

Entered

COURT FILE NUMBER 2201-03735
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFF THE BANK OF MONTREAL
 DEFENDANTS THE INSTITUTE OF WELLNESS AND ADVANCED
 AESTHETICS LTD., WANDA LEE, THE ESTATE OF JONATHAN
 PATRICK LEE, 1608309 ALBERTA LTD., and MOUNT ROYAL
 SURGICAL CENTRE INC.



DOCUMENT **APPLICATION**

COM
July 5 2022

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: McCarthy Tétrault LLP
 4000, 421 – 7th Avenue SW
 Calgary, Alberta T2P 4K9
 Attention: Walker W. MacLeod
 Tel: 403-260-3710
 Fax: 403-260-3501
 Email: wmacleod@mccarthy.ca

NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard, as shown below:

Date: July 5, 2022
 Time: 11:00 am
 Where: Calgary Law Courts (Virtual Courtroom via WebEx – see Schedule "A" hereto)
 Before Whom: The Honourable Justice B.E.C. Romaine

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought: Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as the court-appointed receiver and manager of the assets, properties, and undertakings (collectively, the "**Property**") of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the "**Debtors**") pursuant to the Receivership Order, granted by the Honourable Justice J.T. Neilson on April 1, 2022 (the "**Receivership Order**"), in the within proceedings (the "**Proceedings**"), applies for various Orders, substantially in the forms attached as Schedule "**B**" (the "**Fee and Conduct Approval**"),

and Sealing Order”), Schedule “C” (the “Distribution Order”), Schedule “D” (the “Sale Approval and Vesting Order”) hereto:

Service

1. If necessary, declaring that the time for service of this application (the “Application”) and the Second Report of the Receiver, dated June 27, 2022 (the “Second Receiver’s Report”), is abridged, that the Application is properly returnable on July 5, 2022, that service of the Application and the Second Receiver’s Report, on the service list, is good and sufficient, and that no persons other than those on the service list are entitled to service of the Second Receiver’s Report, the Application, or any orders arising therefrom.

Fee Approval

2. Approving the interim accounts of the Receiver and its legal counsel to date in respect of the Debtors.

Approval of Receiver’s Actions

3. Approving the actions and conduct of the Receiver, as set out in the Second Report of the Receiver and the Confidential Appendices to the Second Report of the Receiver (the “Confidential Appendices”).

Authorizing the BMO Distribution

4. Authorizing the Receiver to make distributions of the Receivership Property or any proceeds received from the disposition of the Receivership Property to the Bank of Montreal (“BMO”) and to any other persons who hold valid and enforceable security interests in respect of the Receivership Property in priority to BMO.

Approval of the APA

5. Approving the Asset Purchase Agreement, dated June 24, 2022 (the “APA”), between the Debtors by and through the Receiver in its capacity as court appointed receiver and manager of the assets, properties and undertaking and not in its personal or corporate capacity, as vendor, and 2440656 Alberta Corporation (the “Purchaser”), as purchaser, attached as Appendix “B” to the Second Receiver’s Report, and the sale, transfer, and assignment of the right, title, estate and interest in the assets, properties and undertakings,

as identified therein (collectively, the “**Assets**”), and the transfer and vesting of the Assets to the Purchaser, and authorizing the Debtors and the Receiver to take any and all such steps as are necessary or advisable to close the transaction for the purchase and sale of the Assets, as contemplated by the APA, the Receivership Order, and the sale and investment solicitation process attached as Appendix “A” to the First Receiver’s Report (the “**SISP**”).

6. Ordering and declaring that, effective immediately upon the Receiver filing a certificate with this Honourable Court (the “**Receiver’s Certificate**”) confirming that all terms and conditions under the APA and any and all modifications thereto have either been satisfied or waived and that the transactions contemplated by the APA have otherwise been completed, to the satisfaction of the Receiver, all legal and beneficial ownership of and title to the Assets shall vest in the Purchaser (or its designated assignee or nominee, to the extent permitted by the APA), free and clear of any and all security interests (whether contractual, statutory, or otherwise), liens, writs, executions, ownership interests, levies, charges, or other financial or monetary claims, whether or not they have been attached, registered, perfected, or filed, and whether secured, unsecured, liquidated, contingent, or absolute.
7. Ordering that the Debtors and any and all persons claiming through, by, or under the Debtors and all other persons in possession of any or all of the Assets to deliver up possession of the Assets to the Purchaser or its assignee or nominee, upon the filing of the Receiver’s Certificate.

