

THE KING'S BENCH
WINNIPEG CENTRE

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

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

(the "Applicants")

EIGHTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.
DATED APRIL 22, 2024
DATE OF HEARING : MONDAY, APRIL 29, 2024 AT 10:00 A.M.
CHARTIER, J.

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INTRODUCTION

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

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

9. The Monitor filed its third Monitor's report dated July 31, 2023 (the "**Third Report**") in support of the August 2, 2023 motion. Further information regarding the relief sought during that motion can be found therein.
10. On September 26, 2023, the Court granted the Applicants an Order, which, among other things, extended the stay of proceedings to December 15, 2023. The Monitor filed its fourth Monitor's Report (the "**Fourth Report**") in support of the September 26, 2023 motion.
11. On October 31, 2023, the Court granted the Monitor a sale approval and vesting order, which approved the agreement of purchase and sale (the "**Dynacare PSA**") between the Monitor, for and on behalf of Realco, as vendor, and Dynacare (as defined in the Fifth Report), as purchaser, for the sale of Realco's Class B units in the Partnership (as defined in the Fifth Report). Additionally, the Court granted an Order sealing the Confidential Supplement to the Fifth Report, which contained the commercial terms of the Dynacare PSA. The Monitor filed its fifth Monitor's Report (the "**Fifth Report**") in support of the October 31, 2023 motion.
12. On November 24, 2023, the Court granted the Monitor four orders, the details of which are noted below:
 - a) an approval and vesting order (the "**Medco AVO**"), which approved the sale transaction contemplated by an asset purchase agreement between the Monitor, in its capacity as Monitor of Medco, as vendor, and 1439573 B.C. Ltd., a nominee of WELL Health Clinic Network Inc. (the "**Purchaser**"), as purchaser (the "**Medco Transaction**");
 - b) an approval and vesting order (the "**Realco AVO**"), which approved the sale transaction contemplated by an asset purchase agreement between the Monitor, in its capacity as Monitor of Realco, as vendor, and HSCF Property Inc., as purchaser (the "**Realco Transaction**");
 - c) an order further enhancing the Monitor's powers (the "**Enhanced Powers Order**"); and

- d) an order, which, among other things, extended the stay of proceedings to February 12, 2024.
13. The Monitor notes that WELL Health Clinic Network Inc.'s ("**WELL**") in-house counsel, Brandon Rasula, was in attendance at the November 24, 2023 hearing as counsel for the purchaser (i.e., WELL's nominee), 1439573 B.C. Ltd. (the "**Purchaser**") and consented to the form of the Medco AVO, the Realco AVO, and the Enhanced Powers Order.
 14. The Monitor filed its sixth Monitor's Report (the "**Sixth Report**") and the supplement thereto (the "**Supplement to the Sixth Report**") in support of the November 24, 2023 motion.
 15. On February 9, 2024, the Court granted the Monitor two orders, the details of which are noted below:
 - a) an order (the "**D&O Release Order**") releasing and discharging the directors and officers of the Companies from certain Released Claims (as defined in the D&O Release Order); and
 - b) an order, which among other things, approved an interim distribution to CIBC and extended the stay of proceedings to May 3, 2024.
 16. The Monitor filed its seventh Monitor's Report (the "**Seventh Report**") in support of the February 9, 2024 motion.

PURPOSE

17. The purpose of this report of the Monitor (the "**Eighth Report**" or this "**Report**," and together with the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, Sixth Report, the Supplement to the Sixth Report and the Seventh Report (the "**Reports**")) is to provide this Court information about and, where applicable, the Monitor's views on:
 - a) the activities of the Monitor since the Seventh Report;
 - b) the Monitor's request for an order compelling the Purchaser to pay the Monitor the Pre-Closing Receivables (as defined below), plus the solicitor-

client costs incurred by the Monitor in preparing for this aspect of the motion in the amount of \$27,702.50;

- c) the Companies' cash receipts and disbursements as compared to the cash flow forecast appended to the Seventh Report of the Monitor for the period of January 27, 2024 to April 19, 2024;
- d) the Monitor's request for an order (the "**Termination Order**"):
 - i) discharging, releasing, and terminating the DIP Lender's Charge, the Directors' Charge, and the KERP Charge (as defined in the ARIO);
 - ii) authorizing and directing the Monitor to retain a holdback of \$550,000 (the "**Monitor's Holdback**"), from the net proceeds for the Medco and Realco Transactions and other funds realized from the Applicants' estates (collectively, the "**Net Proceeds**") on account of further fees and disbursements of the Monitor and its legal counsel, and apply from time to time the amounts so held against such further fees and disbursements (without the requirement of taxation or passing of accounts);
 - iii) authorizing and directing the Monitor to make the following distributions to CIBC:
 - A. from the Net Proceeds, the sum of \$578,000, to be paid upon the granting of the Termination; and
 - B. the entirety of any residual amounts left over from the Monitor's Holdback after the payment of the Monitor and its legal counsel's final invoices;
 - iv) the approval of the Eighth Report and the Monitor's actions and activities as described therein;
 - v) the approval of the professional fees and costs of the Monitor and its legal counsel;
 - vi) an extension of the stay of proceedings to July 5, 2024; and

- vii) the discharge of the Monitor and the termination of these CCAA Proceedings following the filing of a Monitor's Certificate (as defined below);
 - e) the Monitor's recommendations and conclusions in respect of the matters described above.
18. Capitalized terms not otherwise defined in this Report are as defined in the Initial Order, the ARIO, the SISP, the other orders of this Court, and the Reports, as the case may be.

TERMS OF REFERENCE AND DISCLAIMER

19. In preparing this Report, Alvarez & Marsal Canada Inc., in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Companies, and has held discussions with the Companies' management ("**Management**") and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report in respect of the Companies' cash flow forecast:
- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
 - b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
20. Future oriented financial information referred to in this Report was prepared based on the Debtors' estimates and assumptions. Readers are cautioned that since

projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

21. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

BACKGROUND

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

ACTIVITIES OF THE MONITOR SINCE THE SEVENTH REPORT

23. Since the Seventh Report, the Monitor's activities included, among others, the following:
 - a) payment of the interim distribution to CIBC as senior secured creditor;
 - b) working with prior Management and contract employees to complete a reconciliation of Medco physician accounts for the period ending November 30, 2023;
 - c) working with prior Management and contract employees to complete the accounting and calculate the resulting tweak and true-up payments to Physicians for the period ending November 30, 2023;
 - d) communication with Medco Physicians regarding the accounting for the period ending November 30, 2023;
 - e) payment to the three Medco Physicians entitled to true-up payments from Medco for the period ending November 30, 2023;

- f) engaging in discussions with the Lender and its legal counsel with respect to the CCAA Proceedings;
- g) confirming that no Disputed Claims were received prior to the Claims Bar Date (as defined in the D&O Release Order);
- h) continuing communication with and utilization of the Monitor's independent legal counsel, McDougall Gauley LLP (the "**Monitor's Counsel**"), as necessary;
- i) communication with the Purchaser and the Monitor's Counsel regarding the Pre-Closing Receivables (as defined below);
- j) communicating with trade creditors and other stakeholders, and assisting with arrangements with various suppliers regarding the closure of Medco and Realco accounts and settlement of final invoices; and
- k) attending calls with the Lender, Management, and the parties' respective counsel.

