding the interests owned in Gamma-Dynacare Central Medical Laboratory Limited Partnership (the "**Unit Pledge**").

3. The total amount of indebtedness secured by the security is the sum of \$62,795,623.83 CAD, inclusive of interest, as at February 19, 2021.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

COPY

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:52 CST)
J.J. Burnell

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)

To: MANITOBA CLINIC MEDICAL CORPORATION ("**Manitoba Clinic**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of Manitoba Clinic's present and after-acquired Personal Property (as defined in the GSA).

2. The security that is to be enforced is in the form of:

- General Security Agreement from Manitoba Clinic in favour of the Lender dated August 22, 2017 (the "**GSA**").

3. The total amount of indebtedness secured by the security is the sum of \$62,795,623.83 CAD, inclusive of interest, as at February 19, 2021.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

Per:



JJ Burnell (Feb 24, 2021 12:52 CST)

J.J. Burnell

February 24, 2021

BY EMAIL

Manitoba Clinic (Parent) Holding Co. Ltd.
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir,

**Re: Indebtedness of The Manitoba Clinic Holding Co. Ltd. ("HoldCo") to
Canadian Imperial Bank of Commerce (the "Bank")**

File No.: 0001085-04880

We are solicitors for the Bank in connection with the above-noted matter.

By an unlimited guarantee in writing dated August 22, 2017 (the "**Guarantee**") (copy attached), Manitoba Clinic (Parent) Holding Co. Ltd. ("**ParentCo**") guaranteed payment to the Bank of all debts of HoldCo plus any expenses (including all legal fees and disbursements) incurred by the Bank in enforcing any of the Bank's rights under the Guarantee and interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under the Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts (as defined in the Guarantee).

By letter dated February 24, 2021 and provided to HoldCo (the "**HoldCo Demand**"), a copy of which is attached hereto, the Bank has demanded repayment in full of the Total Indebtedness (as defined in the HoldCo Demand). The Total Indebtedness as at February 19, 2021 is \$62,795,623.83 CAD.

On behalf of the Bank, we hereby demand payment of the Total Indebtedness as at February 19, 2021, of \$62,795,623.83 CAD, together with interest thereon at the corresponding Customer's Debts.

This demand shall constitute demand by the Bank under all security held by it on your property, including, without limitation:



WESTERN CANADA'S LAW FIRM

- General Security Agreement from the ParentCo in favour of the Lender dated August 22, 2017 (the "**Security Agreement**"); and
- Share Pledge Agreement executed August 22, 2017 by ParentCo and HoldCo in favour of the Lender regarding the shares owned in HoldCo (the "Share Pledge", and together with the Security Agreement, the "**Security Agreements**").

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreements and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada).

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:55 CST)
J. J. Burnell

JJBB:as
Encls.



Guarantee

Canadian Imperial Bank of Commerce
500 – One Lombard Place, Winnipeg, Manitoba R3C 2P3
Bank Office

For valuable consideration, I, the undersigned guarantor, agree with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Customer's Name.** The name of the customer whose debts I am guaranteeing is The Manitoba Clinic Holding Co. Ltd. (the "Customer").
2. **Guarantee.** I guarantee payment to CIBC of all the Customer's Debts. My liability under this Guarantee is:
 - a) ☒ unlimited.
 - b) ☐ limited to the principal sum of Cdn\$ _____ plus interest and expenses in accordance with Section 5.

Note: If neither box (a) nor box (b) is checked off, or if both are checked off, or if box (b) is checked off but no figure is inserted in the blank, then box (a) alone will be considered to have been checked off.
3. **Governing Law.** This Guarantee is governed by the laws of Manitoba (without reference to the choice of law rules). I irrevocably agree to submit to the non-exclusive jurisdiction of its courts.
4. **Copy Received.** I acknowledge having received a copy of this Guarantee.

Note: The "Additional Terms and Conditions of this Guarantee" on the following pages form part of this Guarantee.

August 22, 2017

Date
MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Guarantor's Name (record in full)
790 Sherbrook Street

Guarantor's Address
Winnipeg, MB, R3E 0L5

City/Town, Province and Postal Code

X _____
Signature
David Connor, Chairman

Name & Title
X _____
Signature
Jeff B. Garapentine, Executive Director

Name & Title

- Note:**
- i) If the Guarantor is a corporation, no witness is needed. The office (such as "President" or "Secretary") of the person signing should be noted below that person's signature. The corporation's seal should be affixed if the resolution so states.
 - ii) If the Guarantor is an individual, a red wafer seal is advisable, but not mandatory. (No seal required in Quebec.)
 - iii) For *The Guarantees Acknowledgement Act* certificate in Alberta, see page 4.

Additional Terms and Conditions of this Guarantee

5. **Payment on demand.** I will immediately pay CIBC on demand:
- a) the amount (and in the currency) of the Customer's Debts (but if Section 2(b) applies, subject to that limitation), plus any expenses (including all legal fees and disbursements) incurred by CIBC in enforcing any of CIBC's rights under this Guarantee; and
 - b) interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates (and in the currency) applicable to the corresponding Customer's Debts.
6. **Making Demand.** Demand and any other notices given under this Guarantee will be conclusively considered to have been made upon me when the envelope containing it, addressed to me (or, if there is more than one Person signing this Guarantee, to any one of us) at the last address known to CIBC, is deposited, postage prepaid, first class mail, in a post office, or is personally delivered to that address. I will give CIBC immediate written notice, addressed to the Manager of the Bank Office, of each and every change of my address.
7. **No Setoff or Counterclaim.** I will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that I have or may have against the Customer or CIBC.
8. **Application of Moneys Received.** CIBC may apply all moneys received from me, the Customer or any other Person (including under any Security that CIBC may from time to time hold) upon such part of the Customer's Debts as CIBC considers appropriate.
9. **Exhausting Recourse.** CIBC does not need to exhaust its recourse against the Customer or any other Person or under any Security CIBC may from time to time hold before being entitled to full payment from me under this Guarantee.
10. **Absolute Liability.** My liability under this Guarantee is absolute and unconditional. It will not be limited or reduced, nor will CIBC be responsible or owe any duty (as a fiduciary or otherwise) to me, nor will CIBC's rights under this Guarantee be prejudiced, by the existence or occurrence (with or without my knowledge or consent) of any one or more of the following events:
- a) any termination, invalidity, unenforceability or release by CIBC of any of its rights against the Customer or against any other Person or of any Security;
 - b) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Customer's Debts or to any credit extended by CIBC to the Customer; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Customer or any other Person; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by CIBC in respect of, or in the course of, doing any of these things;
 - c) accepting compositions from or granting releases or discharges to the Customer or any other Person, or any other dealing with the Customer or any other Person or with any Security that CIBC considers appropriate;
 - d) any unenforceability or loss of or in respect of any Security held from time to time by CIBC from me, the Customer or any other Person, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to CIBC's fault or any other reason;
 - e) the death of the Customer; any change in the Customer's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale, lease or otherwise) of the Customer or the Customer's business;
 - f) any change in my financial condition or that of the Customer or any other Guarantor (including insolvency and bankruptcy);
 - g) if I am or the Customer is a corporation, any change of effective control, or if I am or the Customer is a partnership, a dissolution or any change in the membership;
 - h) any event, whether or not attributable to CIBC, that may be considered to have caused or accelerated the bankruptcy or insolvency of the Customer or any Guarantor, or to have resulted in the initiation of any such proceedings;
 - i) CIBC's filing of any claim for payment with any administrator, provisional liquidator, conservator, trustee, receiver, custodian or other similar officer appointed for the Customer or for all or substantially all of the Customer's assets;
 - j) any failure by CIBC to abide by any of the terms and conditions of CIBC's agreements with, or to meet any of its obligations or duties owed to me, the Customer or any Person, or any breach of any duty (whether as a fiduciary or otherwise) that exists or is alleged to exist between CIBC and me, the Customer or any Person;
 - k) any incapacity, disability, or lack or limitation of status or of the power of the Customer or of the Customer's directors; managers, officers, partners or agents; the discovery that the Customer is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Customer's Debts; or
 - l) any event whatsoever that might be a defence available to, or result in a reduction or discharge of, me, the Customer or any other Person in respect of either the Customer's Debts or my liability under this Guarantee.
- For greater certainty, I agree that CIBC may deal with me, the Customer and any other Person in any manner without affecting my liability under this guarantee.
11. **Principal Debtor.** All moneys and liabilities (whether matured or unmatured, present or future, direct or indirect, absolute or contingent) obtained from CIBC will be deemed to form part of the Customer's Debts, notwithstanding the occurrence of any one or more of the events described in Section 10(k). I will pay CIBC as principal debtor any amount that CIBC cannot recover from me as Guarantor immediately following demand as provided in this Guarantee.

Guarantee

12. **No Liability for Negligence, etc.** CIBC will not be liable to me for any negligence or any breaches or omissions on the part of CIBC, or any of its employees, officers, directors or agents, or any receivers appointed by CIBC, in the course of any of its or their actions.
13. **Continuing Guarantee.** This is a continuing guarantee of the Customer's Debts.
14. **Terminating Further Liability.** I may discontinue any further liability to pay the Customer's Debts by written notice to the Bank Office. I will, however, continue to be liable under this Guarantee for any of the Customer's Debts that the Customer incurs up to and including the 30th day after CIBC receives my notice.
15. **Statement Conclusive.** Except for demonstrable errors or omissions, the amount appearing due in any account stated by CIBC or settled between CIBC and the Customer will be conclusive as to that amount being due.
16. **CIBC's Priority.**
 - a) If any payment made to CIBC by the Customer or any other Person is subsequently rendered void or must otherwise be returned for any reason, I will be liable for that payment (but if Section 2(b) applies, subject to that limitation). Until all of CIBC's claims against the Customer in respect of the Customer's Debts have been paid in full, I will not require that CIBC assign to me any Security held, or any other rights that CIBC may have, in connection with the Customer's Debts, and I will not assert any right of contribution against any Guarantor, or claim repayment from the Customer, for any payment that I make under this Guarantee.
 - b) If the Customer is bankrupt, or (if the Customer is a corporation) liquidated or wound up, or if the Customer makes a bulk sale of any assets under applicable law, or if the Customer proposes any composition with creditors or any scheme of arrangement, CIBC will be entitled to all dividends and other payments until CIBC is paid in full, and I will remain liable under this Guarantee (but if Section 2(b) applies, subject to that limitation).
 - c) If CIBC gives to any trustee in bankruptcy or receives a valuation of, or retains, any Security that CIBC holds for payment of the Customer's Debts, that will not be considered, as between CIBC and me, to be a purchase of such Security or payment, satisfaction or reduction of the Customer's Debts.
17. **Assignment and Postponement of Claim.** I postpone in favour of CIBC all debts and liabilities that the Customer now owes or later may from time to time owe to me in any manner until CIBC is paid in full. I further assign to CIBC all such debts and liabilities, to the extent of the Customer's Debts, until CIBC is paid in full. If I receive any moneys in payment of any such debts and liabilities, I will hold them in trust for, and will immediately pay them to, CIBC without reducing my liability under this Guarantee.
18. **Withholding Taxes.** Unless a law requires otherwise, I will make all payments under this Guarantee without deduction or withholding for any present or future taxes of any kind. If a law does so require, I will pay to CIBC an additional amount as is necessary to ensure CIBC receives the full amount CIBC would have received if no deduction or withholding had been made.
19. **Judgment Currency.** My liability to pay CIBC in a particular currency (the "First Currency") will not be discharged or satisfied by any tender or recovery under any judgment expressed in or converted into another currency (the "Other Currency") except to the extent the tender or recovery results in CIBC's effective receipt of the full amount of the First Currency so payable. Accordingly, I will be liable to CIBC in an additional cause of action to recover in the Other Currency the amount (if any) by which that effective receipt falls short of the full amount of the First Currency so payable, without being affected by any judgment obtained for any other sums due.
20. **Consent to Disclose Information.** CIBC may from time to time give any credit or other information about me to, or receive such information from, any credit bureau, reporting agency or other Person.
21. **General.** Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If two or more Persons sign this Guarantee, each Person's liability will be joint and several. This Guarantee is in addition and without prejudice to any Security of any kind now or in the future held by CIBC. There are no representations, collateral agreements or conditions with respect to, or affecting my liability under, this Guarantee other than as contained in this Guarantee.
22. **Quebec Only.** If this Guarantee is governed by the laws of Quebec:
 - a) I acknowledge that the terms and conditions of the Customer's Debts have been expressly brought to my attention;
 - b) I renounce the benefit of division and discussion;
 - c) if two or more Persons sign this Guarantee, each Person's liability will be solidary;
 - d) I acknowledge that the thirty days' notice specified in Section 14 constitutes prior and sufficient notice to CIBC;
 - e) if this Guarantee is attached to the performance of special duties, I agree that this Guarantee shall not terminate upon cessation of such duties; and
 - f) it is the express wish of the parties that this document and any related documents be drawn up in English. Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés en anglais.
23. **Definitions.** In this Guarantee:
 - a) "Bank Office" means the CIBC office noted on the first page of this Guarantee, or such address as CIBC may, from time to time, advise me in the manner provided in Section 6;
 - b) "Customer's Debts" means the debts and liabilities that the Customer has incurred or may incur with CIBC including, among other things, those in respect of dealings between the Customer and CIBC, as well as any other dealings by which the Customer may become indebted or liable to CIBC in any manner whatever;

Guarantee

- c) "*Guarantor*" means any Person who has guaranteed or later guarantees to CIBC any or all of the Customer's Debts, whether or not such Person has signed this Guarantee or another document;
 - d) "*I*", "*me*" and "*my*" mean the Person who has signed this Guarantee, and if two or more Persons sign, each of them;
 - e) "*Person*" includes a natural person, personal representative, partnership, corporation, association, organization, estate, trade union, church or other religious organization, syndicate, joint venture, trust, trustee in bankruptcy, government and government body and any other entity, and, where appropriate, specifically includes any Guarantor;
 - f) "*Section*" means a section or paragraph of this Guarantee;
 - g) "*Security*" means any security held by CIBC as security for payment of the Customer's Debts and includes, among other things, any and all guarantees.
24. **Credit Agreement.** This Agreement is given to CIBC pursuant to the terms of the credit agreement dated August 11, 2017 made between CIBC and the Customer (the "**Credit Agreement**"). Any default or Event of Default (as defined in the Credit Agreement) under the terms of the Credit Agreement or under any security granted under the terms of the Credit Agreement shall constitute default hereunder. Any default under this agreement shall also be an Event of Default under the Credit Agreement and under any security granted pursuant to the Credit Agreement. In the event that any provisions set forth or contained in the Credit Agreement conflict with any of the provisions of this agreement, such that the provisions of this agreement and the provisions of the Credit Agreement cannot co-exist, the provisions of the Credit Agreement shall prevail.

COPY

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February 24, 2021

BY EMAIL

The Manitoba Clinic Holding Co. Ltd.
790 Sherbrook Street
Winnipeg, Manitoba
R3A 1M3

Attention: David Connor, Chairman

Dear Sir:

Re: Indebtedness of The Manitoba Clinic Holding Co. Ltd. ("HoldCo") to Canadian Imperial Bank of Commerce (the "Bank")

File No.: 0001085-04880

We are solicitors for the Bank in connection with the above-noted matter.

By means of a credit agreement dated August 11, 2017, as amended from time to time (collectively, the "**Credit Agreement**"), the Bank made available to you certain credit facilities (the "**Credit Facilities**"), the particulars of which are set out below.

We are advised by the Bank that as at February 19, 2021, HoldCo, in its capacity as borrower, is indebted to the Bank in respect of the Credit Facilities:

- | | | |
|----|--|---------------------------|
| 1. | Demand Operating Credit
(Account No. 7/8082219)
Total | \$2,743,542.71 CAD |
| | Interest continues to accrue at the Bank's
Prime Rate per annum | |
| 2. | Demand Instalment Loan –
Old MB Clinic Loan - DynaCare
Total | \$951,156.34 CAD |
| | Interest continues to accrue at the Bank's
Prime Rate per annum | |
| 3. | Demand Non Revolving Construction Loan –
New MB Clinic Construction Loan
Total | \$5,659,851.41 CAD |

Interest continues to accrue at Prime Rate
plus 0.25% per annum

4. Demand Non Revolving Construction Loan (CDOR) –
New MB Clinic Construction Loan
Total **\$51,771,151.00CAD**
Interest continues to accrue at 2.1675% per annum
5. Demand Revolving Equipment Financing Loan #1
Total **\$1,669,922.37 CAD**
Interest continues to accrue at the Bank's
Prime Rate per annum
6. Demand Revolving Equipment Financing Loan #2
Total **\$nil CAD**
Interest continues to accrue at the Bank's
Prime Rate per annum

On behalf of the Bank, we hereby demand payment in full of all outstanding amounts under each of the Credit Facilities, totalling **\$62,795,623.83 CAD** (together, the "**Total Indebtedness**") as at February 19, 2021, together with interest thereon at the rates set out above to date of payment and all reasonable expenses, including solicitor's fees and disbursements.

This demand shall constitute demand by the Bank under all security held by it on HoldCo's property, including, without limitation:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017;
- Demand Debenture from HoldCo to the Bank dated August 22, 2017 and registered on the property having a civic address of 790 Sherbrook Street, Winnipeg, Manitoba and legally described in Schedule "A" attached hereto (the "**Real Property**") at the Winnipeg Land Titles Office on August 28, 2017 as No. 4879369/1;
- General Assignment of Leases and Rents executed August 22, 2017 by HoldCo in favour of the Bank;
- Assignment of Specific Lease or Leases executed August 22, 2017 by HoldCo in favour of the Bank;
- Assignment of Plans and Related Agreements executed August 22, 2017 by HoldCo, in favour of the Lender and Architect's Consent;

- Assignment of Sale Proceeds executed August 22, 2017 by HoldCo, in favour of the Lender, along with a letter of direction, dated August 22, 2017;
- Assignment of Insurance executed August 22, 2017 by HoldCo, in favour of the Lender (and the attached certificates of insurance); and
- Unit Pledge Agreement executed August 22, 2017 by HoldCo in favour of the Lender and consented to by Gamma-DynaCare Central Medical Laboratory Limited Partnership, by its general partner, Gamma-Dynacare Central Medical Laboratories GP Inc. regarding the interests owned in Gamma-Dynacare Central Medical Laboratory Limited Partnership,

(collectively, the “**Security Agreements**”)

Be advised that if payment of the Total Indebtedness, together with applicable interest, fees and costs, is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in trust, within ten (10) days of the date of this letter, the Bank shall exercise such remedies against you as are available to it pursuant to the terms of the Security Agreements and as at law generally.

Enclosed herewith is a Notice of Intention to Enforce Security dated February 24, 2021 pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada) in respect of HoldCo.

Yours truly,

MLT AIKINS LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 14:04 CST)
J. J. Burnell

JJBB:as
Encl.