Vesting Provisions

8. Ordering and declaring that, notwithstanding the pendency of these proceedings or the provisions of any federal or provincial statute, the vesting provisions contained in the proposed form of Order, attached as Schedule “**D**” hereto, concerning the assignment, sale, and transfer of the Assets:
 - (a) will not be void or voidable at the instance of creditors or claimants;
 - (b) do not constitute and shall not be deemed to be a fraudulent preference, a fraudulent conveyance, a transfer at undervalue, or otherwise subject to challenge under the *Bankruptcy and Insolvency Act* (Canada), the *Fraudulent Preferences Act* (Alberta), or any other applicable federal or provincial legislation; and,

- (c) do not constitute and shall not be deemed to constitute conduct meriting an oppression remedy.

Sealing the Confidential Appendices

9. Sealing the Confidential Appendices, on the Court file, until the filing of the Receiver's Certificates.

Miscellaneous Matters

10. Ordering and declaring that service of any orders arising from the Application by email, facsimile, registered mail, courier, regular mail, or personal delivery, to the persons listed on the service list, shall constitute good and sufficient service of such orders and that no persons other than those on the service list are entitled to be served with a copy of such orders.
11. Such further and other relief as counsel for the Receiver may advise and this Honourable Court considers to be just and appropriate in the circumstances.

Grounds for Making this Application: The grounds for the Application are as follows:

Background

12. The Receiver was appointed as the receiver and manager of the Debtors and their Property, pursuant to the Receivership Order.
13. Pursuant to the Receivership Order, the Receiver is exclusively authorized and empowered to exercise control over the Property, to the exclusion of all other Persons (as defined in the Receivership Order), including the Debtors, and without interference from any other Person (as defined in the Receivership Order).
14. On April 27, 2022, the Receiver initiated a sales process (the "**Sales Process**"). The primary asset that is being marketed pursuant to the Sales Process is a leasehold interest in a real property surgical facility located at 3007 – 14th Avenue SW (the "**Surgical Facility**"). The Surgical Facility is approximately 9,000 square feet and contains operating rooms, treatment rooms and doctor's offices.

15. In accordance with the terms of the SISP the Receiver has been marketing the business and assets of the Debtors. Specifically, pursuant to the SISP, the Receiver, has taken numerous actions with respect to the Debtors, which include, *inter alia*:
- (a) proceeding to market and sell the Debtors' property, in accordance with the Receiver's duties and powers under the SISP and the Receivership Order;
 - (b) researched and identified potentially interested parties including strategic and financial investors;
 - (c) prepared a process summary non-confidential information letter (the "**Teaser Letter**") and confidentiality agreement (the "**Confidentiality Agreement**") with input from the Receiver, its legal counsel, and the Debtors;
 - (d) contacted various interested parties by direct email to determine their interest in the SISP, including, 66 financial and strategic buyers, and provided them with a copy of the Teaser Letter and the Confidentiality Agreement;
 - (e) arranged for notice of the SISP to be published in the Globe & Mail (National), Calgary Herald, Edmonton Journal, and the Insolvency Insider;
 - (f) prepared and populated an electronic data site containing information on the Applicants' assets and operations (the "**Data Room**") for prospective purchasers;
 - (g) obtained signed Confidentiality Agreements from 20 interested parties and provided those parties with access to the Data Room;
 - (h) provided communication and responded to information requests made by Ms. Yan, a real estate agent interested in purchasing the Property and obtained an order on May 27, 2022 directing Ms. Yan and Vanovermeire (as defined therein) to respond to inquires made by the Receiver in respect of a Multiple Service Listing for a property identified as "123 Medical" with MLS listing number A1216384; and,
 - (i) responded to due diligence all additional requests from potential investors and their advisors.
16. Pursuant to the SISP, the Receiver discussed the Purchaser's bid with relevant and key stakeholders and the primary secured creditors of the Assets, being BMO.