PRE-CLOSING RECEIVABLES

Background on Physician Billings

- 24. Medco formerly billed Manitoba Health ("**MB Health**") on an ongoing basis for services rendered by the Medco physicians to patients. MB Health paid Medco twice per month for all claims which were submitted electronically.
- 25. The cash payments made by MB Health for the submitted claims occurred on or around the 15th and the last day of each month, with MB Health making an electronic funds transfer to Medco's bank account.
- 26. The cash payments made by MB Health (each a "**MB Health Remittance**") primarily related to electronic claims that were submitted during the period approximately 1-3 weeks prior to the date payment was received. For example, the MB Health Remittance that was received on November 15, 2023 primarily related to claims that were submitted electronically for the period from October 23, 2023 to November 6, 2023.

27. Medco previously provided the Monitor with a document which provides an overview of the cut-off periods for each MB Health Remittance received in the 2023 calendar year (the “**MB Health Cut-Off Dates Summary**”). A copy of the MB Health Cut-Off Dates Summary is attached as Appendix “A”.

Medco Transaction

28. On December 1, 2023 (the “**Closing Date**”), the Medco Transaction closed. The purchase price of the Medco Transaction was \$500,000. Medco ceased operating on the Closing Date, making November 30, 2023 the corporation's *de facto* year-end for the purposes of reconciling the Physician’s draw accounts and finalizing Medco's year-end.
29. The Medco Transaction did not include the purchase of any of Medco's pre-closing accounts receivable. The list of the purchased assets that were conveyed to the Purchaser (the “**Purchased Assets**”) as part of the Medco Transaction are set out in Schedule “A” of the asset purchase agreement dated September 21, 2023 (the “**Medco APA**”), as amended by the amendment to the asset purchase agreement dated November 2, 2023 (the “**Amended Medco APA**”). Copies of the Medco APA and the Amended Medco APA are attached as Appendices “B” and “C,” respectively, to this Report.
30. After the Closing Date, the Purchaser, without the Monitor’s knowledge, approval, or consent, changed the bank account on file with MB Health, which was used to deposit MB Health Remittances to Medco, from Medco’s CIBC operating account to an account controlled by the Purchaser.
31. As a result of the Purchaser changing the bank account with MB Health, the entirety of the MB Health Remittance paid on December 15, 2023 (the “**December 15th Remittance**”), which totaled \$1,014,211.74, was deposited into a bank account controlled by the Purchaser. As discussed in more detail below, \$721,830.70 of this amount was payable to Medco for services rendered by its former Physicians prior to closing. The Purchaser then received a further \$35,295.95 payable to Medco from MB Health for pre-closing services on December 31, 2023, for a total of \$757,227.12.

Background on Physician Draws

32. Medco formerly provided the Physicians with two payments each month (each, a “**Draw**”), which typically represented between 60% and 70% of the total revenue produced by each Physician in the calendar month (the “**Monthly Production**”). The two monthly Draws to each Physician were made on the last Friday of the month (the “**First Monthly Draw**”) and the first Friday of the following month (the “**Second Monthly Draw**”), regardless of when the actual revenue was collected from MB Health for those periods (i.e., production for the last week of every month was not collected from MB Health until the following month based on the MB Remittance schedule).
33. Before each of the Draws were completed, Management, with assistance from the Monitor, would evaluate the Monthly Production of each Physician, and revise the Draw upwards or downwards based on the Monthly Production.
34. The Monthly Production would typically be estimated for the First Monthly Draw, using the actual production for the first portion of the month and an estimate for the remainder of the month. The actual Monthly Production was typically used to determine the Second Monthly Draw, as this Draw was usually paid on the first Friday of the following month, when the actual Monthly Production for the preceding month was known.

Methodology for November Draws

35. The final two Draws that Medco provided to the Physicians occurred on November 24, 2023 and December 1, 2023 (the “**November 2023 Draws**”). Similar to previous months, the November 2023 Draws were intended to compensate Physicians for their Monthly Production for the entire month of November.
36. As the Second Monthly Draw in November occurred on December 1, 2023 and needed to be determined by November 29, 2023, the Monthly Production for November was estimated using a combination of the actual production for the period from November 1, 2023 to November 27, 2023, and a pro-rata estimate for the period from November 28, 2023 to November 30, 2023.

37. Consistent with past practice, the November 2023 Draws compensated the Physicians for the entire month of their November production, even though Medco had yet to receive all of the corresponding revenue from MB Health when payment was made to the Physicians.
38. The November 2023 Draws consisted of a payment of \$840,300.00 made on November 24, 2023, and a payment of \$794,166.62 made on December 1, 2023, for a total of \$1,639,466.62. The Physicians' actual Monthly Production for November 2023 was \$2,639,689.48. Accordingly, consistent with Medco's standard practice, the Physicians' November 2023 Draws of \$1,639,466.62 comprised approximately 62% of the \$2,639,689.48 Monthly Production for November 2023. With November 30, 2023 being Medco's *de facto* year-end, the Physicians' entitlement to further payments from Medco stood to be determined in accordance with the reconciliation of their draw accounts and finalization of Medco's year-end, as discussed in more detail in the *Year End Accounting* section of this Report.

December 15th Remittance

39. As noted in the MB Health Cut-Off Dates Summary, the December 15th MB Health Remittance covered all claims submitted between November 23, 2023 to December 7, 2023.
40. As the Monitor and the Purchaser were aware of the inherent delay in the collection of the Monthly Production each month, and the fact that the majority of the December 15th Remittance would be comprised of services provided prior to the Closing Date, the Monitor requested that the Purchaser bifurcate the December 15th MB Health Remittance (the “**December 15th Remittance Bifurcation**”) into two categories:
 - a) receipts for services that were rendered on or prior to November 30, 2023 (i.e., the day before the Closing Date); and
 - b) receipts for services that were rendered from December 1, 2023 to December 7, 2023 (i.e., after the Closing Date).

41. The Purchaser completed the December 15th Remittance Bifurcation on December 18, 2023, which showed that the \$1,014,211.74 December 15th Remittance was comprised of the following:
 - a) \$721,830.70 of receipts related to services rendered on or prior to November 30, 2023 (the “**Dec 15th Medco Receivables**”); and
 - b) \$292,280.57 of receipts related to services rendered from December 1, 2023 to December 7, 2023.
42. A redacted copy of the December 15th Remittance Bifurcation is attached as Appendix “**D**”. Given that the Monitor does not have authorization to share the names and individual production of the Physicians, which constitutes their personal information, the names of the Physicians have been redacted in Appendix “**D**”.
43. The Monitor asked the management of the Purchaser to return the \$721,830.70 of Dec 15th Medco Receivables. Requests were sent by the Monitor to the Purchaser via email on December 18 and 22, 2023, and January 3, 2024 requesting that the Dec 15th Medco Receivables be returned.