SCHEDULE A

Civic Address: 790 Sherbrook Street, Winnipeg, Manitoba

Legal Description:

Title No. 2821678/1

LOT 1 PLAN 58713 WLTO IN RL 5 AND 6 PARISH OF ST JOHN

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)

To: MANITOBA CLINIC HOLDING CO. LTD. ("**HoldCo**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of HoldCo's present and after-acquired Personal Property (as defined in the GSA);
- Real property civically known as 790 Sherbrook Street, Winnipeg, Manitoba, and legally described as follows:

LOT 1 PLAN 58713 WLTO IN RL 5 AND 6 PARISH OF ST JOHN

(the "**Real Property**)

- All lands and premises on the Real Property, including all appurtenances, buildings and fixtures now or hereafter situated thereon and all other lands and premises, including appurtenances, buildings, buildings and fixtures now owned or hereafter acquired by HoldCo and All machinery, equipment, plant, vehicles, goods and chattels with the exception of inventory now owned or hereafter acquired by HoldCo (as defined in the Debenture);
- HoldCo's right, title, benefit and interest in and to the Assigned Leases and Assigned Rents with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Assigned Rents, and to exercise the rights of HoldCo with respect to the enforcement of the Assigned Leases and the payment of the Assigned Rents in the name of HoldCo (as defined in the GALR);
- HoldCo's the Leases and all renewals and replacements and all rents and other moneys now or hereafter to become due and payable, together with the benefit of any present or future guarantee, security or bond now or hereafter held for the obligations thereunder, with full power and authority to demand, collect, sue for, recover, enforce, receive and give receipts for the rents and performance by HoldCo of other obligations thereunder (as defined in the ASL);

- HoldCo's right, title and interest in and to the Plans, and all right, title and interest of HoldCo in, to and under any Agreements pursuant to which the Plans were, or are to be, prepared, including but not limited to any architect's and engineer's contracts related to the construction of the Project (as defined in the Assignment of Plans);
- Pledged Units, all Distributions, interest, and other payments and rights with respect to any of the Pledged Units, and all proceeds of any of the foregoing (as defined in the Unit Pledge);
- All net sale proceeds payable under the Sale Agreement, subject only to (i) the usual adjustments between purchaser and vendor in a transaction of the type set out in the Sale Agreement; and (ii) any real estate commissions and legal fees and other closing costs that may be payable by the Assignor respecting the Sale Agreement, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the net sale proceeds and deposits and to enforce payment thereof in the name of Holdco, its successors and assigns (as defined in the Assignment of Sale Proceeds); and
- All property and rights in and to the Policies and all monies, proceeds and other amounts which may be, or at any time in the future may become, payable or due under or by reason of the Policies or any of them (as defined in the Assignment of Insurance).

2. The security that is to be enforced is in the form of:

- General Security Agreement from HoldCo in favour of the Lender dated August 22, 2017 (the "**GSA**");
- Demand Debenture from HoldCo to the Lender dated August 22, 2017 and registered at the Winnipeg Land Titles Office on August 28, 2017 as No. 4879369/1;
- General Assignment of Leases and Rents executed August 22, 2017 by HoldCo in favour of the Lender (the "**GALR**");
- Assignment of Specific Lease or Leases executed August 22, 2017 by HoldCo in favour of the Lender (the "**ASL**");
- Assignment of Plans and Related Agreements executed August 22, 2017 by HoldCo, in favour of the Lender and Architect's Consent (the "**Assignment of Plans**");

- Assignment of Sale Proceeds executed August 22, 2017 by HoldCo, in favour of the Lender, along with a letter of direction, dated August 22, 2017 (the "**Assignment of Sale Proceeds**");
- Assignment of Insurance executed August 22, 2017 by HoldCo, in favour of the Lender (and the attached certificates of insurance) (the "**Assignment of Insurance**"); and
- Unit Pledge Agreement executed August 22, 2017 by HoldCo in favour of the Lender and consented to by Gamma-DynaCare Central Medical Laboratory Limited Partnership, by its general partner, Gamma-Dynacare Central Medical Laboratories GP Inc. regarding the interests owned in Gamma-Dynacare Central Medical Laboratory Limited Partnership (the "**Unit Pledge**").

3. The total amount of indebtedness secured by the security is the sum of \$62,795,623.83 CAD, inclusive of interest, as at February 19, 2021.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

COPY

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:52 CST)
J.J. Burnell

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the Bankruptcy and Insolvency Act)**

To: MANITOBA CLINIC (PARENT) HOLDING CO. LTD. ("**ParentCo**"), an insolvent person

TAKE NOTICE THAT:

1. CANADIAN IMPERIAL BANK OF COMMERCE (the "**Lender**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below (*all capitalized terms used, but not otherwise defined shall have the meaning ascribed thereto in Section 2 below*):

- All of ParentCo's present and after-acquired Personal Property (as defined in the GSA); and
- All of the Pledge Shares, all Dividends, Distributions interest and other payments and rights in respect to any of the Pledged Shares and all proceeds of any of the foregoing (as defined in the Share Pledge).

2. The security that is to be enforced is in the form of:

- General Security Agreement from ParentCo in favour of the Lender dated August 22, 2017 (the "**GSA**"); and
- Share Pledge Agreement executed August 22, 2017 by ParentCo and HoldCo in favour of the Lender regarding the shares of ParentCo owned in HoldCo (the "**Share Pledge**").

3. The total amount of indebtedness secured by the security is the sum of \$62,795,623.83 CAD, inclusive of interest, as at February 19, 2021.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Winnipeg, Manitoba this 24th day of February, 2021.

CANADIAN IMPERIAL BANK OF COMMERCE,
by its Solicitor & Agent,
MLT Aikins LLP

Per: JJ Burnell
JJ Burnell (Feb 24, 2021 12:55 CST)
J.J. Burnell

This is **Exhibit "23"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 28th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

WAIVER AND CONSENT

Acknowledgements

- A. Manitoba Clinic Medical Corporation ("**Manitoba Clinic**") acknowledges that it has received from Canadian Imperial Bank of Commerce ("**CIBC**") (i) demands for payment of amounts and obligations owed by it to CIBC by letters in writing and (ii) Notices of Intention to Enforce Security (together the "**Manitoba Clinic Demands**") pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), in its capacity as borrower and in its capacity as guarantor all dated February 24, 2021;
- B. Manitoba Clinic Holding Co. Ltd. ("**HoldCo**") acknowledges that it has received from CIBC (i) demands for payment of amounts and obligations owed by it to CIBC by letters in writing and (ii) Notices of Intention to Enforce Security (together the "**HoldCo Demands**") pursuant to Section 244 of the BIA, in its capacity as borrower and in its capacity as guarantor all dated February 24, 2021; and
- C. Manitoba Clinic (Parent) Holding Co. Ltd. ("**ParentCo**") acknowledges that it has received from CIBC (i) demands for payment of amounts and obligations owed by it to CIBC by letters in writing and (ii) Notices of Intention to Enforce Security (together the "**ParentCo Demands**") pursuant to Section 244 of the BIA, in its capacity as guarantor both dated February 24, 2021.

Waivers and Consents

- 1. Each of the undersigned hereby:
 - a. Waives, in relation to Manitoba Clinic, passage of the periods of notice prescribed by Sections 243(1.1) and 244(2) of the BIA after the sending of the Manitoba Clinic Demands;
 - b. Waives, in relation to HoldCo, passage of the periods of notice prescribed by Sections 243(1.1) and 244(2) of the BIA after the sending of the HoldCo Demands;
 - c. Waives, in relation to ParentCo, passage of the periods of notice prescribed by Sections 243(1.1) and 244(2) of the BIA after the sending of the ParentCo Demands;
 - d. Waives the passage of any other period of notice (or "reasonable notice") which may be applicable at law in relation to the enforcement of security following the delivery of demand for payment; and
 - e. Consents to the earlier enforcement of all security held by CIBC in relation to Manitoba Clinic, HoldCo and ParentCo, respectively.

2. The undersigned acknowledge that each understands the nature, effect and consequences of the waivers and consents described above and has had the benefit of independent legal advice in relation thereto.
3. This Waiver and Consent may be executed in paper form, by facsimile signature or by electronic signature and in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date as of the date of this Waiver and Consent. As such executed counterpart may be delivered by facsimile transmission or by e-mail in PDF format and will be deemed to be an original document, provided that any party executing this Waiver and Consent by facsimile copy or PDF format shall deliver an originally executed copy of this Waiver and Consent immediately thereafter to each of the other parties hereto.

Execution Page follows next

Dated at Winnipeg, Manitoba this 24 day of February, 2021.

Manitoba Clinic Medical Corporation

Per: 
Name: David Connor
Title: Chairman

We have the authority to bind the Corporation.

The Manitoba Clinic Holding Co. Ltd.

Per: 
Name: David Connor
Title: Chairman

We have the authority to bind the Corporation.

Manitoba Clinic (Parent) Holding Co. Ltd.

Per: 
Name: David Connor
Title: Chairman

We have the authority to bind the Corporation.

This is **Exhibit "24"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.

A Notary Public in and for the Province of Manitoba.

INTERIM FINANCING TERM SHEET

NOVEMBER 30, 2022

WHEREAS on November 30, 2022, the Borrower (as defined below) was granted protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") to restructure its debts and affairs pursuant to an initial order (as amended and restated, the "**Initial Order**") of the Court of King's Bench of Manitoba (the "**Court**") granted in Suit No: [INSERT SUIT NO] (the "**CCAA Proceedings**");

AND WHEREAS pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed Monitor of the Borrower (in such capacity, the "**Monitor**") in the CCAA Proceedings;

AND WHEREAS the Borrower has requested that the Interim Lender (as defined below) provide financing to fund certain cash requirements of the Borrower and certain of its affiliates during the pendency of the CCAA Proceedings;

AND WHEREAS the Interim Lender is willing to provide the Interim Facility herein to the Borrower in accordance with the terms and conditions set out in this Term Sheet

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

1. **BORROWER** Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. (together the "**Borrower**").
2. **LENDER** Canadian Imperial Bank of Commerce (the "**Interim Lender**").
3. **GUARANTOR** Manitoba Clinic (Parent) Holding Co. Ltd. (the "**Guarantor**" and together with the Borrower, the "**Loan Parties**" and individually, a "**Loan Party**").
4. **DEFINED TERMS** Capitalized terms used in this Interim Financing Term Sheet (including in the recitals above) (referred to herein as this "**Term Sheet**") not otherwise defined herein shall have the meanings given thereto in **Schedule A**.
5. **CURRENCY** Except as otherwise expressly provided herein, all dollar amounts listed in this Term Sheet are in Canadian Dollars. All payments made hereunder shall be made in the currency in respect of which the obligation requiring such payment arose.
6. **PURPOSE**

The Borrower shall use the proceeds of the Interim Facility solely for the following purposes and in the following order, in each case during and for the purposes of the Borrower's pursuit of a restructuring under its CCAA Proceedings:

 - (a) To fund professional fees of the Monitor and the legal fees of counsel to the Interim Lender, the Borrower and the Monitor. It is agreed to and acknowledged by the Loan Parties and the Interim Lender that those fees and expenses incurred to the date hereof, as and including those provided for in the Agreed Budget as of the date

hereof are reasonable and can be funded from the Interim Facility.

- (b) To fund the payment of interest and other amounts payable under the Interim Facility in accordance with the terms hereof.
- (c) To finance (i) agreed operating expenses, restructuring costs in the CCAA Proceedings, and (ii) agreed general corporate purposes of the Borrower, including the payment of insurance premiums and/or run-off coverage for former directors and officers, in each case as set out in the Borrower's 13-week cash flow forecast prepared in the CCAA Proceedings.
- (d) To fund such other costs and expenses as agreed to by the Interim Lender, in writing.

For greater certainty, the Borrower may not use the proceeds of the Interim Facility to pay any pre-filing obligations of the Borrower the prior written consent of the Interim Lender; it being agreed by the Interim Lender that such consent is not required for the Borrower to pay (i) reasonable fees and disbursements for the pre-filing period incurred in contemplation of the CCAA Proceedings owing to counsel to the Borrower, the Monitor and counsel to the Monitor (ii) taxes, accrued payroll and other ordinary course liabilities, provided that such amounts are included in the Agreed Budget, or (iii) any other amounts owing by the Borrower to the extent specifically identified in the Agreed Budget.

7. MAXIMUM AMOUNT

A super-priority, debtor-in-possession interim, revolving credit facility (the "**Interim Facility**") up to a maximum principal amount of ~~[\$3,500,000.00]~~ \$4,000,000.00 (the "**Proposed Maximum Amount**"), subject to the terms ~~and~~ conditions and adjustments contained herein.

The Proposed Maximum Amount has been determined by the Interim Lender based on the assumption that, as of the date of the Initial Order, the Borrower will have \$1,300,000.00 or more of available credit (the "**Available Operating Credit**") under its existing Operating Credit (as defined in the amended and restated forbearance agreement dated June 17, 2021 between the Borrower, the Guarantor and the Interim Lender) with the Interim Lender. If the Available Operating Credit is at any time determined by the Interim Lender to be less than \$1,300,000.00 on the date of the Initial Order, then the Proposed Maximum Amount shall be reduced by the Interim Lender on a dollar-for-dollar basis to account for such discrepancy (the Proposed Maximum Amount subject to adjustment, if any, being the "**Maximum Amount**").

8. INTERIM FACILITY

Advances under the Interim Facility (collectively the "**Interim Advances**" and individually an "**Interim Advance**") shall be deposited into the Deposit Account and utilized by the Borrower solely in accordance with the Agreed Budget and the terms hereof.

9. GUARANTEE

All present and future obligations of the Borrower under or in connection with this Term Sheet and all other documents in connection with the Interim Facility will be guaranteed by an

unlimited guarantee granted by the Guarantor in form and substance satisfactory to the Interim Lender (the "**Guarantee**").

**10. CONDITIONS
PRECEDENT TO
EFFECTIVENESS AND
INTERIM ADVANCES**

(a) The effectiveness of this Term Sheet and the agreement of the Interim Lender to make advances of the Interim Facility shall be subject to the satisfaction of the following conditions precedent, as determined by the Interim Lender:

(i) The Court shall have issued an order in the CCAA Proceedings (the "**Interim Financing Order**"), satisfactory to the Interim Lender, ~~in its sole discretion,~~ on notice to such parties as are acceptable to the Interim Lender, which shall: (i) approve this Term Sheet and the Interim Facility; (ii) grant the Interim Lender a first ranking charge (the "**Interim Lender Charge**") over all of the assets, undertaking and property (collectively, the "**Property**") of each of the Borrower securing all obligations owing by the Borrower and the Guarantor to the Interim Lender under this Term Sheet and the Guarantee, respectively (collectively, the "**Interim Financing Obligations**"), which shall have super-priority over all Liens and encumbrances, whether registered or not, other than the Permitted Priority Liens; and (iii) treat the Interim Lender as an unaffected creditor in the CCAA Proceedings.

(ii) The Interim Lender shall have received and approved the Agreed Budget.

(iii) The Guarantee shall be satisfactory to the Interim Lender, acting reasonably, and shall have been executed by the Guarantor.

(iv) The Borrower shall have paid, and the Interim Lender shall have received, a commitment fee in the amount of \$25,000.00.

(b) The making of each Interim Advance by the Interim Lender shall be further subject to the approval of the Monitor and the satisfaction of the following conditions precedent (collectively, the "**Funding Conditions**") as determined by the Interim Lender:

(i) The Interim Financing Order shall not have been stayed, vacated or otherwise caused to be ineffective or materially amended, restated or modified, without the consent of the Interim Lender.

(ii) All Interim Financing Fees and Expenses for which invoices have been provided to the Borrower shall have been paid, or arrangements satisfactory to the Interim Lender shall have been made to pay such amounts.

(iii) The Loan Parties shall be in compliance with all orders issued in the CCAA Proceedings.

(iv) The Loan Parties shall have paid all statutory liens, trust and other priming government claims including,

without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute in which case appropriate reserves have been made.

- (v) All of the representations and warranties of the Loan Parties as set forth herein shall be true and accurate in all material respects.
- (vi) No Default or Event of Default shall have occurred or, if applicable, shall occur as a result of the requested Interim Advance.
- (vii) No Material Adverse Change shall have occurred after the date hereof.
- (viii) There shall be no Liens ranking in priority to the Interim Lender Charge other than the Permitted Priority Liens.
- (ix) The Interim Lender shall have received a written request for an Interim Advance from the Borrower, substantially in the form attached hereto as **Schedule B**, which shall be executed by a director or officer of the Borrower, and shall certify, *inter alia*, that (i) the requested Interim Advance is within the Maximum Amount and is consistent with the Agreed Budget, (ii) has been approved by the Monitor and (iii) the Borrower and the other Loan Party are in compliance with this Term Sheet and all Court Orders.
- (x) The requested Interim Advance shall not cause the aggregate amount of all outstanding Interim Advances to exceed the Maximum Amount or be greater than the amount shown on the Agreed Budget as at the date of such Interim Advance.

For greater certainty, the Interim Lender shall not be obligated to make any Interim Advance or otherwise make available funds pursuant to this Term Sheet unless and until all the foregoing applicable conditions have been satisfied and all the foregoing applicable documentation and confirmations have been obtained (for certainty, each of the same, as applicable, as a condition precedent to each Interim Advance), each in form and content satisfactory to the Interim Lender ~~in their sole discretion~~ (unless specified otherwise), unless otherwise waived in writing by the Interim Lender.

11. COSTS AND EXPENSES

The Borrower shall pay all of the reasonable and documented legal and advisory fees (on a solicitor-client, full indemnity basis), out-of-pocket disbursements and any reasonable costs of the Interim Lender ~~—, including, without limitation,~~ in connection with or otherwise related to the Interim Facility, the Interim Lender Charge, ~~or the CCAA Proceedings or any cash management services provided by the Interim Lender related thereto,~~ and for certainty, ~~including—includes,~~ without limitation ~~—, the preparation and negotiation of this Term Sheet and, all~~ Court filings in connection with the CCAA Proceedings ~~—, and~~ any amendments thereto or

analysis thereof or the assessment or enforcement of any rights and/or remedies of the Interim Lender thereunder or in connection with in connection with the CCAA Proceedings (collectively, the **"Interim Financing Fees and Expenses"**).

12. INTERIM LENDER CHARGE

All Interim Financing Obligations of the Borrower shall be secured by the Interim Lender Charge which shall be granted by the Court on terms and conditions satisfactory to the Interim Lender ~~in their sole discretion~~. The Loan Parties shall not permit any Liens to charge or affect any of the Collateral, except for the Permitted Liens.

13. MONITOR

The Monitor in the CCAA Proceedings is Alvarez & Marsal Canada Inc. The Monitor shall be authorized to have direct discussions with the Interim Lender, and the Interim Lender shall be entitled to receive information from the Monitor as may be requested by the Interim Lender from time to time. The Borrower represents and warrants that counsel for the Monitor is McDougall Gauley LLP.

14. TERM AND MATURITY

- (a) All of the Interim Financing Obligations are required to be paid in full, and the Borrower shall repay all of the Interim Financing Obligations in full, on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured; (ii) the implementation of a plan of compromise or arrangement within the CCAA Proceedings (a **"Plan"**) which has been approved by the requisite majorities of the Borrower's creditors and by an order entered by the Court; (iii) a successful sale of the assets and undertakings of the Borrower in the within CCAA Proceedings (a **"Sale"**); and (iv) the date that is 6 months from the date of the Initial ~~Advance Order~~, subject to the Interim Lender having the right, ~~in its sole discretion (which may be unreasonably withheld)~~ to extend the Maturity Date for an additional three (3) month period by notice in writing to the Borrower delivered prior to the expiry of the initial six (6) month term (the earliest of such dates being the **"Maturity Date"**).
- (b) The commitment in respect of the Interim Facility shall expire on the Maturity Date and all amounts outstanding under the Interim Facility shall be repaid in full no later than the Maturity Date (unless otherwise extended in writing by the Interim Lender), without the Interim Lender being required to make demand upon the Borrower or to give notice that the Interim Facility has expired and the obligations are due and payable. The order of the Court sanctioning any Plan or a Sale shall not discharge or otherwise affect in any way any of the obligations of the Borrower and the Guarantor to the Interim Lender under the Interim Facility, other than after the permanent and indefeasible payment in cash to the Interim Lender of all obligations under the Interim Facility on or before the date such Plan is implemented or a Sale is completed.