17. The APA is supported by BMO.
18. The Receiver and the Purchaser negotiated the APA. The APA is conditional, *inter alia*, on the approval of this Honourable Court.
19. The Assets being conveyed pursuant to the APA were sufficiently exposed to the relevant market in a commercially reasonable and fair marketing process as approved and in accordance with the terms of the SISP and the Receivership Order. The price to be paid for the Assets, pursuant to the APA, represents the highest and best price that can be obtained for the Assets in the current circumstances.
20. The APA, as proposed, is in the best interests of the Debtors estate and stakeholders.
21. The Receiver's legal counsel has reviewed the BMO security and provides an opinion that, subject to the standard and customary qualifications, assumptions and limitations, the security of BMO over the assets, property and undertakings is valid and enforceable. It is therefore appropriate to authorize distribution to BMO subject only to the Receiver's Charge and Receiver's Borrowings Charge (as each is defined in the Receivership Order).
22. The Confidential Appendices contain certain information concerning the APA, the Property, and certain commercially sensitive information related thereto, including, *inter alia*, the APA purchase price. The public disclosure and dissemination of the information in the Confidential Appendices would cause serious and irreparable harm to the estate of the Debtors and its stakeholders, if the Property is required to undergo an additional remarketing and sales process. The limited sealing provision that the Receiver seeks on the Application, in respect of the Confidential Appendices, is a fair and reasonable method of addressing the serious and irreparable harm that would result, if the Confidential Appendices were publicly disseminated.
23. Such further and other considerations, as counsel may advise and this Honourable Court considers just and appropriate in the circumstances.

Affidavit or other Evidence and Materials to be used in Support of this Application:

24. The First Report of the Receiver, dated May 25, 2022, filed.
25. The Second Report of the Receiver dated June 27, 2022, filed.

26. Such further and other evidence or materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

27. Rule 6.3, 6.9, 6.28, and 11.27 of the *Alberta Rules Of Court*, Alta. Reg. 124/2010.
28. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

29. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
30. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any Irregularity Complained of or Objection Relied On:

31. There are no irregularities complained of or objections relied on.

How the Application is Proposed to be Heard or Considered:

32. The Receiver proposes that this Application be heard via WebEx with one, some, or all of the parties present.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A" TO THE APPLICATION WEBEX INSTRUCTIONS

Virtual Courtroom 60 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

If you are a non-lawyer attending this hearing remotely, **you must** complete the undertaking located here: <https://www.albertacourts.ca/qb/resources/announcements/undertaking-and-agreement-for-non-lawyers>

For more information relating to Webex protocols and procedures, please visit: <https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the "Cisco Webex Meetings" App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

**SCHEDULE "B" TO THE APPLICATION
FEE AND CONDUCT APPROVAL AND SEALING ORDER**



COURT FILE NUMBER 2201-03735

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF THE BANK OF MONTREAL

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

DOCUMENT **ORDER (Fee and Conduct Approval and Sealing Order)**

ADDRESS FOR SERVICE McCarthy Tétrault LLP
AND CONTACT 4000, 421 – 7th Avenue SW
INFORMATION OF Calgary, Alberta T2P 4K9
PARTY FILING THIS Attention: Walker W. MacLeod
DOCUMENT: Tel: 403-260-3710
 Fax: 403-260-3501
 Email: wmacleod@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: **July 5, 2022**

LOCATION OF HEARING OR TRIAL: **Calgary, Alberta**

NAME OF JUDGE WHO MADE THIS ORDER: **Honourable Justice B.E.C. Romaine**

UPON the application (the "**Application**") of Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as the court-appointed receiver and manager of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the "**Debtors**") pursuant to the Receivership Order granted on April 1, 2022 (the "**Receivership Order**"), in the within proceedings (the "**Proceedings**"), **AND UPON** reading the First Report of the Receiver, dated May 25, 2022 (the "**First Receiver's Report**"), filed; **AND UPON** reading the Second Report of the Receiver, dated June 27, 2022 (the "**Second Receiver's Report**") **AND UPON** reading the Confidential Appendixes "1" to "3" to the Second Receiver's Report, dated June 27, 2022 (the "**Confidential Appendices**"), **AND UPON** reading the Affidavit of Service of Katie Doran, sworn on ●, 2022 (the "**Service Affidavit**"), filed; **AND UPON** hearing counsel for the Receiver and for any other parties who may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the Application and the Second Receiver's Report is abridged, the Application is properly returnable today, service of the Application and the Second Receiver's Report on the service list, in the manner described in the Service Affidavit, is good and sufficient, and no other persons, other than those listed on the service list (the "**Service List**") attached as an exhibit to the Service Affidavit, are entitled to service of the Application or the Second Receiver's Report.