The December 31th Remittance

44. The Monitor also requested that the Purchaser bifurcate the MB Health Remittance received on December 31, 2023 (the “**December 31st Remittance**”) into two categories:
 - a) receipts for services that were rendered on or prior to November 30, 2023; and
 - b) receipts for services that were rendered after December 1, 2023.
45. The Purchaser completed the December 31st Remittance bifurcation on December 30, 2023, which showed that the \$898,565.39 December 31st Remittance was comprised of the following:
 - a) \$35,295.95 of receipts related to services rendered on or prior to November 30, 2023 (the “**Dec 31st Medco Receivables**”); and
 - b) \$862,903.96 of receipts related to services rendered after December 1, 2023.

46. A redacted copy of the December 31st Remittance Bifurcation is attached as Appendix “E”. Again, the Monitor does not have authorization to share the Physicians' personal information, and the names of the Physicians have therefore been redacted in Appendix “E”.
47. On January 8, 2024 the Monitor emailed the Purchaser and WELL, requesting that the Purchaser return the \$35,295.95 relating to the Dec 31st Medco Receivables.

Subsequent Communication between the Monitor and the Purchaser

48. On January 8, 2024, the Monitor further requested *via* email to the Purchaser and WELL that the Purchaser return \$757,126.65 (the “**Pre-Closing Receivables**”); that is: the aggregate of the Dec 15th Medco Receivables of \$721,830.70 and the Dec 31st Medco Receivables of \$35,295.95. The Monitor noted to the Purchaser and WELL that the Pre-Closing Receivables related to services rendered prior to the Closing Date for the Medco Transaction.
49. The Monitor sent further emails to the Purchaser and WELL requesting the return of the Pre-Closing Receivables on January 11, 20, and 31, 2024.
50. On February 15, 2024, the Monitor met with representatives of the Purchaser and WELL to discuss the Pre-Closing Receivables. During the meeting the Monitor and the Purchaser were unable to come to a resolution with respect to the Pre-Closing Receivables.
51. On February 26, 2024, the Monitor’s Counsel sent a letter to Mr. Rasula, counsel for WELL and the Purchaser (the “**The Purchaser Demand Letter**”), reiterating the Monitor’s previous requests for the return of the Pre-Closing Receivables and the reasons therefore, and demanding that the Purchaser pay the Pre-Closing Receivables to Medco on or before March 8, 2024. A copy of the Purchaser Demand Letter is attached as Appendix “F”. The Purchaser did not return the Pre-Closing Receivables to the Monitor by March 8, 2024.
52. The Purchaser and WELL did not respond until March 18, 2024, when Monitor's Counsel received the letter attached as Appendix "G," advising, among other things, that:

- a) WELL and/or the Purchaser agreed that:
 - i) the amount of the Pre-Closing Receivables collected was \$757,227.12 and that the same related to the period of November 23 to 30, 2023; and
 - ii) the Medco APA did not contemplate the Purchaser purchasing the Pre-Closing Receivables or the liabilities associated with Medco;
 - b) the Purchaser paid the former Physicians \$613,000 of the \$757,227.12 collected based on the Purchaser's calculation of Medco's outstanding obligations to the former Physicians for the services they provided to Medco in the pre-closing period.
53. The Monitor provided instructions to Monitor's Counsel to respond to Mr. Rasula as set out in the letter dated March 26, 2024 attached as Appendix "H" which, among other things, provided a copy of the Enhanced Powers Order to the Purchaser, drew its attention to the requirements of paragraph 7 thereof, and again requested that the Pre-Closing Receivables be returned to Medco (care of the Monitor), failing which the Monitor would be obligated to report the Court that the Purchaser was in contempt of the Order and had converted the Pre-Closing Receivables. The letter concluded by advising the Purchaser that, should it be necessary to have the matter heard by the Court on April 29, 2024, the Monitor would be seeking costs on a solicitor-client basis.
54. The Purchaser failed to return the Pre-Closing Receivables.

Relief Being Sought

55. To summarize, the Purchaser collected the Pre-Closing Receivables totaling \$757,126.65; that is: revenue payable by MB Health to Medco for services rendered by Medco's former Physicians, while under contract with Medco, prior to the Closing Date of the Medco Transaction.
56. The accounts receivable of Medco are specifically identifiable and were not included in the list of purchased assets that were conveyed to the Purchaser pursuant to Schedule "A" of the Medco APA, as amended by the Amended Medco APA,

- and were not intended to be gifted to the Purchaser as part of the Medco Transaction; consequently, the accounts receivable remained a Medco asset subject to the Charges under the ARIO and CIBC's security interest. The Purchaser also did not assume Medco's obligations to its former Physicians under their services agreements (the “**Obligations**”) with Medco as part of the Assumed Liabilities pursuant to the Amended Medco APA.
57. The Obligations were discharged by Medco: the Physicians were already paid their November 2023 Draws in full by Medco as compensation for the services rendered from November 1, 2023 to November 30, 2023, such that nothing further was owing to the Physicians pending the Monitor's completion of the year-end reconciliation of their draw accounts and calculation of the resulting tweak and true-up payments; however, the proceeds of the Physicians' services for the November 23 to 30, 2023 period, which comprise substantially all of the Pre-Closing Receivables, were collected by the Purchaser instead of Medco.
 58. Without the Monitor's knowledge, approval, or consent, the Purchaser advised that it paid \$613,000 of the Pre-Closing Receivables to a third party, namely, the Physicians, based on WELL and/or the Purchaser's calculation of what they claim remained owing by Medco to the Physicians for the November 23 to 30, 2023 period, and retained the remaining \$144,227.12.
 59. As result of WELL and the Purchaser's actions, CIBC, as the primary secured creditor of Medco whose security interest attached to the Pre-Closing Receivables, is materially prejudiced by virtue of there being less money available for distribution.
 60. In addition, if the Pre-Closing Receivables are collected, the 2023 True Up (as defined below) owing to two of the three Physicians will increase by \$34,801; therefore, these two Physicians are also materially prejudiced by the Purchaser's actions.
 61. The Purchaser is not a creditor of Medco, which has no outstanding contractual obligations to the Purchaser under the Medco APA. The Purchaser's only

relationship to Medco or these proceedings was as a purchaser of certain Medco assets in the Medco Transaction.