15. **CASH FLOW
VARIANCES AND
BUDGETS**

- (a) The Borrower has delivered, with consent of the Monitor, and the Interim Lender has accepted, ~~in its sole discretion,~~ on the date hereof a current weekly line item budget covering the period of at least ninety-one (91) days following the date of this Term Sheet (together with all updates thereto approved by the Interim Lender ~~in its sole discretion,~~ including the Revised Budget if approved by the Interim Lender, the **"Agreed Budget"**). The Agreed Budget sets forth expected receipts and the expected operating and other expenditures to be made during each calendar week and in the aggregate for the period of time covered by the Agreed Budget.
- (b) On Wednesday of each week by 4:00 p.m. (Winnipeg time), commencing on the first week following the date of the Initial Order (each, a **"Variance Testing Date"**), the Borrower shall deliver to the Interim Lender:
 - (i) a report showing actual cash receipts and actual expenditures for each line item in the Agreed Budget covering the previous week and comparing the foregoing amounts with the budgeted cash receipts and budgeted expenditures, respectively, set forth in the Agreed Budget for such line item during such one-week period (the **"Cash Flow Variance Report"**), and
 - (ii) a one-week roll-forward of the Agreed Budget, which shall reflect the Borrower's good faith projections and be in form and detail consistent with the initial Agreed Budget and subject to the approval of the Interim Lender ~~in its sole discretion~~ (if so approved by the Interim Lender, the **"Revised Budget"**).
- (c) Except as otherwise agreed by the Interim Lender, the Borrower shall ensure that, when measured as of each Variance Testing Date, the following cash flow test (the **"Cash Flow Test"**) for each of the components of the Agreed Budget, Revised Budget and/or Cash Flow Variance Report as the case may be, is met:
 - (i) the Borrower's total expenditures (excluding any fees of the Monitor or its counsel) for the prior four (4) week period shall not have exceeded 115% of the amount of total expenditures for such prior four (4) week period as set forth in the most recent Agreed Budget or Revised Budget, as applicable;
 - (ii) the Borrower's net cash receipts for the prior four (4) week period shall not be less than 85% of the amount of forecasted cash receipts for such prior four (4) week period as set forth in the most recent Agreed Budget or Revised Budget, as applicable; and

- (iii) the Borrower, with the assistance of the Monitor, shall provide detailed bridges (quantitative explanations of the forecast-to-actual variances) for each line-item of the Agreed Budget or Revised Budget, as applicable, against each Cash Flow Variance Report as well as for any other line item variances outside of the management's direct control, that impact the overall consolidated cash flow results.

Notwithstanding any other provision in this Section 15, the Borrower shall not be permitted to incur any extraordinary expenses not otherwise permitted under the Cash Flow Test except with the prior written consent of the Monitor and the Interim Lender, ~~in its sole discretion (which may be unreasonably withheld).~~

- (d) The Borrower shall, and if requested by the Interim Lender shall use commercially reasonable efforts to cause its non-legal advisors (if any) and the Monitor to, participate on weekly conference calls with the Interim Lender, and its respective advisors, to discuss any Agreed Budget, Revised Budget, Cash Flow Variance Report or the Borrower's current and projected operational performance and any related financial matters.

16. AVAILABILITY UNDER INTERIM FACILITY

Provided that the Funding Conditions are satisfied to the satisfaction of the Interim Lender, each Interim Advance ~~after the Initial Advance~~ (as defined below) shall be made separately by the Interim Lender to the Borrower within ~~[five (5)]~~ two (2) Business Days of delivery by the Borrower to the Interim Lender of a written request for an Interim Advance, substantially in the form attached hereto as **Schedule B**. Each Interim Advance shall be in a minimum aggregate amount that is no less than ~~[\$INSERT]~~ \$100,000.00 and in excess thereof in integral multiples of ~~[\$INSERT]~~ \$25,000.00. All proceeds of Interim Advances shall be deposited into the Deposit Account. The Deposit Account shall be subject to the Interim Lender Charge. ~~The initial Interim Advance shall be in an amount not in excess of [\$INSERT] (the "Initial Advance").~~

17. EVIDENCE OF INDEBTEDNESS

The Interim Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Interim Lender under the Interim Facility.

18. VOLUNTARY PREPAYMENTS AND MANDATORY PREPAYMENTS

- (a) Provided the Monitor is satisfied that there are sufficient cash reserves in the Borrower's bank accounts to satisfy amounts secured by the Permitted Priority Liens and amounts anticipated on the date of the voluntary prepayment under the Agreed Budget in respect of which Interim Advances were made that have not yet been incurred or paid, the Borrower may prepay any amounts outstanding or any portion of any amounts outstanding under the Interim Facility at any time prior to the Maturity Date with at least ~~[two (2)]~~ two (2) Business Days' prior written notice, and provided that any such prepayment is not less than ~~[\$INSERT]~~ \$100,000.00 and in

excess thereof in integral multiples of ~~[\$INSERT]~~ \$25,000.00. Any amounts prepaid can be re-borrowed prior to the Maturity Date.

- (b) Unless otherwise consented to in writing by the Interim Lender, and provided the Monitor is satisfied that the Borrower has sufficient cash reserves to satisfy amounts secured by the Permitted Priority Liens, the Interim Financing Obligations shall be promptly repaid upon any of (or a combination of) (i) a sale of any of the Collateral out of the ordinary course of business and consented to in writing by the Interim Lender, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of reasonable transaction fees and expenses and applicable taxes in respect thereof) or (ii) the issuance of any shares, warrants or other equity interests or rights to acquire equity interests of the Borrower or any other Loan Party, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of reasonable transaction fees and applicable taxes in respect thereof).

19. INTEREST RATE

The Interim Advances shall bear interest at a rate per annum equal to the Interim Lender's prime rate plus 5.0%. Such interest shall be calculated daily on the daily closing principal balance owing hereunder in respect of the Interim Facility, and shall be payable monthly in arrears on each Interest Payment Date for each Interim Advance for the period from and including the date upon which the Interim Lender advances such Interim Advance to the Borrower to and including the day such Interim Advance is repaid or paid, as the case may be, to the Interim Lender, and shall be calculated on the principal amount of each Interim Advance outstanding during such period. All interest shall be computed on the basis of a 360-day year of twelve 30-day months, provided that, whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination.

20. REPRESENTATIONS AND WARRANTIES

Each of the Loan Parties jointly and severally represents and warrants to the Interim Lender, which representations and warranties shall be deemed to be repeated at each request for an Interim Advance, and upon which the Interim Lender rely on entering into this Term Sheet, that:

- (a) Subject to the granting of the Interim Financing Order, the execution and delivery of, and transactions contemplated by, this Term Sheet:
 - (i) are within the powers of each of the Loan Parties;
 - (ii) have been duly authorized by all necessary corporate and, if required, shareholder approval of each of the Loan Parties;

- (iii) have been duly executed and delivered by or on behalf of each of the Loan Parties;
 - (iv) constitute legal, valid and binding obligations of each of the Loan Parties; and
 - (v) do not require the consent or approval of, registration or filing with, or any other action by, any Governmental Authority.
- (b) The activities of the Loan Parties have been conducted in compliance with all applicable law, subject to the provisions of the CCAA and any Court Order, unless: (i) otherwise ordered by the Court, or (ii) the sanctions for non-compliance are stayed by a Court Order.
 - (c) Each of the Loan Parties has maintained its obligations for payroll, source deductions, goods and services tax and harmonized sales tax, and other taxes, as applicable, and is not in arrears in respect of payment of these obligations.
 - (d) The Agreed Budget is reasonable and prepared in good faith.
 - (e) No Default or Event of Default has occurred and is continuing.

The Loan Parties have made full and complete disclosure in writing to the Interim Lender of all litigation or other proceedings involving the Loan Parties (or any one or more of them) and all claims and/or threatened claims, litigation or proceedings against any one or more of the Loan Parties.

21. AFFIRMATIVE COVENANTS

Each of the Loan Parties jointly and severally covenants and agrees to perform and do each of the following until the Interim Financing Obligations are permanently and indefeasibly repaid in full and the Interim Facility is terminated:

- (a) (i) Allow the Interim Lender or its advisors, on reasonable written notice during regular business hours, and at any time after and during the continuance of an Event of Default, to enter on and inspect each of the Loan Parties' assets and properties; (ii) provide the Interim Lender or its advisors, on reasonable written notice and during normal business hours, full access to the books and records of the Loan Parties; and (iii) cause management of the Loan Parties to fully co-operate with the Interim Lender and the Monitor or their respective agents and advisors, as applicable.
- (b) Deliver to the Interim Lender the following reporting packages: (i) documents referred to in Section 15 above, on the dates and times specified in Section 15; (ii) copies of all pleadings, motions, applications, judicial or financial information and other documents to be filed by or on behalf of any Loan Party with the Court, in each case in a reasonable period of time prior to filing such documents with the Court to the extent practicable in the circumstances; all such court filings by the Loan Parties shall be in form and substance satisfactory to the Interim

Lender and their counsel to the extent that any such filings affect or can reasonably be expected to affect the rights and interests of the Interim Lender; (iii) prompt notice of material events, including, without limitation, defaults, new material litigation or changes in status of ongoing material litigation, regulatory and other filings; (iv) other reasonable information requested by the Interim Lender from time to time, (v) prompt notice of any event that could reasonably be expected to result in a Material Adverse Change and (vi) without limiting the foregoing, in a timely manner and prior to effecting or incurring such transaction or expense, the Loan Parties shall deliver to the Monitor and the Interim Lender copies of any financial reporting which shows a material transaction or material expense, or a materially adverse financial position of the Loan Parties, which is not reflected in the Agreed Budget, and shall forthwith provide any reports or commentary received from the Monitor in respect of same.

- (c) Use the proceeds of the Interim Facility only for the purposes described in Section 6, and in a manner consistent with the restrictions set out herein.
- (d) Comply with the provisions of the Court orders made in the CCAA Proceedings (collectively, the "**Court Orders**" and each a "**Court Order**").
- (e) Operate within the Agreed Budget.
- (f) Forthwith notify the Interim Lender and the Monitor of the occurrence of any Default or Event of Default.
- (g) Comply with all applicable laws except to the extent not required to do so pursuant to the Initial Order or any other Court Order.
- (h) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in writing in advance by the Interim Lender, (i) ~~in its sole discretion~~ in respect of any appeal, reversal, modification, amendment stay or vacating relating to the Interim Facility or any other matter that adversely affects the Interim Lender and (ii) acting reasonably in respect of any other appeal, reversal, modification, amendment, stay or vacating.
- (i) Promptly upon becoming aware thereof, provide details of the following to the Interim Lender, other than the CCAA Proceedings: any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Loan Party, by or before any court, tribunal, Governmental Authority or regulatory body, which would be reasonably likely to result in, individually or in the aggregate, in a judgment in excess of **[INSERT]** \$100,000.00 or the equivalent amount thereof in any other currency.

- (j) Provide to the Interim Lender regular updates regarding the status of the CCAA Proceedings including, without limitation, reports on the progress of any Plan or Restructuring Option and any information which may otherwise be confidential, subject to same being maintained as confidential by the Interim Lender; provided however, in no event shall any information subject to privilege be required to be provided to the Interim Lender.

22. NEGATIVE COVENANTS

Each of the Loan Parties jointly and severally covenants and agrees not to do the following, other than with the prior written consent of the Interim Lender:

- (a) Transfer, lease, or otherwise dispose of all or any part of its Property, except for Permitted Dispositions.
- (b) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than as expressly provided for, or permitted to be incurred, in the Agreed Budget and the Court Orders.
- (c) Make any payments or distributions of any kind other than as may be permitted by a Court Order and that does not result in an Event of Default and is provided for in the Agreed Budget.
- (d) Create or permit to exist indebtedness, liabilities or obligations (including guarantees thereof or indemnities or other financial assistance in respect thereof) other than (i) any other existing pre-filing debt and disclosed to the Interim Lender in writing, (ii) debt contemplated by this Term Sheet, (iii) post-filing trade payables or other post-filing unsecured obligations incurred in the ordinary course of business in accordance with the Agreed Budget and any Court Order, and (iv) indebtedness, liabilities or obligations expressly provided for, or permitted to be incurred, in the Agreed Budget and the Court Orders.
- (e) Make or give any additional financial assurances, in the form of bonds, letters of credit, guarantees or otherwise, to any person including without limitation any Governmental Authority.
- (f) Support or not oppose a motion by another Person to provide to any third party a Lien on the Collateral, other than the Permitted Liens.
- (g) Change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity.
- (h) Cease (or threaten to cease) to carry on their business or activities as currently being conducted or modify or alter in any material manner the nature and type of their operations, business or the manner in which such business is conducted.
- (i) Amend, replace or modify the Agreed Budget other than in accordance with the terms of this Term Sheet.

- (j) Apply for, or consent to, any Court Orders or any change or amendment to any Court Order which affects the Interim Lender, without the prior consent of the Interim Lender.
- (k) Enter into any contract or other agreement which involves potential expenditures in excess of **[\$INSERT]** \$100,000.00 or the equivalent amount thereof in any other currency without the prior written consent of the Interim Lender, provided that the payment of such amount must be permitted by and will not constitute a default under the Agreed Budget or any Court Order.
- (l) Other than as provided for under the Agreed Budget, distributions between the Loan Parties or otherwise agreed to by the Interim Lender, make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise); or (ii) a retirement, redemption, purchase or repayment or other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon).
- (m) (i) Enter into, renew, amend or modify any transaction or contractual relationship with any Related Party; or (ii) make any payment with respect to, or perform any obligation under, an agreement with a Related Party other than in accordance with the Agreed Budget.
- (n) Enter into, renew, amend, modify or assume any employment, consulting or analogous agreement or arrangement with any director, senior or executive officer or senior management of the Loan Parties or any Related Party, or make any payment to any such Person in respect of any bonus, change of control payment or severance package of any kind whatsoever other than (i) any Court approved key employee incentive plan, or (ii) as consented to by the Interim Lender, acting reasonably.
- (o) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than as reflected in the Agreed Budget.
- (p) Other than the Monitor, its legal counsel and legal counsel to the Borrower, and the Interim Lender engaged as of the date hereof, pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of a legal, financial or other advisor of any party, unless such fees, expenses or disbursements, as applicable, are reviewed and approved in advance by the Monitor and the Interim Lender.
- (q) Create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens.
- (r) Make any payments or expenditures (including capital expenditures) other than in accordance with the Agreed Budget.
- (s) Seek, obtain or support (i) any Court Order or any amendment to a Court Order except with the prior written

consent of the Interim Lender, ~~in their sole discretion~~ in respect of any Court Order or amendment thereto relating to the Interim Facility, or any other matter that adversely affects the Interim Lender and (ii) acting reasonably in respect of any other Court Order or amendment thereto.

- (t) Amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change its corporate or capital structure (including its organizational documents) or enter into any agreement committing to such actions except in connection with a Plan which will result in the repayment in full of all of the Interim Financing Obligations.

23. EVENTS OF DEFAULT

The occurrence of any one or more of the following events without the Interim Lender's written consent shall constitute an event of default (each an "**Event of Default**") under this Term Sheet:

- (a) the issuance of an order of the Court (including any Court Order) or any other court of competent jurisdiction:
 - (i) dismissing the CCAA Proceedings, or lifting the stay in the CCAA Proceedings to permit (A) the enforcement of any Lien against a Loan Party, or a material portion of their respective property, assets or undertaking, or (B) the appointment of a receiver and manager, receiver, interim receiver or similar official, or substituting the Monitor, or the making of a bankruptcy order against any Loan Party; granting any Lien which is senior to or *pari passu* with the Interim Lender Charge, other than the Permitted Priority Liens; or
 - (ii) staying, reversing, vacating or otherwise modifying any Court Order without the prior consent of the Interim Lender (A) ~~in the sole discretion of the Interim Lender~~ in respect of any Court Order or amendment thereto relating to the Interim Facility or any other matter that adversely affects the Interim Lender and (B) acting reasonably in respect of any other amendment;
- (b) the filing of any pleading by any Loan Party seeking any of the matters set out in (a) above, or failure of the Loan Parties to diligently oppose any Person that brings an application or motion for the relief set out in (a) above;
- (c) failure of any of the Loan Parties to comply with (i) any of the negative covenants in this Term Sheet, and to the extent such failure or default is capable of being remedied, such failure or default shall continue unremedied for a period of ~~three (3)~~ Business Days or (ii) any of the positive covenants in this Term Sheet, and to the extent such failure or default is capable of being remedied, such failure or default shall continue unremedied for a period of ~~five three (5) 3~~ Business Days;

- (d) any Revised Budget is not delivered to the Interim Lender when due;
- (e) any Revised Budget (A*i*) contemplates or forecasts an adverse change from the then existing Agreed Budget, and such change(s) constitute a Material Adverse Change or (B*ii*) contemplates or forecasts ~~a cash flow deficit in excess of [INSERT] or the equivalent amount thereof in any other currency that borrowings under the Interim Facility exceed the Maximum Amount at any time (unless and until the Interim Lender consents to increase the Maximum Amount~~ (each, an "**Updated Budget Default**");
- (f) any Cash Flow Variance Report is not delivered to the Interim Lender when due;
- (g) any Cash Flow Variance Report indicates an unpermitted variance in expenditures or cash receipts for any period or any Cash Flow Test is not met at any time (in each case as contemplated in Section 15(c));
- (h) the occurrence of a Material Adverse Change;
- (i) any representation or warranty by a Loan Party in this Term Sheet is incorrect or misleading in any material respect;
- (j) the aggregate amount of the outstanding Interim Advances under the Interim Facility exceeds the Maximum Amount;
- (k) any violation or breach of any Court Order;
- (l) any proceeding, motion or application is commenced or filed by any of the Loan Parties, or if commenced by another party, supported or otherwise consented to by any Loan Party, (i) seeking the invalidation, subordination or other challenging of or is otherwise inconsistent with the terms of the Interim Facility, including without limitation the Interim Lender Charge, this Term Sheet; (ii) challenging the validity, priority, perfection or enforceability of the Liens created pursuant to the Interim Lender Charge; (iii) unless the Plan, Restructuring Option or a Sale provides for repayment in full of the Interim Financing Obligations, seeking the approval of any Plan, Restructuring Option or a Sale which does not have the prior consent of the Interim Lender; or (iv) could otherwise reasonably be expected to adversely affect the interests of the Interim Lender; the priority of the Liens created pursuant to the Interim Lender Charge is varied without the consent of the Interim Lender any Plan is sanctioned or any Sale is consummated by any of the Loan Parties that is not consistent with or contravenes any provision of this Term Sheet, in a manner that is materially adverse to the interests of the Interim Lender, as determined by the Interim Lender, or would reasonably be expected to materially adversely affect the interests of the Interim Lender, as determined by the Interim Lender, unless the Interim Lender have consented thereto;

- (m) failure of the Borrower to pay any principal amount owing under this Term Sheet when due;
- (n) failure of the Borrower to pay (i) interest or any portion thereof owing under this Term Sheet when due and such Default shall remain unremedied for a period of three (3) Business Days or (ii) ~~legal or other advisory fees and expenses~~ Interim Financing Fees and Expenses of the Interim Lender within fifteen (15) days after receipt by the Borrower of an invoice for such fees (provided that nothing shall limit Interim Lender's ability to pay such amounts directly from the Interim Facility);
- (o) any Loan Party commences an action or takes any other proceeding to obtain any form of relief against the Interim Lender;
- (p) the expiry without further extension of the stay of proceedings provided for in the Initial Order;
- (q) any Loan Party ceases (or threatens to cease) to carry on business in the ordinary course, except where such cessation occurs in connection with a Plan or a Sale which otherwise satisfies the terms and conditions contained herein; or
- (r) the denial or repudiation by any Loan Party of the legality, validity, binding nature or enforceability of this Term Sheet.