FEE APPROVAL

2. The Receiver's interim accounts for fees and disbursements in respect of the Debtors for the period April 1, 2022 to June 26, 2022 (in the amount of \$ \$260,473.45) are hereby approved without the necessity of a formal passing of accounts.
3. The interim accounts of the Receiver's legal counsel, McCarthy Tétrault LLP, for its fees and disbursements in respect of the Debtors for the period April 1, 2022 to June 26, 2022 (in the amount of \$75,695.00) are hereby approved without the necessity of a formal assessment of its accounts.

APPROVAL OF RECEIVER'S ACTIONS

4. The reported actions, activities and conduct of the Receiver as set out in the Second Receiver's Report and in all of its other reports filed herein (including the First Report dated May 24, 2022) and the Statement of Receipts and Disbursements as attached to the Report, are hereby ratified and approved, as of the date of the Second Receiver's Report.

SEALING

5. Part 6, Division 4 of the *Alberta Rules of Court* does not apply to the Application and the Clerk of the Court is hereby directed to seal the Confidential Appendices, on the Court file, until the filing of the Receiver's Certificates (as defined in and contemplated by the Sale Approval and Vesting Order made in connection with the Application). The Confidential Appendices shall be sealed and filed in an envelope containing the following endorsement thereon:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL APPENDICES TO THE SECOND REPORT OF THE RECEIVER, DATED JUNE 27, 2022. THE CONFIDENTIAL APPENDICES TO THE SECOND REPORT OF THE RECEIVER IS SEALED PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE B.E.C. ROMAINE, DATED JULY ●, 2022 AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICLY ACCESSIBLE UNTIL THE FILING OF THE RECEIVER'S CERTIFICATES REFERRED TO THEREIN.

6. Any person may apply, on reasonable notice to the Receiver and any other persons likely to be affected, to vary or amend the terms of paragraph 5 of this Order.
7. Service of this Order on the Service List by email, facsimile, registered mail, courier, or personal delivery shall constitute good and sufficient service of this Order, and no persons other than the persons listed on the Service List are entitled to be served with a copy of this Order. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
8. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.C.Q.B.A.

**SCHEDULE "C" TO THE APPLICATION
DISTRIBUTION ORDER**

Clerk's Stamp

COURT FILE NUMBER 2201-03735
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF THE BANK OF MONTREAL
DEFENDANTS THE INSTITUTE OF WELLNESS AND ADVANCED
AESTHETICS LTD., WANDA LEE, THE ESTATE OF JONATHAN
PATRICK LEE, 1608309 ALBERTA LTD., and MOUNT ROYAL
SURGICAL CENTRE INC.
DOCUMENT **ORDER (Distribution)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9
Attention: Walker W. MacLeod
Tel: 403-260-3710
Fax: 403-260-3501
Email: wmacleod@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: July 5, 2022
LOCATION OF HEARING OR TRIAL: Calgary, Alberta
NAME OF JUDGE WHO MADE THIS ORDER: Honourable Justice B.E.C. Romaine

UPON the application (the "**Application**") of Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as the court-appointed receiver and manager of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the "**Debtors**") pursuant to the Receivership Order granted on April 1, 2022 (the "**Receivership Order**"), in the within proceedings (the "**Proceedings**"), **AND UPON** reading the First Report of the Receiver, dated May 25, 2022 (the "**First Receiver's Report**"), filed; **AND UPON** reading the Second Report of the Receiver, dated June 27, 2022 (the "**Second Receiver's Report**") **AND UPON** reading the Confidential Appendixes "1" to "3" to the Second Receiver's Report, dated June 27, 2022 (the "**Confidential Appendices**"), **AND UPON** reading the Affidavit of Service of Katie Doran, sworn on ●, 2022 (the "**Service Affidavit**"), filed; **AND UPON** hearing counsel for the Receiver and for any other parties who may be present;