62. The Monitor and the Monitor's Counsel have expended considerable time and resources working to recover the Pre-Closing Receivables from the Purchaser and prepare for this motion, the costs of which have been borne by the stakeholders of the Companies and, in particular, CIBC.
63. Given the above facts, the Monitor respectfully requests that this Honourable Court grant an Order (the "**Direction to Pay Order**"):
 - a) declaring that the Purchaser is in contempt of paragraph 7 of the Enhanced Powers Order for failing to deliver the Pre-Closing Receivables to the Monitor upon its request;
 - b) directing the Purchaser to pay the Pre-Closing Receivables, in the amount of \$757,126.65, plus interest in the amount of \$14,105.37, to the Monitor;
 - c) directing the Purchaser to pay to the Monitor \$27,702.50 forthwith, for the costs of this application on a solicitor client basis; and
 - d) authorizing and directing the Monitor to distribute the Pre-Closing Receivables to CIBC upon the granting of the Direction to Pay Order.

YEAR END ACCOUNTING

Overview

64. As discussed in further detail in the Pre-Filing Report and the Second Report, each month the Physicians are provided two draws which approximate 60% - 70% of their Monthly Production. At the end of the year, the overhead Rate Grid is applied against each Physician's actual annual billings to determine the overhead contribution for each Physician (the "**Overhead**"). Some Physicians incur additional charges, such as additional staff and space, stenography services, parking and health benefits that are added to their individual Overhead charge.
65. A final accounting is then conducted for Medco's year end financial results. If Medco has an operating loss for the year, Medco will seek to recover the operating

loss from all of the Physicians *via* a tweak charge (the “**Tweak**”). The Tweak is contemplated under the Service Agreements with each Physician and is to be charged to the Physicians to recover each Physician’s proportionate share of any operating loss based on each Physician’s contribution to Medco’s annual billings.

66. If, after the deduction of Overhead and the Tweak, any amounts remain owing to the Physicians, the balance is paid to the Physician through a “true up” payment (the “**True Up**”).

2023 Year End Accounting

67. The Monitor has worked with the former Management and contract employees to finalize the year end accounting of Medco for the period from January 1, 2023 to November 30, 2023 (the “**2023 Year End**”).
68. In the 2023 Year End, Medco had a net loss of approximately \$2.5 million, which was recovered from the Physicians *via* a Tweak.
69. Medco’s net loss for the year includes:
 - a) interest incurred on Medco’s outstanding loan balances with CIBC during 2023;
 - b) interest incurred on the Interim Financing Facility during 2023; and
 - c) an allocation of professional fees incurred in these CCAA Proceedings during 2023.
70. During the CCAA Proceedings the majority of the CCAA professional fees, which covered the expenses of both Medco and Realco, were paid for by Realco as it had the financial means to fund the payments from the monthly rents collected from its tenants. Medco did not have the cash flow to make these payments, and had to draw on the Interim Financing Facility to fund its post-filing obligations. The Monitor's intention throughout was to allocate the professional costs at the end of the proceedings, regardless of the which entity had paid the same.
71. Following a detailed examination of the specific tasks that were completed by the professionals throughout the CCAA Proceedings, the Monitor prepared the

summary attached as Appendix "I," which illustrates that approximately 75% of the CCAA professional fees incurred in course of the proceedings specifically related to Medco and approximately 25% of the fees related to Realco. The professional costs were therefore allocated between the two Companies on that basis. This allocation is, in the Monitor's respectful view, fair and equitable in the circumstances of this proceeding given the disproportionate amount of professional time that was dedicated to Medco versus Realco.

72. The Physicians have been provided with their 2023 Year End accounting packages and are aware of the 2023 Tweak and True Up calculations. After the deduction of the Overhead and the 2023 Tweak, Medco had a balance owing to three Physicians of approximately \$233,000 (the "**2023 True Up**").
73. The above 2023 True Up was paid on April 18, 2023.
74. As previously noted, if the Pre-Closing Receivables are collected by Medco, the 2023 True-Up would increase to approximately \$268,000, and the Monitor would pay the additional amount of approximately \$35,000 to the affected Physicians.
75. The balance of the Physicians are in a deficit position and therefore owe Medco. The Monitor does not intend to pursue the Physicians for these amounts and understands that CIBC is supportive of this approach, despite it reducing the amounts that would otherwise be available for distribution.

CASH FLOW RESULTS RELATIVE TO FORECAST

76. The Debtors' cash receipts and disbursements during the period of January 27, 2024 to April 19, 2024 (the "**Reporting Period**"), as compared to the cash flow forecast presented in the Seventh Report (the "**Cash Flow Forecast**"), are summarized below. A copy of the detailed cash flow results compared to the Cash Flow Forecast is attached as Appendix "**J**" to this Report.

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

| | Reporting Period | | | YTD |
|---|------------------|-----------------|-----------------|---------------|
| | Forecast | Actual | Variance | Actual |
| Medco | | | | |
| Cash Receipts | - | 83 | 83 | 31,332 |
| Operating Disbursements | 32 | 246 | (215) | 31,932 |
| Medco Net Cash Flow from Operations | (32) | (163) | (132) | (601) |
| Realco | | | | |
| Cash Receipts | - | (28) | (28) | 5,704 |
| Operating Disbursements | 20 | 4 | 16 | 3,392 |
| Realco Net Cash Flow from Operations | (20) | (33) | (13) | 2,312 |
| Net Cash Flow from Operations | (52) | (196) | (144) | 1,711 |
| Non-Operating Cash Receipts | | | | |
| Dynacare Purchase | - | - | - | 5,500 |
| HSCF Purchase | - | - | - | 33,088 |
| WELL Purchase | - | - | - | 508 |
| Interest from Trust Accounts | - | 75 | 75 | 225 |
| Total Non-Operating Cash Receipts | - | 75 | 75 | 39,321 |
| Non-Operating Cash Disbursements | | | | |
| Monitor's Fees | 189 | 98 | 91 | 1,857 |
| Monitor's Expenses | - | 1 | (1) | 77 |
| Monitor's Counsel's Fees | 140 | 88 | 52 | 1,078 |
| Companies' Counsel's Fees | 20 | - | 20 | 580 |
| MLT Legal Fees | 30 | 5 | 25 | 249 |
| Key Employee Retention | - | - | - | 75 |
| Interim Financing Interest | - | - | - | 74 |
| Interim Distribution | - | 35,849 | (35,849) | 35,849 |
| Marketing Agent Fee | - | 87 | (87) | 87 |
| Total Non-Operating Cash Disbursements | 379 | 36,127 | (35,748) | 39,925 |
| Net Cash Flow | (431) | (36,248) | 35,679 | 1,108 |
| Opening Cash | 37,356 | 37,356 | - | - |
| Net Cash Flow | (431) | (36,248) | (35,817) | 1,108 |
| DIP Advance (Repayment) | - | - | - | - |
| Ending Cash | 36,925 | 1,108 | (35,817) | 1,108 |
| Opening DIP Facility Availability | 3,973 | 3,973 | - | 3,973 |
| DIP Borrowings | - | - | - | - |
| DIP Repayments | - | - | - | - |
| Closing DIP Facility Availability | 3,973 | 3,973 | - | 3,973 |

77. Over the Reporting Period, the Debtors experienced a negative cash flow variance of approximately \$35.8 million, primarily as a result of:

- a) a negative variance due to the payment of the interim distribution to CIBC, which was previously approved by the Court but was not included in the Cash Flow Forecast;
 - b) a positive variance with respect to Medco receipts, and a negative variance with respect to Medco operating disbursements which is the result of the payment of the 2023 True Up;
 - c) a positive variance in professional fees due to lower than forecast fees of the Monitor, Monitor’s Counsel, Lender’s counsel and the Companies’ counsel.
78. During the Reporting Period, the Debtors were not required to utilize the Interim Financing Facility.