24. REMEDIES

Upon the occurrence of an Event of Default that is continuing, and subject to the Court Orders, the Interim Lender may, ~~in its sole and absolute discretion,~~ elect to terminate their respective commitments to make Interim Advances to the Borrower hereunder and declare all Interim Financing Obligations in respect of this Term Sheet to be immediately due and payable and cease making any further Interim Advances.

In addition, upon the occurrence of an Event of Default that is continuing, the Interim Lender may, ~~in its sole discretion,~~ on not less than three (3) Business Days' written notice to the Loan Parties and the Monitor, and subject to any Court Order:

- (a) apply to a court to further enhance any powers of the Monitor, seek the appointment of a receiver, an interim receiver or a receiver and manager over the Collateral, or to seek the appointment of a trustee in bankruptcy of the Loan Parties;
- (b) set-off or combine any amounts then owing by the Interim Lender (or any one or more of them) to any of the Loan Parties against the obligations of any of the Loan Parties to the Interim Lender hereunder;
- (c) apply to the Court for an order or orders, on terms satisfactory to the Monitor and the Interim Lender, providing the Monitor with the power, in the name of and on behalf of the Loan Parties, to take all necessary steps in the CCAA Proceedings;

- (d) subject to obtaining prior approval from the Court, exercise the powers and rights of a secured party under *The Personal Property Security Act* (Manitoba), *The Real Property Act* (Manitoba) or any other applicable law relating to the enforcement of Liens by secured creditors against any types of property and for certainty including the Collateral; and
- (e) subject to obtaining prior approval from the Court, exercise all such other rights and remedies under the, the Court Orders and applicable law.

The rights and remedies of the Interim Lender under this Term Sheet are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, including under the CCAA.

25. INTERIM LENDER DISCRETION

Whenever a determination or other decision is to be made by the Interim Lender under this Term Sheet, including, without limitation, any determination or decision of whether or not to provide its consent or approval or otherwise exercise any right hereunder, the Interim Lender shall (unless this Term Sheet specifically provides to the contrary) be permitted to make such determination or decision in its sole, absolute and unfettered discretion, which shall include, without limitation the right to act arbitrarily in respect of evaluating and making such determination or decision or unreasonably withholding any consent or approval.

2526. AMENDMENTS, WAIVERS, ETC.

No amendment or waiver of any provisions of this Term Sheet or consent to any departure by the Loan Parties from any provision thereof is effective unless it is in writing and signed by the Interim Lender (and in the case of amendments, the Loan Parties). Such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

2627. COUNTERPARTS AND FACSIMILE SIGNATURES

This Term Sheet may be executed in any number of counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Term Sheet can be executed and delivered by any manner of direct electronic transmission including without limitation "pdf email" or "DocuSign", each of which shall be deemed to be an original hereof; provided that the Borrower and Guarantor will each deliver to the Interim Lender executed wet ink signatures within three (3) Business Days of entering into this Term Sheet.

2728. FURTHER ASSURANCES

Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby and thereby.

2829. TIME IS OF THE ESSENCE

Time is of the essence in this Term Sheet and the Interim Facility and all transactions contemplated thereby.

2930. ENTIRE AGREEMENT

This Term Sheet and the Guarantee constitute the entire agreement between the parties hereto pertaining to the matters

herein and supersede and replace any prior understandings or arrangements pertaining to the Interim Facility.

3031. SEVERABILITY

Each of the provisions contained in this Term Sheet is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

3432. GOVERNING LAW

This Term Sheet shall be governed by and construed in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable therein. Without prejudice to the ability of the Interim Lender to enforce this Term Sheet in any other proper jurisdiction, each of the Loan Parties irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Manitoba.

3233. NOTICES

Any notice, request, consent, waiver or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or direct electronic transmission, including email, pdf email or "DocuSign" to such Person at its address set out on its signature page hereof. Any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel. Any such notice shall be deemed to be given and received when received, unless received after 5:00 pm (Winnipeg time) or on a day other than a Business Day, in which case such notice, request, consent, waiver or other communication shall be deemed to be received on the next following Business Day.

IN WITNESS WHEREOF the parties hereto have executed this Term Sheet as of **[DATE]**.

THE MANITOBA CLINIC HOLDING CO. LTD.

Per: _____
Name:
Title:

**MANITOBA CLINIC MEDICAL
CORPORATION**

Per: _____
Name:
Title:

**MANITOBA CLINIC (PARENT) HOLDING CO.
LTD.**

Per: _____
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE

Per: _____
Name:
Title:

SCHEDULE A DEFINED TERMS

"Administration Charge" means the administration charge on the Collateral in an aggregate amount not to exceed \$500,000.00.

"Agreed Budget" has the meaning given thereto in Section 15(a).

"Business Day" means a day, excluding Saturday and Sunday, on which banks are generally open for business in the Province of Manitoba.

"Canadian Dollars" means the lawful currency of Canada.

"CCAA" has the meaning given thereto in the preamble.

"CCAA Proceedings" has the meaning given thereto in the preamble.

"Collateral" means all present and future assets and property of the Loan Parties, real and personal, tangible or intangible, and whether now owned or which are hereafter acquired.

"Court" has the meaning given thereto in the preamble.

"Court Order" and **"Court Orders"** have the meanings given thereto in Section 21(d).

"D&O Charge" means the directors and officers charge on the Collateral in an aggregate amount not to exceed **[\$INSERT300,000.00]**.

"Default" means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default.

"Deposit Account" means the account(s) maintained by the Loan Parties to which payments and transfers under the Term Sheet are to be deposited, which are specified in writing by the Borrower to the Interim Lender or such other account or accounts as the Borrower may from time to time designate by written notice to the Interim Lender.

"Event of Default" has the meaning given thereto in Section 23.

"Funding Conditions" has the meaning given there in Section 10(b).

"Governmental Authority" means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

"Interest Payment Date" means the first day of each month in respect of the immediately preceding month; provided that, in any case, on the Maturity Date or, if applicable, any earlier date on which the Interim Facility is fully cancelled or permanently reduced in full, shall be an Interest Payment Date with respect to all Interim Advances then outstanding under the Interim Facility.

"Interim Advance" and **"Interim Advances"** have the meanings given thereto in Section 8.

"Interim Facility" has the meaning given thereto in Section 7.

"Interim Financing Fees and Expenses" has the meaning given thereto in Section 11.

"Interim Financing Obligations" has the meaning given thereto in Section 10(a)(i).

"Interim Financing Order" has the meaning given thereto in Schedule 10(a)(i).

"Interim Lender" has the meaning given thereto in Section 2.

"Interim Lender Charge" has the meaning given thereto in Section 10(a)(i).

"Liens" means all mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retention arrangements, liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation;

"Material Adverse Change" means any event, circumstance, occurrence or change which, individually or in the aggregate, results, or could reasonably be expected to result, in a material adverse change (and for certainty including a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse change) in:

- (a) the ability of any Loan Party to timely and fully perform any obligation under this Term Sheet or any Court Order, or the ability of the Borrower to carry out a Plan or Restructuring Option;
- (b) the validity or enforceability of any of the Interim Lender Charge or the ranking of any of the Liens granted thereby or the material rights or remedies intended or purported to be granted to the Interim Lender under or pursuant to such Interim Lender Charge;
- (c) the rights and remedies of the Interim Lender under this Term Sheet;
- (d) the business, prospects, operations, assets, condition (financial or otherwise) or results of operations of the Loan Parties, on a consolidated basis, including without limitation a material adverse qualification (other than a "going concern" qualification resulting from the CCAA Proceedings);
- (e) the ability of any Loan Party to carry on its business as conducted as of the date of this Term Sheet;
- (f) the Collateral; or
- (g) the discharge, resignation or termination of the Monitor.

"Maturity Date" has the meaning given thereto in Section 14(a).

"Maximum Amount" has the meaning attributed thereto in Section 7.

"Permitted Disposition" means assets sold, leased or disposed of during a fiscal year expressly provided for, or permitted to be incurred, in the Agreed Budget and the Court Orders.

"Permitted Liens" means (i) the Interim Lender Charge; (ii) any charges created under the Interim Financing Order or other order of the Court in the CCAA Proceedings subsequent in priority to the Interim Lender Charge, the limit and priority of each of which shall be acceptable to the Interim Lender as confirmed in writing by the Interim Lender and for certainty, including the D&O Charge; (iii) inchoate statutory Liens arising in the ordinary course of business, provided to pay all such amounts are paid as and when due; and (iv) the Permitted Priority Liens.

"Permitted Priority Liens" means: (a) the Administration Charge; (b) statutory super-priority Liens for unpaid employee source deductions to the extent they are given first priority over other Liens by applicable law; and (c) such other Liens as may be agreed to in writing by the Interim Lender. For greater certainty, except as expressly set forth herein, Liens arising from the construction, repair, maintenance and/or improvement of real or personal property, shall not be "Permitted Priority Liens".

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan" has the meaning given thereto in Section 14(a).

"Related Party" has the meaning given to it in Multilateral Instrument 61-101.

"Restructuring Option" means any transaction involving the refinancing of a Loan Party, a transaction involving the recapitalization of the Borrower, the sale of all or substantially all of the assets of any Loan Party or any other restructuring of the Loan Parties' businesses and operations, including any liquidation, bankruptcy or other insolvency proceeding in respect of any of Loan Party.

"Revised Budget" has the meaning given thereto in Section 15(b).

"Sale" has the meaning given thereto in Section 14(a).

"Updated Budget Default" has the meaning given thereto in Section 23(e).

SCHEDULE B
REQUEST FOR ADVANCE
REQUEST FOR ADVANCE

TO: The Interim Lender

AND TO: The Monitor

DATE: _____

Dear Sirs:

The undersigned refers to the interim financing term sheet dated as of November 30, 2022 (the "**Term Sheet**") made among The Manitoba Clinic Holding Co. Ltd., Manitoba Clinic Medical Corporation (together the "**Borrower**") and Manitoba Clinic (Parent) Holding Co. Ltd., as guarantor, and the Interim Lender.

Capitalized terms used in this Request for Advance have the same meanings herein as are ascribed thereto in the Term Sheet.

1. The Borrower hereby gives you notice pursuant to the Term Sheet that the undersigned requests an Interim Advance under the Interim Facility (the "**Interim Facility Advance**") in the Term Sheet be deposited into the Deposit Account as follows:

(a) Borrower entity: _____

(b) ~~(a)~~ Amount of Interim Advance requested: \$ _____

(c) ~~(b)~~ Requested funding date: _____

(d) ~~(c)~~ Total principal amount currently outstanding (excluding this Interim Facility Advance):
\$ _____

(e) ~~(d)~~ Availability remaining under the Interim Facility (excluding this Interim Facility Advance):
\$ _____

2. Each of the undersigned, being _____ an officer of the Borrower, hereby certify to you for and on behalf of the Borrower (and not in his or her personal capacity) as follows:

(a) all of the representations and warranties contained in the Term Sheet are true and correct in all material respects in each case on and as of the date hereof and will be true and correct as of the date of the requested Interim Facility Advance as though made on and as of such date (unless expressly stated to be made as of a specified date);

(b) no Default or Event of Default has occurred and is continuing or shall result from the requested Interim Facility Advance;

(c) the Interim Facility Advance shall not cause the aggregate amount of all outstanding Interim Advances to exceed the Maximum Amount or be greater than the amount shown on the Agreed Budget as at the date of such Interim Facility Advance;

(d) the Interim Facility Advance is consistent with the Agreed Budget; and

(e) the other Loan Parties are in compliance with the Term Sheet and the Court Orders.

The undersigned certifies that they are _____, of the Borrower, and that as such they are authorized to execute this certificate on behalf of the Borrower. The undersigned further certifies, represents and warrants on behalf of the Borrower (and not in his or her personal capacity) that the Borrower is entitled to receive the requested Interim Advance under the terms and conditions of the Term Sheet.

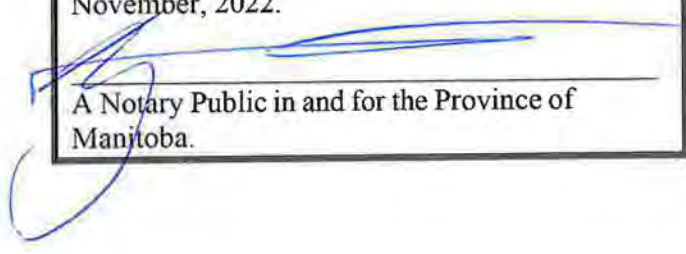
THE MANITOBA CLINIC HOLDING CO. LTD.

By: _____
Name:
Title:

**MANITOBA CLINIC MEDICAL
CORPORATION**

By: _____
Name:
Title:

This is **Exhibit "25"** referred to in the Affidavit of Keith McConnell sworn before me at the City of Winnipeg, in the Province of Manitoba, this 25th day of November, 2022.



A Notary Public in and for the Province of Manitoba.



ExecProsm
DECLARATIONS
for
Canadian Private Company
Management Liability Solution Policy

Insurance is afforded by the company indicated below: (Each a capital stock corporation)

☒ Great American Insurance Company

☐ Other

Note: The Insurance Company selected above shall herein be referred to as the **Insurer**.

Policy Number: CDO5256059

Policy Form Number: D29100-C

Note: This is a claims made policy, please read it carefully. Amounts incurred as **Costs of Defense** shall reduce the Limit of Liability available to pay judgments or settlements and shall also be applied against the retention. This Policy does not provide for any duty by the **Insurer** to defend those insured under the Policy.

Item 1. **Corporation:** MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Mailing Address: 790 SHERBROOK STREET
WINNIPEG, MB R3A 1M3

Attention:

Item 2. **Policy Period:** From: 8/15/2022 To: 7/1/2023
(Month, Day, Year) (Month, Day, Year)
(Both dates at 12:01 a.m. Standard Time at the address of the **Corporation** as stated in Item 1)

Item 3. Limit of Liability (Inclusive of **Costs of Defense**):

\$2,000,000 Aggregate Limit of Liability for the **Policy Period**

Item 4. Retentions:

Insuring Agreement I.A.: Each Claim :	\$0
Insuring Agreement I.B.: Each Claim :	\$10,000
Insuring Agreement I.C.: Each Claim :	\$10,000
Insuring Agreement I.D.: Each Claim :	\$0

Item 5. Premium: Payable as follows:
\$7,803

Item 6. Endorsements Attached

D00033 D29409 (3) D29409 (1) D29419 D29548 D29712 (29) D29712 (39) D29712 (53) D29716 (10) D29827 (1)
D29835 (2) IL7324

Item 7. Prior and Pending Date 3/25/2003

Item 8. Notices: **Notice of Claim** shall be addressed to:

Great American Insurance Group
ELD Canada Claims Department
1450 American Lane, 8th Floor
Schaumburg, IL 60173 or Email: ELDClaims@gaig.com

All other notices shall be addressed to:
Great American Insurance Companies
Canadian Executive Liability Division
P.O. Box 66943, Chicago, Illinois 60666

These Declarations, along with the completed and signed Proposal Form and the **Canadian Private Company Management Liability Solution Policy**, shall constitute the contract between the **Insured** and the **Insurer**.


(Authorized Representative)

08/16/2022
(Countersignature Date)

**For the purpose of the *Insurance Companies Act* (Canada), this document was issued in the course of
Great American Insurance Company's insurance business in Canada.**



STATUTORY CONDITIONS MANITOBA

In the event of a conflict between these Statutory Conditions and the terms set out in the body of the Policy, the term(s) most favourable to the **Insured** shall prevail.

PROPERTY OF OTHERS

The insurer is not liable for loss or damage to property owned by a person other than the insured unless

- (a) otherwise specifically stated in the contract, or
- (b) the interest of the insured in that property is stated in the contract.

CHANGE OF INTEREST

The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

MATERIAL CHANGE IN RISK

- (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.
- (2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by:

A handwritten signature in black ink, appearing to read "Mona Wikman", is written over a horizontal line.

Authorized Representative

Endorsement Effective Date: 8/15/2022



STATUTORY CONDITIONS MANITOBA

- (4) If the insured fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time, and Statutory Condition 5(2)(a) applies in respect of the unearned portion of the premium.

TERMINATION OF CONTRACT

- (1) The contract may be terminated,
- (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
 - (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
- (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15-day period referred to in subparagraph (1)(a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

NOTICE

- (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to the insured's last known address as provided to the insurer by the insured.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

**AMENDMENT TO RETENTION FOR
CLAIMS INVOLVING SIGNIFICANT WAGE EARNERS**

With respect to any **Claim** brought by or on behalf of any past, present or future **Significant Wage Earner(s)**, it is understood and agreed that Item 4. of the Declarations is deleted and replaced with the following:

Item 4. Retentions:

Insuring Agreement I.A.: Each Claim :	\$ <u>0</u>
Insuring Agreement I.B.: Each Claim :	\$ <u>75,000</u>
Insuring Agreement I.C.: Each Claim :	\$ <u>75,000</u>
Insuring Agreement I.D.: Each Claim :	\$ <u>0</u>


- (1) **Significant Wage Earner** shall mean: any past, present or future employee of the **Company**; any **Contract Employee**; or any applicant for employment with the **Company**, whose **Annual Compensation** is at least \$ 100,000 .
- (2) **Annual Compensation** shall mean the most recent annual base salary on the date such **Claim** is made and the annualized amount of any performance-based cash commissions or bonuses earned in the twelve (12) months preceding the date such **Claim** is made. **Annual Compensation** shall not include any stock benefits. For any applicant, **Annual Compensation** shall include annual salary and performances-based commissions or bonuses such applicant would be entitled to if hired.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by: 

Authorized Representative

Endorsement Effective Date: 8/15/2022



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Canadian Private Company
Management Liability Solution

AMENDMENT TO DECLARATIONS PAGE SPECIFIC RETENTIONS

As it respects Employment Practices Wrongful Acts,
it is understood and agreed that Item 4. of the Declarations is deleted and replaced with the following:

Item 4. Retentions:

Insuring Agreement I.A.: Each Claim :	\$ <u>0</u>
Insuring Agreement I.B.: Each Claim :	\$ <u>15,000</u>
Insuring Agreement I.C.: Each Claim :	\$ <u>15,000</u>
Insuring Agreement I.D.: Each Claim :	\$ <u>0</u>

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by:


Authorized Representative

Endorsement Effective Date: 8/15/2022



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Management Liability Solution

**PRIOR AND PENDING LITIGATION EXCLUSION
(For Excess Limit of Liability)**

As it respects the Limit of Liability \$ 1,000,000 excess of \$ 1,000,000, it is understood and agreed that Item 7 of the Declarations is amended to read 8/15/2022.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by:

A handwritten signature in black ink, appearing to read "Mona Wikman".

Authorized Representative

Endorsement Effective Date: 8/15/2022



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Management Liability Solution

MEDICAL MALPRACTICE EXCLUSION ("For" Wording)

It is understood and agreed that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** for any medical or professional malpractice including, but not limited to, the rendering or failure to render any medical or professional service(s).

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by:

A handwritten signature in black ink, appearing to read "Mona Wikman".