1. The time for service of the Application and the Second Receiver's Report is abridged, the Application is properly returnable today, service of the Application and the Second Receiver's Report on the service list, in the manner described in the Service Affidavit, is good and sufficient, and no persons other than those listed on the service list (the "**Service List**") attached as an exhibit to the Service Affidavit, are entitled to service of the Application or the Second Receiver's Report.
2. The security interest granted by the Debtors to the Bank of Montreal ("**BMO**") over the Property is valid and enforceable and, subject only to the charges contained in the Receivership Order, holds priority over any and all claims, estates, rights, title, interests, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, writs of execution, options, agreements, disputes, debts, encumbrances, or other rights, limitations or restrictions of any nature whatsoever, or any other contractual, financial or monetary claims of any nature whatsoever, whether or not any of the foregoing have attached or been perfected, registered or filed, and whether secured, unsecured or otherwise.
3. The Receiver is authorized and empowered, immediately and from time to time hereafter as the Receiver determines appropriate and subject only to the charges contained in the Receivership Order, to make distributions to BMO in an amount sufficient to irrevocably repay all indebtedness, liabilities and obligations owing by the Debtors to BMO, including, without limitation, all principle, interest, fees owing to BMO, all costs and expenses incurred by BMO and all legal fees and costs charged to BMO on a solicitor and own client, full indemnity basis.
4. Service of this Order on the Service List by email, facsimile, registered mail, courier, or personal delivery shall constitute good and sufficient service of this Order, and no persons other than the persons listed on the Service List are entitled to be served with a copy of this Order. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

J.C.Q.B.A.

**SCHEDULE "D" TO THE APPLICATION
SALE APPROVAL AND VESTING ORDER**

COURT FILE NUMBER 2201-03735
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF THE BANK OF MONTREAL
DEFENDANTS THE INSTITUTE OF WELLNESS AND ADVANCED
AESTHETICS LTD., WANDA LEE, THE ESTATE OF JONATHAN
PATRICK LEE, 1608309 ALBERTA LTD., and MOUNT ROYAL
SURGICAL CENTRE INC.

Clerk's Stamp

DOCUMENT **ORDER (Sale Approval and Vesting Order)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9
Attention: Walker W. MacLeod
Tel: 403-260-3710
Fax: 403-260-3501
Email: wmacleod@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: July 5, 2022
LOCATION OF HEARING OR TRIAL: Calgary, Alberta
NAME OF JUDGE WHO MADE THIS ORDER: Honourable Justice B.E.C. Romaine

UPON the application (the "**Application**") of Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as the court-appointed receiver and manager of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the "**Debtors**") pursuant to the Receivership Order granted on April 1, 2022 (the "**Receivership Order**"), in the within proceedings (the "**Proceedings**"), for an order approving the sale transaction (collectively, the "**Transaction**") contemplated by the Asset Purchase Agreement, dated June 24, 2022 (the "**APA**"), between the Debtors by and through the Receiver in its capacity as court appointed receiver and manager of the assets, properties and undertaking and not in its personal or corporate capacity, as vendor, and 2440656 Alberta Corporation (the "**Purchaser**"), as purchaser, attached as Confidential Appendixes "1" to "3" to the Second Report of the Receiver dated June 27, 2022 (the "**Confidential Appendices**" and the "**Second Receiver's Report**", respectively) (a copy of the APA with the purchase price redacted is attached as Appendix "**B**" to the Second Receiver's Report), and the vesting in the Purchaser,

all of the Debtors' right, title, and interest in and to the assets described in the APA (collectively, the "**Assets**");

AND UPON HAVING READ the Receivership Order dated April 1, 2022 (the "**Receivership Order**"), the Report, and the Affidavit of Service of Katie Doran, sworn on • (the "**Service Affidavit**"), all filed; **AND UPON** having read the Confidential Appendices , unfiled; **AND UPON** hearing counsel for the Receiver and for any other parties who may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the Application and the Second Receiver's Report is abridged, the Application is properly returnable today, service of the Application and the Second Receiver's Report on the service list, in the manner described in the Service Affidavit, is good and sufficient, and no other persons, other than those listed on the service list (the "**Service List**") attached as an exhibit to the Service Affidavit, are entitled to service of the Application or the Second Receiver's Report.