FINAL DISTRIBUTION TO THE SECURED LENDER

79. The table below summarizes the proposed Monitor’s Holdback of approximately \$530,000 to cover the remaining costs to complete the administration.

| Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. Proposed Holdback and Secured Lender Final Distribution in CAD \$000's | |
|--|-----------------|
| Cash Balance as at April 20, 2024 | \$ 1,108 |
| Expected Disbursements | |
| Research Funds | 60 |
| Professional Fees | 150 |
| Contingency | 320 |
| Total Expected Disbursements (Holdback) | 530 |
| Estimated CIBC Final Distribution | \$ 578 |

80. The Monitor’s Holdback is comprised of the following assumptions:
- a) professional fee costs of \$150,000, relating to the forecast payment of fees and disbursements of the Monitor, Monitor’s Counsel, and the Lender’s counsel;
 - b) a contingency of \$320,000, to account for a potential GST liability as a result of additional audits completed by the CRA, and the payment of

operating costs for Medco and Realco relating to the period prior to the close of the Medco Transaction and Realco transaction, respectively; and

- c) the payment of research funds collected by Medco to the Purchaser.
81. The Monitor is proposing an immediate distribution in the amount of \$578,000 to the secured Lender.
82. The Monitor is of the respectful review that this Honourable Court should approve this distribution, as the Monitor is unaware of any other claimant that may have priority over CIBC's security, and believes that the Monitor's Holdback will provide sufficient funds in the estate to address the remaining costs in the CCAA Proceedings, including those fees and costs of the Monitor, Monitor's Counsel and the Lender's counsel.
83. Should the Monitor not require all or some of the Monitor's Holdback, or should there be additional accounts receivable collected, the Monitor seeks the Court's further authorization to distribute those funds to CIBC.

APPROVAL OF PROFESSIONAL FEES

84. The Monitor seeks approval from this Court for the professional fees and disbursements of the Monitor for the period of February 1, 2024 to March 31, 2024, and the Monitor's Counsel for the period of February 1, 2024 to April 19, 2024 (the "**Interim Taxation Period**").
85. The total fees and expenses of the Monitor during the Interim Taxation Period are \$57,410.75 (exclusive of GST), which are comprised of \$56,560.00 in fees and \$850.75 in expenses (the "**Monitor's Fees and Costs**").
86. The total fees and expenses of the Monitor's Counsel, McDougall Gauley LLP during the Interim Taxation Period total \$79,151.92 (exclusive of GST and PST) (the "**Legal Fees and Costs**").
87. A summary of the Monitor's Fees and Costs and the Legal Fees and Costs by invoice is attached as Appendix "**K**" to this Report.

88. The Monitor's and the Monitor's Counsel's invoices outline the dates of the work completed, descriptions of the work performed, the length of time taken to complete the work, and the names of the individuals who completed the work. Copies of the invoices will be brought to the Monitor's application before this Court and made available to the Court upon request.
89. The Monitor is of the view that the invoices rendered by the Monitor and its counsel are commensurate with the work performed, commercially fair and reasonable and were validly incurred in accordance with the provisions of the ARIO and other orders of the Court.

DISCHARGE OF THE MONITOR

90. The Monitor's administration of the estate is substantially complete, subject to minor administrative tasks to be completed. The Monitor is of the view that these items are administrative in nature and should not prevent this Court from granting the Monitor's discharge at this time.
91. The Monitor's remaining matters outstanding include, but are not limited to:
- a) coordination of a GST audit with the CRA and closing the Companies' GST accounts;
 - b) disbursing funds as described in the Monitor's Holdback;
 - c) preparing a final distribution to the Lender, if any residual funds from the Monitor's Holdback remain after finalization of the administration of the CCAA Proceedings; and
 - d) completing any required administrative tasks in accordance with the CCAA.
92. Upon completion of the above items, the Monitor will file a certificate with the Court (the "**Monitor's Certificate**") in substantially the same form that is attached to the draft Termination Order. Upon the filing of the Monitor's Certificate:
- a) the Administration Charge (as defined in the ARIO) will be discharged, terminated, and released;

- b) the CCAA Proceedings shall be terminated;
 - c) the Monitor shall be discharged;
 - d) the Monitor, McDougall Gauley LLP, Taylor McCaffrey LLP, CIBC, and MLT Aikins LLP, and their respective, directors, officers, shareholders, partners, employees, agents, executor, successors, administrators, and assigns (collectively, the “**Released Parties**”) shall be released and discharged from any and all liabilities they now have or may have by reason of, or in any way arising out of, their acts or omissions in relation to these proceedings, save and except for liabilities arising from the Released Parties’ gross negligence or willful misconduct; and
 - e) no action or other proceeding shall be commenced against the Released Parties, except with prior leave of this Court on notice to the applicable Released Parties.
93. With respect to the requested release, the Monitor is of the view that the release of the Released Parties is fair and reasonable in the circumstances for the following reasons:
- a) the Released Parties each played distinct, but nevertheless critical, roles, in the Applicants’ restructuring and the results achieved, and they have therefore meaningfully contributed to the same;
 - b) this motion is being made on notice to the Service List and this Report details the nature and effect of the releases sought;
 - c) any Person who objects to the releases will have the opportunity to object at the hearing of this matter; and
 - d) the scope of the releases is not overly broad as it does not include claims based on gross negligence or willful misconduct.
94. The Monitor requests that this Honourable Court grant the Termination Order discharging the Monitor of its duties under the CCAA, subject to the completion of final administrative duties and the filing of the Monitor’s Certificate as noted above, and the termination of these CCAA Proceedings as they relate to the Companies.

EXTENSION OF THE STAY OF PROCEEDINGS

95. Pursuant to the order granted on February 9, 2024, the stay of proceedings expires on May 3, 2024. The Monitor is seeking an extension of the stay of proceedings to the earlier of July 5, 2024 or the date upon which the Monitor files the Monitor's Certificate (the "**Stay Extension**").
96. The Monitor recommends the Stay Extension for the following reasons:
- a) it will maintain the *status quo* in the proceedings and allow the Monitor to make the final distributions and complete the remaining work required to conclude these proceedings without interference;
 - b) the Monitor anticipates that a Stay Extension to July 5, 2024 will provide sufficient time for the Monitor to finalize the administration of the CCAA Proceedings;
 - c) the Debtors are forecast to have sufficient liquidity to meet their obligations during the requested Stay Extension;
 - d) the Monitor understands that the Lender supports the Stay Extension;
 - e) the Monitor is unaware of any creditor of the Debtors who will be materially prejudiced by the proposed extension of the Stay Period; and
 - f) in the Monitor's opinion, the Debtors have acted in good faith and with due diligence in the CCAA Proceedings since the date of the Initial Order.