Authorized Representative

Endorsement Effective Date: 8/15/2022

**ADDITION TO SECTION IX.
GENERAL CONDITIONS**

It is understood and agreed that Section IX. of the Policy is amended by the addition of the following:

Controlled Entity Coverage and Change of Control Provision

It is understood and agreed that the following shall be considered **Controlled Entity(ies)**:

Manitoba Clinic Medical Corporation
Pearl Management Ltd

It is further understood and agreed that the term **Subsidiary** shall include the aforementioned **Controlled Entity(ies)**.

If during the **Policy Period**, a transaction occurs wherein another entity or individual gains control through the ownership of more than fifty percent (50%) of the voting stock or units of a **Controlled Entity** or any shareholder decreases stock or unit ownership to the extent that such a decrease results in a ten percent (10%) or greater change in ownership in a **Controlled Entity's** outstanding voting stock or units, then:


- (1) the **Corporation** must give written notice of such transaction to the **Insurer** within ninety (90) days after the effective date of such transaction, and provide the **Insurer** with such information in connection therewith as the **Insurer** may deem necessary; and
- (2) coverage under this Policy shall only apply to the **Controlled Entity** and **Insured Persons** thereof for **Wrongful Acts** committed or allegedly committed prior to the effective date of such transaction.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by: 

Authorized Representative

Endorsement Effective Date: 8/15/2022

PARTNERSHIP PROVISION

The following sections of the Policy are amended as follows:

1. Section III.H. is amended with the addition of the following:

"**Directors**" and "**Officers**" shall mean all persons who were, now are, or shall be directors, officers, trustees, members of the board of managers, management committee members or advisory committee members of any **Entity General Partner**, whether duly elected, appointed or de facto.

2. Section III.O. is amended with the addition of the following:

"**Insured Entity**" shall also mean any **Entity General Partner**, but only with respect to coverage provided under Insuring Agreements I.C. and I.D.

3. Section III.P. is amended with the addition of the following:

"**Insured Persons**" shall also mean **Directors** and **Officers** and all past, present and future employees of any **Entity General Partner** other than **Directors** and **Officers** and any **Individual General Partner**.

4. Section III.Y. is amended with the addition of the following:

"**Subsidiary**" shall also mean the Limited Partnership(s) scheduled below:

Furby Management Services Limited Partnership

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by:



Authorized Representative

Endorsement Effective Date: 8/15/2022



PARTNERSHIP PROVISION

5. Section III. is amended by the addition of the following:

“Entity General Partner” shall mean the entity authorized, under written agreement with the Limited Partnership(s) scheduled above, to act in a fiduciary capacity on behalf of the Limited Partnership(s) scheduled above solely when such entity is acting in its capacity with the Limited Partnership scheduled above.

“Individual General Partner” shall mean the individual authorized, under written agreement with the Limited Partnership(s) scheduled above, to act in a fiduciary capacity on behalf of the Limited Partnership(s) scheduled above solely when such individual is acting in his or her capacity with the Limited Partnership scheduled above.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

DUTY TO DEFEND WITH COSTS INSIDE APPLICABLE LIMIT OF LIABILITY

It is understood and agreed that the following changes are made to the Policy:

1. Section I. is amended by the addition of the following:

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

2. Section VII. is deleted and replaced with the following:


Section VII. Costs of Defence and Settlements

- A.** The **Insureds** shall not incur **Costs of Defence**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim**, without the express prior consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with all information and all particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defence** incurred prior to the **Insurer's** consent shall not be covered hereunder.
- B.** The **Insurer** has the right to investigate and settle any **Claim** to which this insurance applies. The **Insurer's** duty to defend shall cease upon exhaustion of the applicable Limit of Liability for such **Claim**.
- C.** If a **Claim** made against any **Insured** includes both covered and uncovered matters, or is made against any **Insured** and others, the **Insureds** and the **Insurer** recognize that there must be an allocation between insured and uninsured **Loss**, therefore, **Insureds** and the **Insurer** shall allocate such amount as follows:
- (1) with respect to **Costs of Defence**, to create certainty in determining a fair and proper allocation of **Costs of Defence**, one hundred percent (100%) of all **Costs of Defence** which must otherwise be allocated as described above shall be allocated to the insured **Loss** and shall be advanced by the **Insurer** pursuant to Section VII.E. of the Policy. This **Costs of Defence** allocation shall be a final and binding allocation of such **Costs of Defence** and shall not apply with respect to the allocation of any other **Loss**;

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by: 

Authorized Representative

Endorsement Effective Date: 8/15/2022

DUTY TO DEFEND WITH COSTS INSIDE APPLICABLE LIMIT OF LIABILITY

- (2) with respect to **Loss** other than **Costs of Defence**, the **Insurer** and the **Insureds** shall use their best efforts to agree upon a fair and proper allocation of such amount between insured **Loss** and uninsured **Loss**.
- D.** If **Costs of Defence** are incurred by the **Insured** with the **Insurer's** consent, the **Insurer** shall advance **Costs of Defence** prior to the final disposition of any **Claim**, provided such **Claim** is covered by this Policy. Any advancement shall be on the condition that:
- (1) the appropriate Retention has been satisfied, provided, however, this condition shall not apply in the event of the **Financial Insolvency** of the **Company**;
 - (2) any amounts advanced by the **Insurer** shall serve to reduce the Limit of Liability stated in Item 3 of the Declarations to the extent they are not in fact repaid; and
 - (3) in the event it is finally established that the **Insurer** has no liability under the Policy for such **Claim**, the **Company** and **Insured Persons** will repay the **Insurer** upon demand all **Costs of Defence** advanced by virtue of this provision.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

ELITE COVERAGE ENDORSEMENT

It is understood and agreed the following changes are made to the Policy:

AMENDMENTS TO INSURING AGREEMENTS

1. Section I. B. is deleted and replaced with the following:

B. The **Insurer** shall pay on behalf of the **Company** all **Loss** arising from a **Claim** (including an **Employment Practices Claim** or a **Securities Claim**) first made against the **Insured Persons** during the **Policy Period** or the **Discovery Period** for a **Wrongful Act**, but only to the extent the **Company** is required or permitted to indemnify the **Insured Persons**.
2. Section I. D. is deleted and replaced with the following:

D. The **Insurer** shall pay on behalf of the **Insured Entity** all **Investigative Costs** which the **Insured Entity** is obligated to pay for a **Derivative Demand** first made during the **Policy Period** or the **Discovery Period**.

ADDITIONAL DISCOVERY OPTIONS

Section II. is deleted and replaced with the following:

Section II. Discovery Period

- A.** In the event the **Insurer** refuses to renew this Policy or the **Corporation** chooses to cancel or not renew this Policy, the **Corporation** or any **Insured Person** shall have the right, upon satisfaction of the terms described in Section II.B. below, to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** during an additional period of twelve (12) months to seventy-two (72) months after the end of the **Policy Period**, but only with respect to any **Wrongful Act** committed or alleged to have been committed before the end of the **Policy Period**. This additional period shall be referred to in this Policy as the **Discovery Period**.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

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Authorized Representative

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ELITE COVERAGE ENDORSEMENT

- B.** As a condition precedent to the right to purchase the **Discovery Period**, the total premium for this Policy must have been paid, and a written notice of election together with payment of the appropriate premium for the **Discovery Period** must be provided to the **Insurer** no later than ninety (90) days after the end of the **Policy**. For a **Discovery Period** of twelve (12) months, the **Insured** shall pay fifty percent (50%) of the annual premium. For any other **Discovery Period**, the premium shall be determined by the **Insurer** at the time the **Insured** provides written notice of its request for a **Discovery Period**.
- C.** The fact that the coverage provided by this Policy may be extended by virtue of the purchase of the **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3. of the Declarations. For purposes of the Limit of Liability, the **Discovery Period** is considered to be part of, and not in addition to, the **Policy Period**.
- D.** The **Discovery Period** is not cancelable and the entire additional premium for the **Discovery Period** shall be deemed fully earned at its inception.

AMENDMENT TO DEFINITION OF CLAIM

Section III. A. is deleted and replaced with the following:

- A.** “**Claim**” shall mean:
- (1) a written demand for monetary, non-monetary or injunctive relief made against any **Insured**;
 - (2) a civil, criminal, penal, administrative or regulatory proceeding, or any appeal therefrom, made against any **Insured** seeking monetary or non-monetary relief and commenced by the service of an originating proceeding, complaint or similar pleading, the return of an indictment, or the receipt or filing of notice of charges or similar document, including any proceeding initiated against any **Insured** before any provincial or federal human rights tribunal or any similar governmental body (including but not limited to the Equal Employment Opportunity Commission);
 - (3) a civil, criminal, administrative, regulatory or penal liability investigation (including a provincial securities commission or federal/provincial human rights tribunal or commission inquiry, a Securities and Exchange Commission, Equal Employment Opportunity Commission and grand jury investigation) of any **Insured Person** commencing:

ELITE COVERAGE ENDORSEMENT

- (a) with the service of a subpoena upon such **Insured Person** in the case of an investigation by any provincial or territorial securities commission and/or the Securities and Exchange Commission or a similar state or foreign government authority; or
- (b) on the date such **Insured Person** is identified in writing by an investigating authority, other than as stated in (3)(a) above, as a person against whom a proceeding described in clause A.(2) above may be commenced.

Claim shall not include a civil, criminal, administrative or regulatory investigation of the **Company**;

- (4) any proceeding brought by the Minister of National Revenue against a **Director** based upon, arising out of or attributable to the failure to deduct, withhold or remit tax from a payment of salary or wages of an employee pursuant to the Income Tax Act R.S.C. 1985, the Unemployment Insurance Act R.S.C. 1985, c.U-1, and The Canada Pension Plan R.S.C., c.8, the regulations promulgated thereunder and amendments thereto or any similar provisions of any provincial law;
- (5) a **Derivative Demand**;
- (6) an **Inquiry**, if reported to the **Insurer** pursuant to Section VIII.C. of the Policy;
- (7) any arbitration, mediation or similar alternative dispute resolution proceeding; or
- (8) a written request to enter into an agreement to toll any applicable statute of limitations prior to the commencement of any judicial administrative, regulatory or arbitration proceeding, and reported to the **Insurer** pursuant to Section VIII.A. of the Policy.

AMENDMENT TO DEFINITION OF COSTS OF DEFENCE

Section III. F. is deleted and replaced with the following:

- F.** “**Costs of Defence**” shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation, defence or appeal of any **Claim** including the costs directly attributable to witness attendance and any premiums paid for insurance instruments or an appeal bond, attachment bond or similar bond (but without obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defence** shall not include salaries, wages or benefits of any **Insured Persons**.

ELITE COVERAGE ENDORSEMENT

AMENDMENT TO DEFINITION OF DERIVATIVE DEMAND

Section III. G. is deleted and replaced with the following:

- G.** “**Derivative Demand**” shall mean a written request or demand by a **Complainant** upon the board of directors or similar management body of the **Company**, to commence a civil proceeding in a court of law against any individual **Director** or **Officer** for any actual or alleged **Wrongful Act** of such **Director** or **Officer**.

AMENDMENT TO DEFINITION OF DIRECTORS AND OFFICERS

Section III. H. is deleted and replaced with the following:

- H.** “**Directors**” and “**Officers**” shall mean all persons who were, now are, or shall be directors, officers, trustees, members of the board of managers, management committee members or advisory committee members of the **Company**, whether duly elected, appointed, deemed or de facto. In the event the **Company** is duly chartered as a limited liability company, the terms “**Directors**” and “**Officers**” shall include individuals who serve as managers of such limited liability companies.

COVERAGE FOR THIRD PARTY CLAIMS FOR DISCRIMINATION AND SEXUAL HARASSMENT

1. Section III. I. is amended by the addition of the following:

Employment Practices Claim shall also mean any **Claim** bought by any individual(s) alleging an **Employment Practices Wrongful Act** as stated in 2. below.

2. Section III. J. is amended by the addition of the following:

Employment Practices Wrongful Act shall also mean any actual or alleged discrimination, sexual harassment or violation of an individual’s civil rights related to such discrimination or sexual harassment but only if alleged by a customer, client, supplier, distributor, independent contractor or other individual who does not qualify as an **Insured Person**.

AMENDMENT TO DEFINITION OF INSURED PERSONS

Section III. P. is deleted and replaced with the following:

- P.** “**Insured Persons**” shall mean all past, present and future:

- (1) **Directors** and **Officers**; and

ELITE COVERAGE ENDORSEMENT

- (2) any natural person whose labour or service is engaged and directed by the **Company** in the ordinary course of the **Company's** business including any part-time, seasonal, temporary or leased employees. However, such natural persons shall not include any independent contractors unless specifically included by written endorsement to this Policy.

AMENDMENT TO DEFINITION OF LOSS

1. Sections III. R.(6) and III. R.(11) are deleted and replaced with the following:
- (6) any obligation of the **Insured Entity** pursuant to any federal, provincial, state or local statutory law governing employment or benefits including but not limited to the Canadian Labour Code 1985; the Fair Labor Standards Act; the National Labor Relations Act; the Worker Adjustment and Retraining Notification Act; the Consolidated Omnibus Budget Reconciliation Act of 1985; the Occupational Safety and Health Act; any Canadian occupational health and safety laws or regulations; provided, however, this limitation of **Loss** shall not apply to any covered **Claim** against the **Insured Entity** for alleged retaliation for the exercise of any rights under the foregoing laws;
- (11) any unpaid tax liabilities of the **Company** arising from the laws of Canada, the laws of any province of Canada, or any municipality therein, which the **Company** is unable to pay due to **Financial Insolvency** and which such **Insured Persons** become legally obligated to pay.
2. The last paragraph of Section III.R. is deleted and replaced with the following:
- It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages, the multiple portion of any multiplied damage award, fines and penalties.

AMENDMENT TO SUBSIDIARY DEFINITION

Section III. Y. is amended by the addition of the following:

- (6) any entity, other than a political committee organized pursuant to the Lobbying Act 1985 c.44 (4th Supp.), Section 432 of the Federal Election Campaign Act of 1971 and any similar provincial or federal legislation, which qualifies as a not-for-profit organization under section 149(1)(j) and 149(1)(l) of the Income Tax Act, R.S.C. 1985, c.1, as revised or the Internal Revenue Code and which is sponsored exclusively by the **Corporation**. An entity ceases to be a **Subsidiary** under this definition on the date when it either (i) ceases to hold non-profit status under the foregoing legislation or (ii) is no longer sponsored exclusively by the **Corporation**.

ELITE COVERAGE ENDORSEMENT

AMENDMENT TO WRONGFUL ACT DEFINITION

Section III. AA.(4) is deleted and replaced with the following:

- (4) any matter claimed against any **Insured Persons** arising out of their service as a director, officer, trustee, regent, governor member of the Board of Managers, or equivalent position of an **Outside Entity**, but only if such service is at the direction or request of, or with the knowledge and consent of the **Company**.

AMENDMENT TO PERSONAL PROFIT EXCLUSION

Section IV. A. is deleted and replaced with the following:

- A.** brought about or contributed to by:
 - (1) any **Insureds** gaining any profit, financial advantage or remuneration to which they were not legally entitled; or
 - (2) the deliberately fraudulent or criminal acts of any **Insureds**;

provided, however, this exclusion shall not apply unless and until there is a final, non-appealable adjudication as to such conduct in an underlying proceeding other than a declaratory proceeding by the **Insurer** to determine coverage under this Policy. This exclusion shall not apply to coverage provided under Insuring Agreement I.B.;

AMENDMENT TO NOTICE TO PRIOR CARRIER EXCLUSION

Section IV. B. is deleted and replaced with the following:

- B.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice of circumstances (or comparable term) given and accepted under any other policy of which this Policy is a renewal or replacement;

AMENDMENT TO PRIOR AND PENDING LITIGATION EXCLUSION

Section IV. C. is deleted and replaced with the following:

- C.** based upon, arising out of, relating to, directly or indirectly result from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding involving the **Company** and/or any **Insured Persons** and known to the **Company** or the **Insured Person** as of the date stated in Item 7 of the Declarations or alleging or derived from the same or essentially the same facts in such prior or pending proceeding;

ELITE COVERAGE ENDORSEMENT

AMENDMENT TO BODILY INJURY AND PROPERTY DAMAGE EXCLUSION

Section IV. D. is deleted and replaced with the following:

D. for any actual or alleged:

- (1) bodily injury, sickness, disease, or death of any person;
- (2) damage to or destruction of any tangible property or the loss of use thereof; or
- (3) mental anguish, emotional distress, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, libel or slander;

provided, however, part (1) of this exclusion shall not apply to **Costs of Defence** for any **Insured Persons** resulting from any **Claim** for alleged violations of: (i) Section 217.1 of the Criminal Code, as amended by Bill C-45; (ii) the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007; (iii) Section 32 of the Ontario Occupational Health and Safety Act (as amended by Bill 168); or (iv) any such similar law or act in any jurisdiction; and part (3) of this exclusion shall not apply to any **Employment Practices Claim**;

AMENDMENT TO OUTSIDE ENTITY EXCLUSION
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Section IV.G. is deleted and replaced with the following:

G. for any **Wrongful Act** of any **Insured Persons** serving at the knowledge and consent of the **Company** as a director, officer, trustee, regent, governor, member of the Board of Managers, or equivalent position of an **Outside Entity** if such **Claim** is brought by the **Outside Entity** or by any director, officer, trustee, regent, governor, member of the Board of Managers, or equivalent position thereof; provided, however, this exclusion shall not apply to any **Claim** against any **Insured Person** if such **Claim**:

- (1) is brought solely and entirely in a jurisdiction other than the United States of America, its territories and possessions or Canada;
- (2) is in the event the **Outside Entity** becomes a debtor in possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator, examiner or similar official to control, supervise, manage or liquidate the **Outside Entity**;

ELITE COVERAGE ENDORSEMENT

- (3) is a **Derivative Demand** or a derivative proceeding brought by either any shareholder or any "complainant" as defined in Section 238 of the Canada Business Corporations Act, R.S.C. 1985 c, C-44, s. 238 or any similar provision of any Canadian provincial business corporations statute; or
- (4) is an **Employment Practices Claim**.

AMENDMENT TO COMPANY V. INSURED PERSON EXCLUSION

Section IV. H.(2)(c) is deleted and replaced with the following:

- (c) is a **Derivative Demand** or proceeding by a **Complainant**, other than a **Director** or **Officer**; or

AMENDMENT TO SEVERABILITY PROVISION OF EXCLUSIONS

The severability provision of Section IV. is deleted and replaced with the following:

With respect to Section IV. of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present or future Chief Executive Officer or Chief Financial Officer of the **Corporation** shall be imputed to the **Company** to determine if coverage is available.

AMENDMENT TO SUPPLEMENTAL PAYMENTS SUB-LIMIT OF LIABILITY FOR CIVIL FINES

Section V. D.(4) is deleted and replaced with the following:

- (4) Civil Fines and Penalties shall be subject to an aggregate sub-limit of \$ 100,000.

AMENDMENT TO RETENTION

Section VI. A. is deleted and replaced with the following:

- A. One Retention shall apply to each and every **Claim**. The **Company** shall be responsible for, and shall hold the **Insurer** harmless from, any amount within the Retention. For purposes of application of the Retention, **Loss** applicable to Insuring Agreement I.B. includes that for which indemnification is actually provided either through the **Company's** bylaws or pursuant to individual indemnification contract provisions. If, for any reason, including **Financial Insolvency**, the **Company** refuses or fails to advance, pay or indemnify the **Insured Persons** for **Loss** otherwise covered under the Policy, the **Insurer** shall advance such **Loss** incurred by the **Insured Persons** without first requiring payment of the Retention applicable to any **Claim** covered by Insuring Agreement I.B. Such advancement by the **Insurer** shall not relieve the **Company** from any duty it may have to indemnify **Insured Persons**.