APPROVAL OF THE TRANSACTION

2. The Transaction is hereby approved and execution of the APA is hereby authorized, and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Assets to the Purchaser (or its nominee).

VESTING OF THE ASSETS

3. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule "**A**" hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title, and interest in and to the Assets, as described in the APA, shall vest absolutely, exclusively, and entirely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights or pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory,

financial, monetary, or otherwise, whether or not they have attached or been perfected, registered, or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders’ Lien Act* (Alberta); and
- (d) those Claims listed in Schedule “**B**” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule “**C**” (collectively, “**Permitted Encumbrances**”))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Assets are hereby expunged, discharged and terminated as against the Assets.

4. Upon delivery of the Receiver’s Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to in this paragraph (collectively, “**Governmental Authorities**”) are hereby authorized, requested, and directed to accept delivery of such Receiver’s Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Assets subject only to Permitted Encumbrances. Without limiting the foregoing, the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtors in any of the Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the

terms of this Order and the APA. Presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by the Debtors of the APA.
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the Assets from and after delivery of the Receiver's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber, or otherwise form a charge, security interest, lien, or other Claim against the Assets and may be asserted against the net proceeds from sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
8. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtors.
9. Upon completion of the Transaction, the Debtors and all persons who claim by, through or under the Debtors in respect of the Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped, and foreclosed from and permanently enjoined from pursuing, asserting, or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title,

estate, or interest in and to the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by, through or against the Debtors.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
13. The Receiver may rely on written notice from the Debtors and the Purchaser or their respective counsel regarding the fulfillment of conditions to closing under the APA and shall incur no liability with respect to the delivery of the Receiver's Certificate.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtors were entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtors, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtors; and

(d) the provisions of any federal or provincial statute:

the vesting of the Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
18. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving same on:
 - (i) the persons listed on the Service List created in these proceedings;
 - (ii) any other person served with notice of the Application for this Order;
 - (iii) any other parties attending or represented at the Application for this Order;and

(b) posting a copy of this Order on the Receiver's website at <https://www.alvarezandmarsal.com/IWAAL>

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A" TO THE ORDER (SALE APPROVAL AND VESTING ORDER)
RECEIVER'S CERTIFICATE**

Clerk's Stamp

COURT FILE NUMBER 2201-03735
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF BANK OF MONTREAL
DEFENDANTS THE INSTITUTE OF WELLNESS AND ADVANCED
AESTHETICS LTD., WANDA LEE, THE ESTATE OF
JONATHAN PATRICK LEE, 1608309 ALBERTA LTD.,
and MOUNT ROYAL SURGICAL CENTRE INC.

DOCUMENT RECEIVER'S CERTIFICATE

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9
Attention: Walker W. MacLeod
Tel: 403-260-3710
Fax: 403-260-3501
Email: wmacleod@mccarthy.ca

RECITALS

A. Pursuant to an Order of the Honourable Justice J.T. Neilson of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated April 9, 2022, Alvarez & Marsal Canada Inc. was appointed as the receiver and manager (the "**Receiver**") of the undertakings, property, and assets of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the "**Debtors**").

A. The Assets include:

a. ●.

B. Pursuant to an Order of the Court dated ● (the "**Sale Approval and Vesting Order**"), the Court approved the Asset Purchase Agreement, dated June 24, 2022 (the "**APA**"), between the Debtors by and through the Receiver in its capacity as court appointed

receiver and manager of the assets, properties and undertaking and not in its personal or corporate capacity, as vendor, and 2440656 Alberta Corporation (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Assets, which vesting is to be effective with respect to the Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Assets; (ii) that the conditions to Closing as set out in Article 6 of the APA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA.

THE RECEIVER CERTIFIES the following:

20. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Assets payable on the Closing Date pursuant to the APA;
21. The conditions to Closing as set out in Article 6 of the APA have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
22. The Transaction has been completed to the satisfaction of the Receiver.
23. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

Alvarez & Marsal Canada Inc., in its capacity as court appointed receiver and manager of the assets, properties and undertaking of **The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd. and Mount Royal Surgical Centre Inc.**, and not in its personal or corporate capacity.

Per: _____
Name:
Title:

SCHEDULE "B"
ENCUMBRANCES

SCHEDULE "C"
PERMITTED ENCUMBRANCES

None.