CONCLUSIONS AND RECOMMENDATIONS

97. The Monitor respectfully recommends that this Honorable Court approve:
- a) the Direction to Pay Order; and
 - b) the Termination Order.

All of which is respectfully submitted this 22nd day of April, 2024.

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



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



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

APPENDIX A

Manitoba Health
2023 CUT-OFF DATES FOR ELECTRONIC CLAIM SUBMISSIONS

| Pay Periods | | EPICS Cut-Off Dates |
|------------------|----|---------------------|
| January | 15 | 6 |
| | 31 | 23 |
| February | 15 | 7 |
| | 28 | 17 |
| March | 15 | 7 |
| | 31 | 23 |
| April | 15 | 5 |
| | 30 | 21 |
| May | 15 | 5 |
| | 31 | 23 |
| June | 15 | 7 |
| | 30 | 22 |
| July | 15 | 7 |
| | 31 | 21 |
| August | 15 | 4 |
| | 31 | 23 |
| September | 15 | 7 |
| | 30 | 22 |
| October | 15 | 5 |
| | 31 | 23 |
| November | 15 | 6 |
| | 30 | 22 |
| December | 15 | 7 |
| | 31 | 20 |

Please check the MH Mainframe Portal (black screen) for notification of any changes.

One submission file will be processed per weekday (before 5:00 p.m.) and one on a weekend (after 5:00 p.m. Friday, prior to 10:00 p.m. Sunday) from each user site. EPICS cut-off times are 5:00 p.m. Monday through Friday and 10:00 p.m. Sunday (or Monday on a long weekend).

Health strongly recommends frequent claims submission (daily, if possible) to reduce your risk of missing a payment cycle. Always check the Audit Control Confirmation Report (P1), the next day, to verify acceptance of submission files. Acceptance of a file does not guarantee payment in full for the claims submitted. The claims must still follow normal processing. File acceptance only applies to the data integrity of the telecommunicated records.

File Submission Examples:

| # | UPLOAD COMPLETED BY | PROCESSED BY MHSAL | P1 AVAILABLE |
|---|------------------------|--------------------|----------------|
| 1 | 3:00 p.m. Monday | Monday evening | Tuesday a.m. |
| 2 | 5:00 p.m. Tuesday | Tuesday evening | Wednesday a.m. |
| 3 | 6:00 p.m. Wednesday ** | Thursday evening | Friday a.m. |
| 4 | 2:00 p.m. Friday | Friday evening | Saturday a.m. |
| 5 | 8:00 p.m. Friday | Sunday night | Monday a.m. |
| 6 | 3:00 p.m. Sunday | Sunday night | Monday a.m. |

**The submission is received after 5:00 p.m. and therefore will be processed the following weekday evening.

For assistance with submission file uploads and remittance downloads, please contact the Health Help Desk at 204-786-7200.

APPENDIX B

ASSET PURCHASE AGREEMENT

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

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

(the "**Vendor**")

– and –

1439573 B.C. Ltd,

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

(the "**Purchaser**")

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

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

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

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

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"LibreMD" means LibreMD Corporation.

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

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

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

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

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

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

"Outside Date" means January 1, 2024.

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

“**Party**” has the meaning set out in the recitals hereto.

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

“**Permitted Encumbrances**” means the following Encumbrances in respect of the Purchased Assets:

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

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

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

“**Purchase Price**” has the meaning set out in Section 3.1.

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

“**Sanctions**” has the meaning ascribed in Section 7.2(j) hereof.

“**SISP**” has the meaning ascribed to it in the preamble hereto.

“**Successful Bid**” has the meaning set out in the SISP.

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

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

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

“**Transferred Employees**” means all Employees who accept the Purchaser’s offer of employment under Section 5.4.

1.2 Interpretation Not Affected by Headings, etc.

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

1.3 General Construction

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

1.4 Extended Meanings

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

1.5 Currency

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

1.6 Statutes

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

1.7 Schedules

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

SCHEDULES

Schedule "A" - Purchased Assets

Schedule "B" - Assigned Contracts

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

1.8 Interpretation if Closing Does Not Occur

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

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Assets

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

2.2 Assumption of Assumed Liabilities

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

2.3 Assignment of Contracts

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

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

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

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

- (a) The purchase price payable by the Purchaser for the Purchased Assets shall be \$500,000, subject to adjustment as provided in this Agreement (the "**Purchase Price**"). For certainty, the Purchase Price shall be exclusive of applicable Taxes.
- (b) The Purchase Price shall be adjusted to proportionally allocate between the Parties all Taxes, local improvement charges, utilities, and rent.
- (c) The adjustments shall be for the Vendor's account as to both revenue and expenses up to 12:01 a.m. on the Closing Date, and thereafter for the Purchaser's account.
- (d) The Purchase Price shall be exclusive of the Cure Costs and the adjustment specified in Section 3.1(b).

3.2 Satisfaction of Purchase Price

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

- (a) Deposit. The Parties acknowledge that the Purchaser has paid a deposit in the amount of \$100,000, being twenty percent (20%) of the Purchase Price (the "**Deposit**"), and shall be credited against the Purchase Price at Closing.
- (b) Cash Purchase Price. An amount equal to the remaining Purchase Price less the Deposit, plus any Transfer Taxes (the "**Cash Purchase Price**"), as adjusted pursuant to 3.1(b), shall

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

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

3.3 Deposit

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

3.4 Intentionally Removed.

3.5 Section 167 Tax Election.

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

ARTICLE 4 COVENANTS

4.1 Closing Date

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

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

4.2 Interim Period

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

4.3 Access During Interim Period

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

4.4 Assigned Contracts

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

4.5 Insurance Matters

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

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

4.6 Risk of Loss

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

4.7 Indemnity

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

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

ARTICLE 5 CLOSING ARRANGEMENTS

5.1 Closing

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

5.2 Vendor Closing Deliveries

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

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

5.3 Purchaser's Closing Deliveries

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

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

5.4 Transferring Employees

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

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

5.5 Personal Information Privacy

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

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

ARTICLE 6 CONDITIONS OF CLOSING

6.1 Mutual Conditions of Closing

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

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

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

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

6.2 Purchaser's Conditions of Closing

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

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

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

6.3 Vendor's Conditions of Closing

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

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

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

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of the Vendor

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

7.2 Representations and Warranties of the Purchaser

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

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

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

7.3 "As is, Where is"