ELITE COVERAGE ENDORSEMENT

Any advancement of **Costs of Defence** to **Insured Persons** shall be made pursuant to the terms and conditions of Section VII.E. of the Policy. Any advancement of **Loss**, other than **Costs of Defence**, to **Insured Persons** shall be made within sixty (60) days of such request. The **Company** shall reimburse the **Insurer** for any **Loss** advanced up to the applicable retention amount in the event the **Company** wrongfully fails or refuses to indemnify any **Insured Persons**. Any amounts advanced by the **Insurer** shall be part of and not in addition to the Limit of Liability stated in Item 3. of the Declarations.

AMENDMENT TO COSTS OF DEFENCE AND SETTLEMENTS

Section VII. A. is deleted and replaced with the following:

- A.** The **Insureds** shall not incur **Costs of Defence**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without prior consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with full cooperation and all information and particulars it may reasonably request in order to reach a decision as to such consent. The failure of any **Insured** to cooperate with and provide information to the **Insurer** shall not impair the rights of any other **Insured** under this Policy. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defence** incurred prior to the **Insurer's** consent shall not be covered hereunder.

AMENDMENT TO PROPOSAL FORM

Section IX. B. is deleted and replaced with the following:

B. Proposal Form

- (1) This Policy is issued by the **Insurer** in reliance upon the statements, representations, documents and any other information provided therewith by the **Company** and **Insured Persons**. All such statements, representations, documents and other information are the basis for this Policy and are deemed attached hereto.
- (2) Coverage provided pursuant to Insuring Agreement I.A. of this Policy shall not be rescinded by the **Insurer**.

ELITE COVERAGE ENDORSEMENT

- (3) The Proposal Form shall be construed as a separate application for coverage by each **Insured Person**. With respect to the Proposal Form, no knowledge possessed by the **Company** or any **Insured Person** shall be imputed to any other **Insured Person**. If any statement, representation, document or other information is not true and accurate and materially affects either the acceptance of the risk or the hazard assumed by the **Insurer** under the Policy, then the **Insurer** shall have the right to void coverage under this Policy with respect to:
- (a) coverage provided to any **Insured Persons** pursuant to Insuring Agreement I.B. if such **Insured Persons** knew, as of the inception date of the **Policy Period**, that such documents, statements, representations and information were not accurately and completely disclosed; and
 - (b) coverage provided to the **Insured Entity** pursuant to Insuring Agreements I. C. and I. D. if any past, present or future chief financial officer or chief executive officer of the **Corporation** knew, as of the inception date of the **Policy Period**, that such statement, representation, document or other information was not accurately and completely disclosed;

Sections IX. B.(3)(a) and IX. B.(3)(b) apply even if the **Insured Person** is unaware that such inaccurate or incomplete disclosure was provided to the **Insurer** or deemed part of the Proposal Form.

AMENDMENT TO ACTION AGAINST THE INSURER

Section IX. C. (1) is deleted and replaced with the following:

C. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, claimant and the **Insurer**.

ELITE COVERAGE ENDORSEMENT

AMENDMENT TO AMALGAMATION, MERGER OR ACQUISITION
--

Section IX. D. is deleted and replaced with the following:

D. Amalgamation, Merger or Acquisition

If, during the **Policy Period**, the **Company** acquires the assets of another entity, by amalgamation, merger or otherwise, and the acquired assets of such other entity exceed fifty percent (50%) of the assets of the **Company** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

If the **Company** fails to: (i) give written notice as required by this section within the time specified or (ii) pay the additional premium required by the **Insurer**, coverage for the acquired entity and its **Insured Persons** shall terminate with respect to any **Claim** first made more than ninety (90) days after such acquisition. Coverage for any acquired entity described in this section and its **Insured Persons** shall be subject to such additional or different terms, conditions and limitations of coverage as the **Insurer** in its sole discretion may require.

AMENDMENT TO SUBROGATION

Section IX. G. is deleted and replaced with the following:

G. Subrogation

In the event of any payment under this Policy, the **Insurer** shall be subrogated to all of the **Insureds'** rights of recovery and the **Company** and **Insured Persons** shall execute all documents required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured Persons** or the **Company**. In no event, however, shall the **Insurer** exercise its right of subrogation against an **Insured Person** under this Policy unless and until Section IV.A. of the Policy applies to any payments of **Loss** with respect to such **Insured Person**.

ELITE COVERAGE ENDORSEMENT

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Company** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Company** and shall be subrogated to rights of the **Insured Persons** hereunder. The **Insurer** shall have the right to recover from the **Company** amounts the **Insurer** pays that are the result of any unsatisfied Retention arising from the failure of the **Company** to indemnify any **Insured Person** for **Loss** incurred by such **Insured Person**.

If the **Insurer** recovers any amounts pursuant to this section of the Policy, the **Insurer** shall reinstate the applicable Limit of Liability of this Policy to the extent of such recovery less its costs incurred in administering and obtaining such recovery.

ENDORSEMENT LIBERALIZATION

Section IX. is amended by the addition of the following:

Liberalization

In the event this endorsement is amended by the **Insurer** after this Policy is issued and solely with respect to any **Claim** first made during the **Policy Period** or **Discovery Period** and reported pursuant to Section VIII. of the Policy, the terms and conditions, other than any applicable Retention or Limit of Liability, of either this endorsement or any amended version that are more favorable to the **Insured** shall govern.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.



THIRD PARTY LIABILITY COVERAGE

It is understood and agreed that Section IX. of the Policy is amended by the addition of the following:

Third Party Liability Coverage

For purposes of coverage provided by this endorsement, the following changes are made to the Policy:

1. Sections I.A. through I.C. are deleted and replaced with the following:
 - A. The **Insurer** shall pay on behalf of the **Insured Persons** all **Loss** arising from a **Claim** (including an **Employment Practices Claim**, a **Securities Claim**, or a **Third Party Claim**) first made against the **Insured Persons** during the **Policy Period** or the **Discovery Period** for a **Wrongful Act**, except for any **Loss** which the **Company** actually pays as indemnification.
 - B. The **Insurer** shall pay on behalf of the **Company** all **Loss** arising from a **Claim** (including an **Employment Practices Claim**, a **Securities Claim**, or a **Third Party Claim**) first made against the **Insured Persons** during the **Policy Period** or the **Discovery Period** for a **Wrongful Act**, but only to the extent the **Company** is required or permitted by law to indemnify the **Insured Persons**.
 - C. Other than a **Derivative Demand**, the **Insurer** shall pay on behalf of the **Insured Entity** all **Loss** which the **Insured Entity** shall be obligated to pay as a result of a **Claim** (including an **Employment Practices Claim**, a **Securities Claim**, or a **Third Party Claim**) first made against the **Insured Entity** during the **Policy Period** or the **Discovery Period** for a **Wrongful Act**.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by:


Authorized Representative

Endorsement Effective Date: 8/15/2022

THIRD PARTY LIABILITY COVERAGE

2. Section IV.D. is deleted and replaced with the following:

D. for any actual or alleged:

- (1) bodily injury, sickness, disease, or death of any person;
- (2) damage to or destruction of any tangible property, including the loss of use thereof; or
- (3) mental anguish, emotional distress, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, libel or slander;

provided, however, part (1) of this exclusion shall not apply to **Costs of Defence** incurred by any **Insured Persons** for any **Claim** involving alleged violations of Section 217.1 of the Criminal Code, as amended by Bill C-45, and part (3) of this exclusion shall not apply to any **Employment Practices Claim** or **Third Party Claim**.

3. Section III. is amended by the addition of the following:

“Third Party Claim” shall mean any **Claim** brought by a customer or client of the **Company** for any **Business Practices Wrongful Act**.

“Business Practices Wrongful Act” shall mean a **Wrongful Act** of discrimination, sexual harassment or the violation of any individual’s civil rights related to such discrimination or sexual harassment.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

FIDUCIARY LIABILITY COVERAGE
(Shared Limit of Liability)

Solely for purposes of coverage provided by this endorsement, the following changes are made to the Policy:

Fiduciary Liability Coverage (Shared Limit of Liability)

1. Section I. is amended by the addition of the following:

If during the **Policy Period** or **Discovery Period**, any **Claim** is first made against any **Insured** for a **Wrongful Fiduciary Act** the **Insurer** shall pay on behalf of the **Insured(s)** any **Loss** resulting from such **Claim**.

2. Section III. of the Policy is amended by the addition of the following:

A. “**Insured(s)**” shall also mean:

- (1) **Benefit Plan**;
- (2) all **Insured Persons** who were, now are, or shall be duly elected or appointed pension committee members, pension council members or trustees of the **Benefit Plan**;
- (3) any other natural person, only if scheduled below; and

Trustee

Benefit Plan

Affiliation

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by:


Authorized Representative

Endorsement Effective Date: 8/15/2022

FIDUCIARY LIABILITY COVERAGE **(Shared Limit of Liability)**

- (4) any **Benefit Plan** created or acquired by the **Company** subsequent to the effective date of this endorsement. Such **Benefit Plan** shall be automatically included as an **Insured** as of the date of creation or acquisition, but only for any **Wrongful Fiduciary Act** committed or allegedly committed on or after the effective date of such creation or acquisition provided that: (1) written notice thereof be given to the **Insurer** within ninety (90) days of such creation or acquisition, and (2) premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.
3. Section III.R. is deleted and replaced with the following:
- R. “**Loss**” shall mean compensatory damages, settlements and **Costs of Defence**, provided, however, **Loss** shall not include taxes, or any matter which may be deemed uninsurable under the law pursuant to which this Policy is construed, or criminal, civil or regulatory fines or penalties, except for the five percent (5%) or less civil penalty imposed upon an **Insured** under Section 502(i) of the Employee Retirement Income Security Act of 1974, and the twenty percent (20%) or less penalty imposed upon an **Insured** under Section 502(L) of the Employee Retirement Income Security Act of 1974, with respect to covered settlements or judgments.
4. Section III.AA. is amended with the addition of the following:
- Wrongful Act** shall also mean a **Wrongful Fiduciary Act**;
5. Section III. is amended with the addition of the following:
- “**Administration**” shall mean giving counsel to employees of the **Company**; interpreting and handling records in connection therewith; or effecting enrollment or cancellation of employees of the **Company** under any **Benefit Plan**.
- “**Benefit Plan**” shall mean:
- (1) any plan as defined in the Pension Benefits Standards Act, R.S.C. 1985, c. 32 (2nd Supp.), the Ontario Pension Benefits Act, R.S.O. 1990, c.P-8 and any equivalent provincial or territorial legislation (or any regulations promulgated thereunder), all as amended and the Employee Retirement Income Security Act of 1974 (“ERISA”) and any amendments thereto (or any regulations promulgated thereunder) which is operated for the benefit of the employees of the **Company**;

FIDUCIARY LIABILITY COVERAGE **(Shared Limit of Liability)**

- (2) any medical plan and disability benefit plan for the benefit of employees as defined in the Canada Health Act, R.S.C. 1985, c. C-6, the Ontario Health Insurance Act, R.S.O. 1990, c. H.6., or any similar provincial or territorial legislation;
- (3) any employee benefit plans as defined in the Ontario Insurance Act, R.S.O. c.I.8, or, similar provincial or territorial legislation;
- (4) any retirement compensation agreement, flexible employee benefit plan or registered supplementary unemployment benefit or stock ownership plan not subject to Canadian legislation if sponsored by the **Company** for the benefit of employees or the directors and officers of the **Company**; and
- (5) any government-mandated insurance program for workers' compensation, unemployment, employment, social security, or disability benefits and/or any employee welfare benefit plan as defined in ERISA, which provide benefits or services to **Insured Persons** of the **Company**;

provided, however, **Benefit Plan** shall not include any multi-employer plan as defined in the Pension Benefits Standards Act, R.S.C. 1985, c. 32 (2nd Supp.), the Ontario Pension Benefits Act, R.S.O. 1990, c. P.8 or ERISA or by the common, civil or statutory law of Canada, the United States of America or any province, territory, state or other jurisdiction.

"Wrongful Fiduciary Act" shall mean:

- (1) any breach of the duties, obligations and responsibilities imposed upon **Insureds** in their capacity as a **Fiduciary** of a **Benefit Plan** under the Pension Benefits Standards Act, R.S.C 1985, c. 32 (2nd Supp.) or the Ontario Pension Benefits Act, R.S.O. 1990 c.P.8 or any similar or equivalent provincial or territorial legislation (and any regulations promulgated thereunder) or the Employee Retirement Income Security Act of 1974 and any amendment thereto (or any regulations promulgated thereunder) or the common law or statutory law of any other jurisdiction governing any **Benefit Plan**;
- (2) any other matter claimed against the **Insureds** solely as a result of their duties as a **Fiduciary** of any **Benefit Plan**; or
- (3) any negligent error, act or omission committed or allegedly committed solely in the **Administration** of any **Benefit Plan**.

FIDUCIARY LIABILITY COVERAGE **(Shared Limit of Liability)**

“**Fiduciary**” shall mean any person or entity having fiduciary duties with respect to the management or governance of a **Benefit Plan** or the disposition of its assets, including a fiduciary as defined in ERISA, a pension committee member or a pension council member or an administrator as defined in the Pension Benefits Standards Act, R.S.C.1985, c. 32(2nd supp.), the Ontario Pension Benefits Act R.S.O. 1990, c.P-8, and any similar provincial, territorial or state legislation and, in the province of Quebec a member of a *comite de retraite* as defined by the *Loi sur les regimes complementaires de retraite*.

6. Section IV. is amended with the addition of the following:

based upon or attributable to intentional non-compliance with any statute or regulation committed by an **Insured** or by a person for whose actions the **Insured** is legally responsible;

involving any **Benefit Plan** that was sold, divested, merged, or otherwise terminated, except for any **Wrongful Fiduciary Act** committed or allegedly committed prior to the date of such spin-off, merger, or other termination;

based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Fiduciary Act** with respect to any **Benefit Plan** if such **Wrongful Fiduciary Act** occurred at any time when the **Company** did not sponsor such **Benefit Plan**;

based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving the liability of others assumed by any **Insured** under any oral or written contract or agreement, except in accordance with or under the agreement or declaration of trust pursuant to which a **Benefit Plan** was established;

based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding involving any **Insured** as of July 1, 2015 , or any fact, circumstance or situation, underlying or alleged in such proceeding; or

FIDUCIARY LIABILITY COVERAGE
(Shared Limit of Liability)

other than **Cost of Defence**:

- (1) for any failure to collect contributions owed to any **Benefit Plan** or for the return of any contributions to any employer if such amounts are or could be chargeable to any **Benefit Plan**;
- (2) for benefits paid or payable to a participant or beneficiary of any **Benefit Plan** if such benefits are paid or may be lawfully paid from the funds of any **Benefit Plan**;
or
- (3) arising out of the failure to comply with any law concerning worker's compensation, unemployment or employment insurance, Old Age Security, social security or Canada Pension Plan benefits.

- 7. Section IV.E. is deleted in its entirety.
- 8. The Retention for each **Claim** under this endorsement shall be:
\$ 10,000

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.



ECONOMIC AND TRADE SANCTIONS CLAUSE

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

Insured: MANITOBA CLINIC HOLDING (PARENT) CO. LTD.

Policy Period: 8/15/2022 to Policy Expiration

Policy Number: CDO5256059

Countersigned by:


Authorized Representative

Endorsement Effective Date: 8/15/2022



ExecPro®

Canadian Private Company
Management Liability Solution

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Management Liability Solution**

Great American Insurance Group – ELD CANADA
Headquarters: 301 E. Fourth Street, Cincinnati, Ohio 45202

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THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (a stock insurance company, hereinafter called the **Insurer**), including the statements made in the Proposal Form and subject to all terms, conditions and limitations of this Policy, the **Insured** and **Insurer** agree:

Section I. Insuring Agreements

- A.** The **Insurer** shall pay on behalf of the **Insured Persons** all **Loss** arising from a **Claim** (including an **Employment Practices Claim** or a **Securities Claim**) first made against the **Insured Persons** during the **Policy Period** or the **Discovery Period** for a **Wrongful Act**, except for any **Loss** which the **Company** actually pays as indemnification.
- B.** The **Insurer** shall pay on behalf of the **Company** all **Loss** arising from a **Claim** (including an **Employment Practices Claim** or a **Securities Claim**) first made against the **Insured Persons** during the **Policy Period** or the **Discovery Period** for a **Wrongful Act**, but only to the extent the **Company** is required or permitted by law to indemnify the **Insured Persons**.
- C.** Other than a **Derivative Demand**, the **Insurer** shall pay on behalf of the **Insured Entity** all **Loss** which the **Insured Entity** shall be obligated to pay as a result of a **Claim** (including an **Employment Practices Claim** or a **Securities Claim**) first made against the **Insured Entity** during the **Policy Period** or the **Discovery Period** for a **Wrongful Act**.
- D.** The **Insurer** shall pay on behalf of the **Insured Entity** all **Investigative Costs** which the **Insured Entity** is legally obligated to pay for a **Derivative Demand** first made during the **Policy Period** or the **Discovery Period**.

Section II. Discovery Period

- A.** In the event the **Insurer** refuses to renew this Policy or the **Corporation** chooses to cancel or not renew this Policy, the **Corporation** shall have the right, upon payment of fifty percent (50%) of the annual premium, (or if the **Policy Period** is other than annual, fifty percent (50%) of the annualized premium), to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** during the period of twelve (12) months after the end of the **Policy Period**, but only with respect to any **Wrongful Act** committed or alleged to have been committed before the end of the **Policy Period**. This twelve (12) month period shall be referred to in this Policy as the **Discovery Period**.
- B.** As a condition precedent to the right to purchase the **Discovery Period**, the total premium for this Policy must have been paid, and a written request together with payment of the appropriate premium for the **Discovery Period** must be provided to the **Insurer** no later than thirty (30) days after the end of the **Policy Period**.
- C.** The fact that the coverage provided by this Policy may be extended by virtue of the purchase of the **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the **Discovery Period** is considered to be part of, and not in addition to, the **Policy Period**.

Section III. Definitions

A. "Claim" shall mean:

- (1) a written demand for monetary, non-monetary or injunctive relief made against any **Insured**;
- (2) a civil, criminal, administrative, arbitration or regulatory proceeding, or any appeal therefrom, made against any **Insured** seeking monetary or non-monetary relief and commenced by the service of an originating proceeding, complaint or similar pleading, the return of an indictment, or the receipt or filing of notice of charges or similar document, including any proceeding initiated against any **Insured** before any provincial or federal human rights tribunal or any similar governmental body (including but not limited to the Equal Employment Opportunity Commission);
- (3) a civil, criminal, administrative or regulatory investigation (including a provincial securities commission or federal/provincial human rights tribunal or commission inquiry, a Securities and Exchange Commission, Equal Employment Opportunity Commission and grand jury investigation) of any **Insured Person** commencing:
 - (a) with the service of a subpoena upon such **Insured Person** in the case of an investigation by any provincial or territorial securities commission and/or the Securities and Exchange Commission or a similar state or foreign government authority; or
 - (b) on the date such **Insured Person** is identified in writing by an investigating authority, other than as stated in (3)(a) above, as a person against whom a proceeding described in clause A.(2) above may be commenced.

Claim shall not include a civil, criminal, administrative or regulatory investigation of the **Company**;

- (4) any proceeding brought by the Minister of National Revenue against a **Director** based upon, arising out of or attributable to the failure to deduct, withhold or remit tax from a payment of salary or wages of an employee pursuant to the Income Tax Act R.S.C. 1985, the Unemployment Insurance Act R.S.C. 1985, c.U-1, and The Canada Pension Plan R.S.C., c.8, the regulations promulgated thereunder and amendments thereto or any similar provisions of any provincial law;
- (5) a **Derivative Demand**; or
- (6) an **Inquiry**, if reported to the **Insurer** pursuant to Section VIII.C. of the Policy;

B. "Company" shall mean:

- (1) the **Corporation**;
- (2) any **Subsidiary**; and
- (3) in the event of **Financial Insolvency**, the resulting Debtor in Possession (or foreign equivalent status), if any.

C. "Complainant" has the meaning as defined in Section 238 of the Canada Business Corporations Act or similar provision of any Canadian provincial or territorial business corporations statute or the equivalent in any other jurisdiction.

- D. **"Contract Employee"** shall mean any individual who is leased or is contracted to the **Company**, or is an independent contractor for the **Company**, but only if such individual performs work or services for or on behalf of the **Company**.
- E. **"Corporation"** shall mean the entity named in Item 1 of the Declarations.
- F. **"Costs of Defence"** shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation, defence or appeal of any **Claim** including the costs directly attributable to witness attendance and any premiums paid for insurance instruments or an appeal bond, attachment bond or similar bond (but without obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defence** shall not include salaries, wages, overhead or benefit expenses associated with any **Insured Persons**.
- G. **"Derivative Demand"** shall mean a written demand by a **Complainant** upon the board of directors or similar management body of the **Company**, to commence a civil proceeding in a court of law against any individual **Director** or **Officer** for any actual or alleged **Wrongful Act** of such **Director** or **Officer**.
- H. **"Directors"** and **"Officers"** shall mean all persons who were, now are, or shall be directors, officers, trustees, members of the board of managers, management committee members or advisory committee members of the **Company**, whether duly elected, appointed or de facto. In the event the **Company** is duly chartered as a Limited Liability Company with a provision in its bylaws that the managers of such Limited Liability Company shall be indemnified to the fullest extent permitted by applicable law, the terms **"Directors"** and **"Officers"** shall include individuals who serve as managers of such Limited Liability Companies.
- I. **"Employment Practices Claim"** shall mean any **Claim** brought by or on behalf of any past, present or future employee of the **Company** or **Outside Entity**, any **Contract Employee** or any applicant for employment with the **Company** or **Outside Entity** alleging an **Employment Practices Wrongful Act**.
- J. **"Employment Practices Wrongful Act"** shall mean any of the following acts related to employment:
- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive or breach of an implied employment contract;
 - (2) misrepresentation;
 - (3) violation of employment laws;
 - (4) sexual or workplace harassment;
 - (5) discrimination;
 - (6) wrongful failure to employ or promote;
 - (7) wrongful discipline;
 - (8) wrongful deprivation of career opportunity including a wrongful failure to hire or promote;
 - (9) failure to grant tenure;
 - (10) negligent employee evaluation;
 - (11) retaliation;
 - (12) failure to provide adequate workplace or employment policies or procedures;
 - (13) defamation (including libel and slander);
 - (14) invasion of privacy;
 - (15) wrongful demotion;
 - (16) negligent reassignment;
 - (17) violation of any provincial, territorial, federal, state or local civil rights laws;
 - (18) negligent hiring;
 - (19) negligent supervision;
 - (20) negligent training;
 - (21) negligent retention; or

(22) acts described in (1) through (21) above, arising from the use of the **Company's** internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Company's** internet, e-mail, telecommunication or similar systems.

K. "Financial Insolvency" shall mean the **Company** becoming a debtor in possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Company**.

L. "Inquiry" shall mean:

(1) a request or demand for an **Insured Person** either to appear at a meeting, deposition or interview or to produce documents relating to the business of the **Company** or such **Insured Person's** capacity with the **Company**, where such request or demand is:

(a) by any provincial, territorial, federal, state, local or foreign law enforcement authority or other governmental investigative authority (including but not limited to a provincial securities commission, the U.S. Securities and Exchange Commission, U.S. Department of Justice or any attorney general);

(b) by the enforcement organization of any securities or commodities exchange or other self-regulatory entity; or

(c) by or on behalf of the **Company**, the **Company's** Board of Directors (or similar management body) or a committee thereof: (i) arising out of a request or demand set forth in subparagraphs (a) or (b) above; or (ii) which is part of the **Company's** investigation and evaluation of a **Derivative Demand**; or

(2) the arrest or confinement of an **Insured Person**, whether residential or custodial, by a law enforcement authority, relating to the business of the **Company** or the **Insured Person's** capacity with the **Company**;

provided, however, **Inquiry** shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in the normal review or compliance process of the **Company** by a law enforcement authority, governmental investigative authority or enforcement organization of a securities or commodities exchange or other self-regulatory entity.

M. "Insured(s)" shall mean the **Insured Entity** and all **Insured Persons**.

N. "Insured Capacity" shall mean the position or capacity of an **Insured Person** that causes him or her to meet the definition of **Insured Person** under the Policy. It does not include any position or capacity held by such **Insured Person** in any entity other than the **Company**, even if directed or requested by the **Company**.

O. "Insured Entity" shall mean the **Company**, but only with respect to coverage provided under Insuring Agreements I.C. and I.D.

P. "Insured Persons" shall mean **Directors** and **Officers** and all past, present and future employees of the **Company** other than **Directors** and **Officers**.

Q. "Investigative Costs" shall mean reasonable and necessary costs, charges, fees and expenses incurred by the **Company** in connection with the investigation or evaluation of any **Derivative Demand**. **Investigative Costs** shall not include any compensation or fees of **Insured Persons**.

R. **"Loss"** shall mean settlements, judgments, pre-judgment and post-judgment interest, compensatory damages, punitive, aggravated or exemplary damages or the multiple portion of any multiplied damage award, **Supplemental Payments, Investigative Costs** and **Costs of Defence**.

Loss shall not include:

- (1) criminal or civil fines or penalties imposed by law, or taxes;
- (2) any matter which may be deemed uninsurable under the law pursuant to which this Policy is construed;
- (3) costs incurred in connection with cleaning up, removing, eliminating, abating, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**;
- (4) any amount incurred by any **Insured** in a proceeding or investigation that is not at that time a **Claim**, even if such amount also benefits the defence of a **Claim** and even if such proceeding or investigation subsequently gives rise to a **Claim**; provided, however, that this subparagraph shall not apply to otherwise covered costs, charges, fees and expenses incurred by an **Insured Person** as a result of an **Inquiry**; or
- (5) any amounts related to any **Claim** for any **Wrongful Act** of any **Insured** in connection with any pension or welfare plans of the **Insured Entity**, unless it is determined that coverage is provided for such **Loss** pursuant to Fiduciary Liability Coverage specifically endorsed to this Policy;

Other than **Costs of Defence**, **Loss** shall not include:

- (6) any obligation of the **Insured Entity** pursuant to any federal, provincial, state or local statutory law governing employment or benefits including but not limited to the Canadian Labour Code 1985, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, or any Canadian occupational health and safety laws or regulations;
- (7) any obligation of the **Insured Entity** as a result of a **Claim** seeking relief or redress in any form other than money damages, including but not limited to any obligation of the **Insured Entity** to modify any building or property; or
- (8) any obligation of the **Insured Entity** to pay salary, wages or other employment-related benefits to any employee under an express or implied contract unless such obligation would exist absent the contract;

Notwithstanding subparagraphs (1) and (2) above and solely with respect to coverage provided by Insuring Agreement I.A., **"Loss"** shall also mean:

- (9) taxes and related penalties and interest assessed against a **Director** based upon, arising out of or attributable to the failure to deduct, withhold or remit tax from a payment of salary or wages of an employee pursuant to the Income Tax Act R.S.C. 1985, the Unemployment Insurance Act R.S.C. 1985, c. U-1, and the Canada Pension Plan R.S.C., c.8, the regulations promulgated thereunder and amendments thereto or any similar provisions of any provincial law;
- (10) any amount constituting wages pursuant to the Canada Business Corporations Act R.S.C. 1985, c. C-44 and the Business Corporations Act, R.S.C. 1990, c.B.16, the regulations promulgated thereunder and amendments thereto or any similar provisions of any provincial law; or

- (11) unpaid tax liabilities of the **Company** arising under the laws of Canada, the laws of any province of Canada, or any municipality therein, which the **Company** is unable to pay due to **Financial Insolvency** and which **Directors** become legally obligated to pay;

It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.

- S. **"Original Policy"** shall mean the first policy purchased by the **Company** providing coverage of a similar nature to this Policy and which has continued through renewal or reinstatement on an uninterrupted basis since its inception. Each Insuring Agreement is considered separately.
- T. **"Outside Entity"** shall mean:
- (1) any non-profit and/or eleemosynary organization; or
 - (2) any corporation or organization specifically scheduled as an **Outside Entity** by endorsement to this Policy.
- U. **"Policy Period"** shall mean the period from the inception date of this Policy to the expiration date of this Policy as set forth in Item 2 of the Declarations, or its earlier termination if applicable.
- V. **"Pollutants"** shall mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, asbestos, chemicals or waste of any kind, including any materials to be recycled, reconditioned or reclaimed.
- W. **"Related Wrongful Acts"** shall mean **Wrongful Acts** which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.
- X. **"Securities Claim"** shall mean any **Claim** (including a civil lawsuit or criminal proceeding brought by any provincial or territorial securities commission and/or the Securities and Exchange Commission) made against an **Insured** alleging a violation of any provincial, territorial, federal, state, local or foreign securities law, regulation, or rule, whether statutory or common law, which is:
- (1) brought by any person or entity arising out of, based upon or attributable to, in part or in whole, the: (a) purchase or sale of, or (b) offer or solicitation of an offer to purchase or sell, any securities of the **Company**, or
 - (2) brought by a security holder of the **Company**, with respect to such security holder's interest in such securities of the **Company**, whether directly, by class action, or derivatively on behalf of the **Company**.
- "Securities Claim"** shall also include an administrative or regulatory proceeding alleging a violation of any provincial, territorial, federal, state, local or foreign securities law, regulation, or rule, whether statutory or common law against the **Company**, but only if and only during the time that such proceeding is also continuously maintained against an **Insured Person**.
- Y. **"Subsidiary"** shall mean:
- (1) any entity in which the **Corporation** owns, directly or indirectly, more than fifty percent (50%) of the voting stock on or before the inception date of the Policy;
 - (2) any limited liability company in which the **Corporation** owns or controls, directly or indirectly, the right to elect, appoint or designate more than fifty percent (50%) of such entity's managers on or before the inception date of the Policy;

- (3) any Joint Venture, in which the **Corporation**, on or before the inception date of the Policy, directly or indirectly:
 - (a) owns interests representing more than fifty percent (50%) of the voting, appointment, or designation power for the selection of the management committee members of the Joint Venture; or
 - (b) has the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of the Joint Venture to elect, appoint or designate a majority of the management committee of the Joint Venture;
- (4) any entity defined above and created or acquired by the **Corporation** after the inception date of this Policy, if the entity's total assets do not exceed fifty percent (50%) of the total consolidated assets of the **Corporation** as of the inception date of this Policy; or
- (5) any entity created or acquired by the **Corporation**, after the inception date of this Policy, other than described in (4) above, if the **Corporation**, within ninety (90) days provides the **Insurer** with written notice thereof and agrees to any premium adjustment and/or coverage revision that may be required by the **Insurer**.

Z. "Supplemental Payments" shall mean any payments made by the **Insurer** pursuant to Section X.D. of the Policy.

AA. "Wrongful Act" shall mean:

- (1) any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty, or **Employment Practices Wrongful Act**, by any **Insured Persons** in their capacity with the **Company**;
- (2) any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty, or **Employment Practices Wrongful Act** by the **Insured Entity**, but only with respect to Insuring Agreement I.C.;
- (3) any matter claimed against any **Insured Persons** by reason of their status with the **Company**; or
- (4) any matter claimed against any **Insured Persons** arising out of their service as a director, officer, trustee or governor of an **Outside Entity**, but only if such service is at the request of the **Company**.

Section IV. Exclusions

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

A. brought about or contributed to by:

- (1) any **Insureds** gaining any profit, advantage or remuneration to which they were not legally entitled; or
- (2) the deliberately fraudulent or criminal acts of any **Insureds**;

provided, however, this exclusion shall only apply if it is finally adjudicated that such conduct in fact occurred and this exclusion shall not apply to coverage provided under Insuring Agreement I.B.;

- B. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice or **Claim** given under any other policy of which this Policy is a renewal or replacement;
 - C. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding involving the **Company** and/or any **Insured Persons** and known to the **Company** or the **Insured Person** as of the date stated in Item 7 of the Declarations, or any fact, circumstance or situation underlying or alleged in such prior or pending proceeding;
 - D. for any actual or alleged:
 - (1) bodily injury, sickness, disease, or death of any person;
 - (2) damage to or destruction of any tangible property or the loss of use thereof; or
 - (3) mental anguish, emotional distress, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, libel or slander;

provided, however, part (1) of this exclusion shall not apply to **Costs of Defence** for any **Insured Persons** resulting from any **Claim** for alleged violations of Section 217.1 of the Criminal Code, as amended by Bill C-45, and part (3) of this exclusion shall not apply to any **Employment Practices Claim**;
 - E. for any **Wrongful Act** of any **Insureds** in connection with any pension or welfare plans of the **Company**;
 - F. for any **Wrongful Act** of any **Insured Persons** serving as a director, officer, trustee, regent, governor, member of the Board of Managers, or equivalent position of an entity other than the **Company** or **Outside Entity**, even if directed or requested to serve such other entity;
 - G. for any **Wrongful Act** of any **Insured Persons** serving as a director, officer, trustee, regent, governor, member of the Board of Managers, or equivalent position of an **Outside Entity** if such **Claim** is brought by the **Outside Entity** or by any director, officer, trustee, regent, governor, member of the Board of Managers, or equivalent position thereof; provided, however, this exclusion shall not apply to any **Employment Practices Claim**;
 - H. by or on behalf of the **Company**;
- provided, however, this exclusion shall not apply to:
- (1) **Costs of Defence** for such **Claim**; and
 - (2) solely with respect to any **Insured Person**, other **Loss**, if such **Claim**:
 - (a) is brought solely and entirely in a jurisdiction other than the United States of America, its territories and possessions or Canada;
 - (b) is in the event of **Financial Insolvency**;
 - (c) is a **Derivative Demand** or proceeding by a **Complainant**, other than a **Director** or **Officer**, and is initiated and continued totally independent of, and totally without the solicitation of, any assistance of, or active participation, or intervention of, any **Director** or **Officer** or the **Company**; or

- (d) is made against any **Insured Person** who is no longer acting in an **Insured Capacity**.
- I. for any **Wrongful Act** of any **Subsidiary** or the **Insured Persons** of such **Subsidiary** or any entity that merges with the **Company** or the **Insured Persons** of such entity that merges with the **Company** occurring:
- (1) prior to the date such entity became a **Subsidiary** or was merged with the **Company**;
 - (2) subsequent to the date such entity became a **Subsidiary** or was merged with the **Company** which, together with a **Wrongful Act** occurring prior to the date such entity became a **Subsidiary** or was merged with the **Company**, would constitute **Related Wrongful Acts**; or
 - (3) subsequent to the date the **Corporation** ceased to own, directly or indirectly, more than fifty percent (50%) of the voting stock of such **Subsidiary**;
- J. other than **Costs of Defence**, any amount owing by reason of the failure to afford an employee with reasonable notice of termination, except this exclusion shall not apply to that portion of **Loss** that is increased by reason of an **Insured** engaging in an **Employment Practices Wrongful Act**.
- K. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged:
- (1) breach of an express or implied contract or agreement; provided, however, this subsection (1) shall not apply to **Costs of Defence** for any **Claim** against the **Insured Entity** for any actual or alleged breach of an express or implied employment contract;
 - (2) price fixing, restraint of trade, monopolization or unfair trade, or any actual or alleged violation of the Federal Competition Act, R.S.C., the Federal Trade Commission Act, the Sherman Antitrust Act, the Clayton Act, or any other federal or provincial statutory provision involving antitrust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade activities, or any rules or regulations promulgated under or in connection with such statutes, or any similar provision of any state, federal, provincial or local statutory law or common law;
 - (3) plagiarism or infringement of copyright, patent, trademark or trade name, or misappropriation of ideas or trade secrets; or
 - (4) defect, deficiency, inadequacy or dangerous condition of any of the **Insured Entity's** products, including warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of such products.

provided, however, this exclusion shall only apply to **Loss** in connection with any **Claim** other than a **Securities Claim** made against the **Insured Entity**.

With respect to Section IV. of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present or future Chief Executive Officer, Chief Financial Officer or President of the **Corporation** shall be imputed to the **Company** to determine if coverage is available.

Section V. Limit of Liability

- A. The **Insurer** shall be liable to pay one hundred percent (100%) of **Loss** in excess of the applicable Retention amount stated in Item 4 of the Declarations up to the Limit of Liability stated in Item 3 of the Declarations.
- B. **Costs of Defence** shall be part of, and not in addition to, the Limit of Liability stated in Item 3 of the Declarations, and such **Costs of Defence** shall serve to reduce the Limit of Liability.
- C. The **Insurer's** liability for all **Loss** shall be the amount shown in Item 3 of the Declarations which shall be the maximum aggregate Limit of Liability of the **Insurer** for the **Policy Period**, regardless of the time of payment or the number of **Claims**.
- D. **Supplemental Payments** made pursuant to Section X.D. of this Policy are subject to the following aggregate sub-limits which are part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations:
 - (1) Investigation Costs for Canadian Occupational Health and Safety Violations shall be subject to an aggregate sub-limit of \$50,000;
 - (2) Public Relations Costs shall be subject to an aggregate sub-limit of \$100,000;
 - (3) Assets and Liberty Costs shall be subject to an aggregate sub-limit of \$50,000; and
 - (4) Civil Fines and Penalties shall be subject to an aggregate sub-limit of \$50,000.
- E. **Investigative Costs** made pursuant to Insuring Agreement I.D. shall be subject to an aggregate sub-limit of \$500,000 which is part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations.

Section VI. Retention

- A. One Retention shall apply to each and every **Claim**. The **Company** shall be responsible for, and shall hold the **Insurer** harmless from, any amount within the Retention. For the purposes of the application of the Retention, **Loss** applicable to Insuring Agreement I.B. includes that for which indemnification is legally permissible, whether or not actual indemnification is granted. In the event the **Company** is unable to indemnify the **Insured Persons** solely by reason of its **Financial Insolvency**, the **Insurer** shall, pursuant to the terms and conditions of Section VII.E., advance **Costs of Defence** incurred by the **Insured Persons** without first requiring payment of the Retention applicable to **Claims** covered by Insuring Agreement I.B. The certificate of incorporation, charter or other organizational documents of the **Company**, including by-laws and resolutions, shall be deemed to require indemnification and advancement of **Loss** to the **Insured Persons** to the fullest extent permitted by the law of the jurisdiction of incorporation of the **Company**.
- B. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. All such **Claims** constituting a single **Claim** shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.
- C. With respect solely to any **Securities Claim**, the Retention shall apply only to **Costs of Defence**. The Retention shall be waived for any **Securities Claim** and the **Insurer** shall reimburse such **Costs of Defence** paid by the **Insured** if:
 - (1) an adjudication with or without prejudice is obtained pursuant to a trial, motion to dismiss or motion for summary judgment in such **Claim**, or
 - (2) a complete and final settlement of such **Claim** with prejudice,

establishes that no **Insured** is liable for any **Loss** other than **Costs of Defence**; provided, however, subject to a written undertaking by the **Company** in a form acceptable to the **Insurer**, any **Costs of Defence** advanced by virtue of a waiver of the Retention shall be paid back by the **Company** to the **Insurer** in the event the **Securities Claim** is re-initiated or any **Claim** is initiated which is subject to the same Retention pursuant to Section VI.B.