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

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

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

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

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

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

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated prior to the Closing Date:

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

8.2 Effect of Termination.

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

ARTICLE 9 GENERAL

9.1 Access to Books and Records

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

9.2 Notice

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

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

1439573 B.C. Ltd dba The Manitoba Clinic

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

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

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

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

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

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

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

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

9.3 Public Announcements

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

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

9.4 Time

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

9.5 Survival

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

9.6 Benefit of Agreement

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

9.7 Entire Agreement

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

9.8 Paramountcy

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

9.9 Governing Law

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

9.10 Assignment

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

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

9.11 Further Assurances

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

9.12 Counterparts

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

9.13 Severability

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

9.14 Monitor's Certificate

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

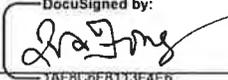
9.15 Monitor's Capacity

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

[Signature Page Follows]

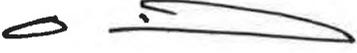
IN WITNESS WHEREOF **the Parties have executed this Agreement as of the Effective Date.**

1439573 B.C. Ltd

By: 
Name: Eva Fong
Title: Director

I/We have authority to bind the Corporation

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

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

SCHEDULE "A"

PURCHASED ASSETS

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

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

SCHEDULE "B"

ASSIGNED CONTRACTS

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

APPENDIX C

AMENDMENT TO THE ASSET PURCHASE AGREEMENT

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

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

(the "**Vendor**")

– and –

1438573 B.C. LTD.

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

(the "**Purchaser**")

WHEREAS:

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

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

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

ARTICLE 1 GENERAL

1.1 Interpretation

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

1.2 Governing Law

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

1.3 Entire Agreement

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

1.4 Paramountcy

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

1.5 Time

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

1.6 Further Assurances

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

1.7 Counterparts

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

ARTICLE 2 AMENDMENTS TO THE ASSET PURCHASE AGREEMENT

2.1 Amendment to Article 6

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

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

2.2 Amendment to Schedule "A"

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

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

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

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

[The next page is the signature page.]

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

1439573 B.C. LTD.

By: 
Name: Jeremy Mickolwin

Title: VP Clinic Operations

I have authority to bind the Corporation

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

By: _____
Name:

Title:

I have authority to bind the Corporation.

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

1439573 B.C. LTD.

By:

Name:

Title:

I have authority to bind the Corporation

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

By:



Name: Cassie Riglin

Title: Senior Vice President

I have authority to bind the Corporation.

APPENDIX D

Payments to Manitoba Clinic and Well

| MD Name | Total from MHSC | OLD Manitoba Clinic portion | Well MB Clinic portion |
|-----------------|------------------------|--|-----------------------------------|
| | 40,080.22 | 39,806.47 | 273.75 |
| | 37,413.98 | 21,677.12 | 15,736.86 |
| | 30,280.29 | 23,237.46 | 7,042.83 |
| | 69,962.14 | 63,424.70 | 6,537.44 |
| | 15,037.87 | 9,031.73 | 6,006.14 |
| | 57,192.91 | 46,624.83 | 10,568.08 |
| | 19,149.00 | 12,584.00 | 6,565.00 |
| | 52,085.14 | 35,616.41 | 16,468.73 |
| | 6,500.46 | 4,921.43 | 1,579.03 |
| | 26,860.76 | 19,621.82 | 7,238.94 |
| | 10,153.78 | 10,153.78 | - |
| | 30,438.67 | 20,484.70 | 9,953.97 |
| | 56,827.74 | 34,488.94 | 22,338.80 |
| | 36,460.71 | 24,101.16 | 12,359.55 |
| | 35,947.22 | 28,944.15 | 7,003.07 |
| | 20,089.95 | 12,650.14 | 7,439.81 |
| | 36,655.28 | 24,387.39 | 12,267.89 |
| | 9,869.31 | 9,544.31 | 325.00 |
| | 38,346.63 | 23,294.00 | 15,052.63 |
| | 74,996.88 | 50,639.35 | 24,357.53 |
| | 34,025.30 | 22,986.78 | 11,038.52 |
| | 40,766.85 | 18,464.11 | 22,302.74 |
| | 28,369.57 | 23,646.44 | 4,723.13 |
| | 37,454.87 | 26,533.90 | 10,920.97 |
| | 44,088.75 | 30,379.96 | 13,708.79 |
| | 14,614.62 | 10,563.02 | 4,051.60 |
| | 31,824.32 | 20,987.76 | 10,836.56 |
| | 1,116.32 | 1,100.07 | 16.25 |
| | 15,160.98 | 10,485.30 | 4,675.68 |
| | 36,530.27 | 23,663.92 | 12,866.35 |
| | 1,439.45 | 1,439.45 | - |
| | 21,824.36 | 13,799.43 | 8,024.93 |
| | 2,546.67 | 2,546.67 | - |
| Subtotal | | 721,830.70 | 292,280.57 |

APPENDIX E

Payments to Manitoba Clinic and Well

| Physician | Old MB Clinic | Well Clinic Portion | Total payment |
|------------------|----------------------|----------------------------|----------------------|
| | 44.48 | 19,793.64 | 19,838.12 |
| | 1,972.99 | 21,479.54 | 23,452.53 |
| | 803.38 | 25,755.80 | 26,559.18 |
| | 1,235.14 | 90,093.62 | 91,328.76 |
| | 155.03 | 8,244.67 | 8,399.70 |
| | 1,083.68 | 31,364.38 | 32,448.06 |
| | 727.91 | 15,232.16 | 15,960.07 |
| | 308.18 | 46,985.66 | 47,293.84 |
| | 103.04 | 6,373.41 | 6,476.45 |
| | 1,782.55 | 18,319.11 | 20,101.66 |
| | 607.80 | 24,651.52 | 25,259.32 |
| | 1,080.39 | 22,590.51 | 23,670.90 |
| | 2,381.89 | 42,063.70 | 44,445.59 |
| | - | 45,179.12 | 45,179.12 |
| | 2,641.70 | 40,365.94 | 43,007.64 |
| | - | 18,531.07 | 18,531.07 |
| | - | 23,681.54 | 23,681.54 |
| | 8,267.33 | 20,275.23 | 28,542.56 |
| | 483.03 | 33,324.14 | 33,807.17 |
| | 686.10 | 68,031.82 | 68,717.92 |
| | 306.50 | 26,193.36 | 26,499.86 |
| | 317.49 | 30,117.14 | 30,434.63 |
| | 3,613.39 | 33,898.45 | 37,511.84 |
| | 3,842.60 | 26,306.03 | 30,148.63 |
| | 596.60 | 30,167.58 | 30,764.18 |
| | - | 10,257.48 | 10,257.48 |
| | 1,639.81 | 22,804.18 | 24,443.99 |
| | 236.22 | 2,734.10 | 2,970.32 |
| | 281.68 | 8,096.35 | 8,378.03 |
| | 97.04 | 29,275.13 | 29,372.17 |
| | - | 1,543.95 | 1,543.95 |
| | - | 17,876.39 | 17,876.39 |
| | - | 1,297.24 | 1,297.24 |
| Subtotal | 35,295.95 | 862,903.96 | |