- D. In the event a **Claim** triggers more than one Retention, only the highest Retention shall apply. In no event, however, shall there be a Retention for any **Claim** under Insuring Agreements I.A. or I.D. of the Policy unless such Retention is required pursuant to provincial or state law.

Section VII. Costs of Defence and Settlements

- A. The **Insureds** shall not incur **Costs of Defence**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express prior consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with all information and particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defence** incurred prior to the **Insurer's** consent shall not be covered hereunder.
- B. The **Insureds**, and not the **Insurer**, have the duty to defend all **Claims**, provided that the **Insureds** shall only retain counsel as is mutually agreed upon with the **Insurer**, such consent not to be withheld unreasonably.
- C. The **Insurer** shall at all times have the right, but not the duty, to associate with the **Insureds** in the investigation, defence or settlement of any **Claim** to which coverage under this Policy may apply.
- D. If a **Claim** made against any **Insured** includes both covered and uncovered matters, or is made against any **Insured** and others, the **Insureds** and the **Insurer** recognize that there must be an allocation between insured and uninsured loss, therefore, **Insureds** and the **Insurer** shall allocate such amount as follows:
- (1) with respect to **Costs of Defence**, one hundred percent (100%) of all **Costs of Defence** which would otherwise be allocated as described above shall be allocated to the insured **Loss** and shall be advanced by the **Insurer** pursuant to Section VII.E. of the Policy. This **Costs of Defence** allocation shall be a final and binding allocation of such **Costs of Defence** and shall not apply with respect to the allocation of any other loss;
 - (2) with respect to any other loss, the **Insurer** and the **Insureds** shall use their best efforts to agree upon a fair and proper allocation of such amount between insured **Loss** and uninsured loss.
- E. The **Insurer** shall advance **Costs of Defence** prior to the final disposition of any **Claim**, provided such **Claim** is covered by this Policy. Such advancement shall be within sixty (60) days after receipt of written evidence that **Costs of Defence** have been incurred. Any advancement shall be on the condition that:
- (1) the appropriate Retention has been satisfied, provided, however, this condition shall not apply in the event of the **Financial Insolvency** of the **Company**;
 - (2) any amounts advanced by the **Insurer** shall serve to reduce the Limit of Liability stated in Item 3 of the Declarations to the extent they are not in fact repaid;

- (3) the **Company** and **Insured Persons** and the **Insurer** have agreed upon the portion of the **Costs of Defence** attributable to covered **Claims** against the **Insureds**; and
- (4) in the event it is finally established that the **Insurer** has no liability under the Policy for such **Claim**, the **Company** and **Insured Persons** will repay the **Insurer** upon demand all **Costs of Defence** advanced by virtue of this provision.

Section VIII. Notice of Claim

- A.** The **Insureds** shall, as a condition precedent to their rights under this Policy, give the **Insurer** notice in writing of any **Claim**, other than an **Inquiry**, which is made during the **Policy Period** or **Discovery Period**. Such notice shall be given as soon as practicable, from the date the General Counsel, Risk Manager, or person with equivalent responsibility has knowledge of the **Claim**, but in no event later than ninety (90) days after the end of the **Policy Period** or **Discovery Period**.
- B.** If, during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a specific **Wrongful Act** and gives notice to the **Insurer** of:
- (1) the specific **Wrongful Act**;
 - (2) the injury or damage which has or may result therefrom; and
 - (3) the circumstances by which the **Insured** first became aware thereof;

then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.

- C.** If, during the **Policy Period**, the **Insureds** first become aware of an **Inquiry**, and if the **Insureds** give written notice to the **Insurer** as soon as practicable from the date the General Counsel, Risk Manager, or person with equivalent responsibility first has knowledge of the **Inquiry**, but in no event later than ninety (90) days after the end of the **Policy Period**, of:
- (1) the entity conducting the **Inquiry**;
 - (2) the circumstances by which the **Insureds** first became aware of the **Inquiry**; and
 - (3) the particulars as to dates and persons involved;

then the **Inquiry** shall be treated as a **Claim** under this Policy and the reasonable and necessary costs, charges, fees and expenses incurred by an **Insured Person** solely in connection with his or her preparation for and response to the **Inquiry** shall be covered, subject to all terms, conditions and limitations of this Policy. Any other **Claim** which arises out of such **Inquiry** shall be deemed to have been first made at the time such written notice of the **Inquiry** was received by the **Insurer**. However, if the **Insureds** elect not to report an **Inquiry**, then any subsequent **Claim** which arises out of the **Inquiry** shall be subject to the reporting requirements set forth in subparagraph A. above, and coverage for such subsequent **Claim** will not be denied because of the **Insureds'** failure to report the **Inquiry** pursuant to this section of the Policy.

- D.** In addition to furnishing the notice pursuant to this section of the Policy, the **Insureds** shall, as soon as practicable, furnish the **Insurer** with copies of reports, investigations, pleadings and other papers in connection therewith.

- E. Notice to the **Insurer** pursuant to this Section of the Policy shall be given to:

ELDClaims@GAIG.com or
GREAT AMERICAN INSURANCE GROUP
ELD CANADA
CLAIMS DEPARTMENT
1515 WOODFIELD ROAD; SUITE 500
SCHAUMBURG, IL 60173

Section IX. General Conditions

A. Cancellation or Non-Renewal

- (1) This Policy may be canceled by the **Corporation** at any time by written notice to the **Insurer**. Upon cancellation, the **Insurer** shall retain the pro rata portion of the premium, unless this Policy is converted to Run-Off pursuant to Section IX. E. wherein the entire premium for this Policy shall be deemed earned.
- (2) This Policy may be canceled by the **Insurer** only if the **Corporation** does not pay the premium when due.
- (3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Corporation** with no less than sixty (60) days advance notice thereof.

B. Proposal Form

It is agreed by the **Company** and the **Insured Persons** that the particulars and statements contained in the Proposal Form(s), any information provided therewith, any public documents filed by the **Company** on the SEC's Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR"), or on the System for Electronic Document Analysis and Retrieval ("SEDAR") within the twelve (12) month period prior to the inception date of this Policy, the most recent Form 10k filed and the most recent annual report (which shall be on file with the **Insurer** and be deemed attached hereto as if physically attached hereto), are the basis of this Policy and are to be considered as incorporated in and constituting a part of the Policy. It is further understood and agreed by the **Company** and the **Directors** and **Officers** that the statements in the Proposal Form(s) or in any information provided therewith are their representations, and that this Policy is issued in reliance upon the truth of such representations. In the event any of the statements, representations or information in the Proposal Form(s) and/or any information provided therewith (hereafter referred to as "Facts"), are not true and accurate:

- (1) There shall be no coverage for any **Claims** made pursuant to Insuring Agreement I.A. of this Policy with respect to any **Insured Person** who had knowledge, as of the effective date of the **Policy Period**, of any Facts that were not truthfully and accurately disclosed in the Proposal Form(s), whether or not such **Insured Person** knew of such disclosure in the Proposal Form(s), but was aware such Facts were untruthful or inaccurate. The knowledge of any **Insured Person** shall not be imputed to any other **Insured Person** for the purposes of determining coverage under Insuring Agreement I.A.; and
- (2) There shall be no coverage for any **Claims** made pursuant to Insuring Agreement I.B. of this Policy to the extent the **Company** indemnifies any **Insured Person** who had knowledge, as of the effective date of this **Policy Period**, of any Facts that were not truthfully and accurately disclosed in the Proposal Form(s), whether or not such **Insured Person** knew of such disclosure in the Proposal Form(s), but was aware such Facts were untruthful or inaccurate. For purposes of this paragraph (2), knowledge of any **Insured Person** shall not be imputed to any other **Insured Person**; and

- (3) There shall be no coverage for any **Claims** made pursuant to Insuring Agreements I.C. and I.D. of this Policy if the person(s) who signed the Proposal Form(s) for this coverage or any **Insured Person** who is or was a past, present or future chief financial officer, or chief executive officer of the **Company** had knowledge, as of the effective date of the **Policy Period**, of any Facts that were not truthfully and accurately disclosed in the Proposal Form(s), whether or not such **Insured Person** knew of such disclosure in the Proposal Form(s); and
- (4) This Policy shall not be rescinded by the **Insurer**.

C. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, claimant and the **Insurer**.
- (2) No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against the **Insureds** nor shall the **Insurer** be impleaded or made a third party by any **Insured** or their legal representative in any such **Claim**.

D. Amalgamation, Merger or Acquisition

If, during the **Policy Period**, the **Company** acquires the assets of another entity, by amalgamation, merger or otherwise, and the acquired assets of such other entity exceed fifty percent (50%) of the assets of the **Company** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

If the **Company** fails to: (i) give written notice as required by this section within the time specified or (ii) pay the additional premium required by the **Insurer**, coverage for the acquired or created entity and its **Insured Persons** shall terminate with respect to any **Claim** first made more than ninety (90) days after such acquisition or creation. Coverage for any acquired or created entity described in this section and its **Insured Persons** shall be subject to such additional or different terms, conditions and limitations of coverage as the **Insurer** in its sole discretion may require.

E. Conversion to Run-Off Coverage

If, during the **Policy Period**, a transaction occurs wherein another entity gains control of the **Corporation** through the ownership of more than fifty percent (50%) of the voting stock of the **Corporation**, or the **Corporation** merges into another entity or consolidates with another entity such that the **Corporation** is not the surviving entity, then:

- (1) the **Corporation** must give written notice of such transaction to the **Insurer** within ninety (90) days after the effective date of such transaction and provide the **Insurer** with such information in connection therewith as the **Insurer** may deem necessary;
- (2) this Policy shall only apply to **Wrongful Acts** actually or allegedly committed on or before the effective date of such transaction; unless a waiver of this condition is requested by the **Corporation** and agreed to by the **Insurer**;
- (3) the entire premium for this Policy shall be deemed earned as of the date of such transaction; and

- (4) the **Corporation** shall have the right to request and be granted an extended **Discovery Period** of one (1) year upon payment of an additional premium equivalent to one hundred percent (100%) of the annualized premium.

In the event a transaction as described above occurs, the **Insureds** also shall have the right to request from the **Insurer** an extension of the coverage afforded by this Policy for an additional period of twelve (12) months to seventy-two (72) months after the end of the **Policy Period**, but solely with respect to any **Wrongful Act** committed or alleged to have been committed before the effective date of the transaction in question. Any such request must be made in writing and within ninety (90) days after the effective date of the transaction in question. The **Insurer** shall offer coverage based upon terms, conditions, exclusions and additional premium it deems appropriate and the **Insureds** agree to cooperate with the **Insurer** by submitting all information and particulars the **Insurer** may reasonably request.

F. Outside Entity Provision

In the event a **Claim** is made against any **Insured Persons** arising out of their service as a director, officer, trustee or governor of an **Outside Entity**, coverage as may be afforded under this Policy shall be excess of any indemnification provided by the **Outside Entity** and any insurance provided to the **Outside Entity** which covers its directors, officers, trustees or governors.

G. Subrogation

In the event of any payment under this Policy, the **Insurer** shall be subrogated to all of the **Insureds'** rights of recovery and the **Company** and **Insured Persons** shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured Persons** or the **Company**. In no event, however, shall the **Insurer** exercise its right of subrogation against an **Insured Person** under this Policy unless such **Insured Person** has been convicted of a deliberate criminal act, or has been determined by a final adjudication adverse to the **Insured Person** to have committed a deliberate fraudulent act, or has been determined by a final adjudication adverse to the **Insured Person** to have obtained any profit or advantage to which such **Insured Person** was not legally entitled.

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Company** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Company** and shall be subrogated to rights of the **Insured Persons** hereunder. The **Insurer** shall have the right to recover from the **Company** amounts the **Insurer** pays that are the result of any unsatisfied Retention arising from the failure of the **Company** to indemnify any **Insured Person** for **Loss** incurred by such **Insured Person**.

H. Other Insurance

This Policy shall apply only as excess over, and shall not contribute with, any other valid and collectible policy or policies (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise. This Policy is specifically excess of, and shall not contribute with, any insurance policy for pollution liability or environmental liability, including any general liability policy providing pollution coverage. This Policy will not be subject to the terms of any other insurance.

I. Notice of Public Offering

If, after the effective date of this policy, the **Company**:

- (1) files any Registration Statement and/or Prospectus with any provincial or territorial securities commission and/or the Securities and Exchange Commission or a similar state or foreign government authority for a public offering of securities and such filing becomes effective; or
- (2) files with any provincial or territorial securities commission and/or the Securities and Exchange Commission or a similar state or foreign government authority to qualify any of its securities for trading;

written notice thereof shall be given to the **Insurer** in care of Great American Insurance Group, ELD CANADA, 1515 Woodfield Road, Suite 500 Schaumburg, IL 60173, within thirty (30) days of such filing, together with such information as the **Insurer** may request. The **Insurer**, at its option, may make a premium adjustment or coverage revisions as may be required.

J. Order of Payments

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Policy, then the **Insurer** shall in all events:

- (1) first, pay **Loss** for which coverage is provided under Insuring Agreement I.A. of this Policy; then
- (2) only after payment of **Loss** has been made pursuant to Insuring Agreement I.A. of this Policy, with respect to whatever remaining amount of the Limit of Liability is available after such payment, the **Insurer** shall pay such other **Loss** for which coverage is provided under any other applicable Insuring Agreements in Section I. of this Policy.

The **Financial Insolvency** of any **Insured** shall not relieve the **Insurer** of any of its obligations to prioritize payment of covered **Loss** under this Policy.

K. Additional Limit of Liability Dedicated for Directors and Officers

Notwithstanding anything in this Policy to the contrary, the Additional Limit of Liability Dedicated for **Directors** and **Officers** will be an additional Limit of Liability in an amount not to exceed \$1,000,000, which amount is in addition to and not part of the Limit of Liability as set forth in Item 3 of the Declarations.

This Additional Limit of Liability Dedicated for **Directors** and **Officers** is available solely for **Loss** resulting from any **Claim** against any **Director** and/or **Officer** covered under Section I. A. of this Policy, and:

- (1) Any **Loss** resulting from any **Claim** against any **Director** and/or **Officer** covered under Section I. A. of this Policy shall first be paid under the Limit of Liability as set forth in Item 3 of the Declarations, and such Limit of Liability must be completely exhausted by payment of **Loss** under Section I.A., I.B., I.C. and/or I.D. of this Policy before **Loss** shall be paid under the Additional Limit of Liability Dedicated for **Directors** and **Officers**, and
- (2) The Additional Limit of Liability Dedicated for **Directors** and **Officers** shall be excess of any insurance available that is specifically excess of this Policy and such excess insurance must be completely exhausted by payment of **Loss** thereunder before the **Insurer** shall have any obligation to make any payment on account of the Additional Limit of Liability Dedicated for **Directors** and **Officers**.

L. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon.

M. Conformity to Statute

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

N. Entire Agreement

By acceptance of this Policy, the **Insureds** and the **Insurer** agree that this Policy (including the Declarations, Proposal Forms submitted to the **Insurer** and any information provided therewith) and any written endorsements attached hereto constitute the entire agreement between the parties. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement.

O. Corporation Represents Insured

By acceptance of this Policy, the **Corporation** shall be designated to act on behalf of the **Insureds** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

P. Representative of the Insurer

Great American Insurance Group, ELD CANADA, P.O. Box 66943, Chicago, IL 60666, shall act on behalf of the **Insurer** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence, provided, however, notice of **Claims** shall be given pursuant to Section VIII. of the Policy.

Q. Valuation and Currency

All amounts referenced under this Policy are expressed and payable in the currency of Canada. If any element of **Loss** under this Policy is stated in a currency other than Canadian dollars, payment under this Policy shall be made in Canadian dollars at the rate of exchange published in the The Globe and Mail on the date the element of **Loss** becomes due and payable by the **Insurer**.

Section X. Coverage Extensions

A. Spousal Provision

The coverage provided by this Policy shall also apply to the lawful spouse or common law partner of an **Insured Person**, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of an **Insured Person** and seeking to recover damages from marital community property, property jointly held by such lawful spouse or common law partner and an **Insured Person** or property transferred from an **Insured Person** to such lawful spouse or common law partner.

B. Worldwide Provision

The coverage provided under this Policy shall apply worldwide except in those jurisdictions where prohibited by law. The term **Directors** and **Officers** is deemed to include individuals who serve in equivalent positions in foreign **Subsidiaries**.

C. Estates and Legal Representatives

The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives or assigns of any **Insured Persons** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Persons**.

D. Supplemental Payments for Insured Persons

Any **Supplemental Payments** made pursuant to this section of the Policy are part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations and are also subject to the respective Sub-limit of Liability stated in Section V.D. No Retention shall apply to the coverage extensions set forth below. Further, **Supplemental Payments** are limited to those reasonable and necessary fees, costs and expenses incurred by an **Insured Person** during the **Policy Period** stated in Item 2 of the Declarations and with the express prior consent of the **Insurer**.

(1) Investigation Costs for Canadian Occupational Health and Safety Violations

The **Insurer** shall pay on behalf of an **Insured Person** reasonable and necessary costs and expenses incurred in response to an investigation of any actual or alleged violations of any Canadian occupational health and safety laws or regulations, provided such investigation does not otherwise qualify as a **Claim** under this Policy. This coverage shall not include any salary, wages, overhead or benefit expenses associated with such **Insured Person**.

(2) Public Relations Costs

The **Insurer** shall pay on behalf of an **Insured Person** the reasonable and necessary costs and expenses incurred to reduce damage to reputation suffered by the **Insured Person** provided the actual or alleged damage to the **Insured Person's** reputation is caused by any information disclosed to any third party and is the direct result of a **Claim** which is covered under this Policy.

(3) Assets and Liberty Costs

The **Insurer** shall pay on behalf of an **Insured Person** the reasonable and necessary costs and expenses incurred to obtain the discharge or revocation of a judicial order entered during the **Policy Period** imposing:

- (a) a confiscation or suspension or freezing of rights of ownership of real property or personal assets of such **Insured Person**;
- (b) a charge over real property or personal assets of such **Insured Person**;
- (c) a temporary or permanent prohibition on such **Insured Person** from holding the office or performing the function of an **Insured Person**;
- (d) the restriction of the liberty of such **Insured Person** to a specified domestic residence or an official detention;
- (e) the deportation of any **Insured Person** following the revocation of the otherwise proper, current and valid immigration status for any reason other than the conviction of such **Insured Person** of a crime; or
- (f) the "**Extradition**" of any **Insured Person**.

"**Extradition**" shall mean any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

(4) Civil Fines and Civil Penalties

The **Insurer** shall pay on behalf of an **Insured Person** civil fines and penalties which the **Insured Person** is ordered to pay as a result of any **Wrongful Act** giving rise to a **Claim**, provided, however, this coverage extension does not apply to such civil fines and penalties:

- (a) otherwise covered under the Policy;
- (b) otherwise recoverable from or payable by the **Company**; or
- (c) where payment by the **Insurer** is proven to be against public policy or in violation of any law, rule or regulation to which the **Insurer**, the **Insured Persons** or the **Company** are subject.

In witness whereof the **Insurer** has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by a duly authorized agent of the **Insurer**.

GREAT AMERICAN INSURANCE COMPANY®



President



Secretary