APPENDIX F

February 26, 2024

Via Email

1439573 B.C. Ltd. dba The Manitoba Clinic
550-375 Water Street, Vancouver, BC V6B 5C6
c/o
WELL Health Technologies Corp.

REFER TO: CRAIG FRITH
DIRECT DIAL: (306) 665-5432
FAX NO.: (306) 652-1323
E-MAIL: cfrith@mcdougallgauley.com
Assistant: Alecia Iwanchuk
Direct dial: (306) 665-5472
Email: aiwanchuk@mcdougallgauley.com
Our File No.: 568954.1

Attention: Brandon Rasula, Head of Legal and Privacy

Dear Sir:

Re Manitoba Clinic Medical Corporation ("Medco") – pre-closing accounts receivable collected by 1439573 B.C. Ltd. (the "Purchaser")

We are legal counsel to Alvarez & Marsal Canada Inc. (the "**Monitor**"), the court-appointed monitor of Medco in the proceedings commenced by Medco and its related company pursuant to the *Companies' Creditors Arrangement Act* (Canada) in File No. CI 22-01-38613 (the "**CCAA Proceedings**").

Our respective clients have met, and unfortunately, they were unable to come to an agreement with respect to the pre-closing accounts receivable issue, which is described in detail in the enclosed memorandum prepared by the Monitor.

As described therein:

1. in December 2023, the Purchaser collected \$757,126.65 of Medco's accounts receivable (the "**AR**"); that is: revenue payable by Manitoba Health to Medco for services rendered by Medco's former physicians to Medco patients prior to the December 1, 2023 closing date;
2. the AR was not included in the list of Purchased Assets conveyed to the Purchaser pursuant to Schedule "A" of the Asset Purchase Agreement dated September 21, 2023, as amended by the Amendment to the Asset Purchase Agreement dated November 2, 2023; and
3. consequently, the AR remains a Medco asset that should be made available for distribution to its creditors in the *CCAA Proceedings*.

Please confirm that the Purchaser will reconsider its position and wire transfer the AR to the Monitor on or before March 8, 2024, failing which our instructions are to make a motion to compel the Purchaser to return the AR at the next hearing, which is scheduled for 10:00 a.m. on April 29.

Thank you for your attention to this matter. Do not hesitate to contact the undersigned if a discussion would be helpful; however, in the event the Purchaser is not going to return the AR to Medco, we would request a written response be provided for inclusion in the Monitor's forthcoming report to the Court and creditors.

Yours truly,

McDougall Gauley LLP

Per:



CRAIG FRITH

CPF~aai

enclosures

MEMO TO FILE

Manitoba Clinic Medical Corporation

February 26, 2024

Background:

- The Manitoba Clinic Medical Corporation (“**Medco**”) bills Manitoba Health (“**MB Health**”) on an ongoing basis for services rendered by the Medco physicians to patients.
- MB Health pays Medco twice per month for all billings which are submitted electronically.
- The actual cash payments by MB Health occur on the 15th and the last day of each month, where MB Health makes an electronic payment to Medco.
- The cash payments made by MB Health (each an “**MB Health Remittance**”) primarily relate to electronic claims that were submitted during the period approximately 1-3 weeks prior to the payment date. For example, the MB Health Remittance on November 15, 2023 primarily relates to claims that were submitted electronically for the period from October 23, 2023 to November 6, 2023.
- Medco previously provided the Monitor with the attached PDF “*MB Health Cut off Dates for 2023*”, which provides an overview of the cut-off periods for each MB Health Remittance received in 2023.

WELL Transaction:

- On December 1, 2023 (the “**Closing Date**”), a transaction closed with a 1439573 B.C. Ltd., a nominee of WELL Health Clinic Network Inc. (“**WELL**”), for certain assets of Medco (the “**Medco Transaction**”). The purchase price for the purchased assets was \$500,000.
- The Medco Transaction did not include the purchase of any of the accounts receivable of Medco.
- After the Closing Date, WELL, without the Monitor's knowledge or approval, changed the bank account on file with MB Health, which was used to deposit MB Health Remittances to Medco, from Medco’s CIBC operating account to an account controlled by WELL.
- As a result of the bank account switch, the entirety of the MB Health Remittance paid on December 15, 2023 (the “**December 15th Remittance**”) totaling **\$1,014,211.74** was deposited into a bank account controlled by WELL.

The December 15th Remittance:

- As noted in the *MB Health Cut off Dates for 2023* spreadsheet, the December 15th MB Health Remittance covered all electronic claims submitted between November 23, 2023 to December 7, 2023.
- As the Monitor and WELL were aware of the inherent delay in the collection of MB Health physician billings, the Monitor asked WELL to bifurcate the December 15th MB Health

Remittance (the “**December 15th Remittance Bifurcation**”) to separate the December 15th Remittance into two categories:

- a) billings for services that were rendered on or prior to November 30, 2023; and
 - b) billings for services that were rendered from December 1, 2023 to December 7, 2023.
- WELL completed the December 15th Remittance Bifurcation on December 18, 2023, which showed that the \$1,014,211.74 December 15th Remittance was comprised of the following:
 - a) \$721,830.70 of billings related to services rendered on or prior to November 30, 2023; and
 - b) \$292,280.57 of billings related to services rendered from December 1, 2023 to December 7, 2023.
 - The Monitor asked Keith McConnell and other members of the WELL team to return the \$721,830.70 relating to services rendered prior to the close of the Medco Transaction to Medco. Requests were sent via email on December 18, 2023, December 22, 2023, January 3, 2024 and January 8, 2024.

The December 31th Remittance:

- a) billings for services that were rendered on or prior to November 30, 2023; and
 - b) billings for services that were rendered after December 1, 2023.
- WELL completed the December 31st Remittance bifurcation on December 30, 2023, which showed that the \$898,565.39 December 31st Remittance was comprised of the following:
 - a) \$35,295.95 of billings related to services rendered on or prior to November 30, 2023; and
 - b) \$862,903.96 of billings related to services rendered from after December 1, 2023.
 - The Monitor asked WELL to return the \$35,295.95 relating to services rendered prior to the close of the Medco Transaction to Medco.

WELL’s Position

- WELL advised the Monitor that it does not owe Medco any funds.
- WELL has communicated to the Monitor that, since Medco received a full year of billings since the start of the CCAA filing date (i.e. remittances from December 15, 2022 to November 30, 2023), WELL is allowed to keep the funds to cover their operating needs.

The Monitor's Position

- The Medco Transaction was an asset sale; consequently, Medco's past accounting practices and collections relating to previous years are irrelevant.
- WELL did not purchase Medco's accounts receivable. Accordingly, WELL is not entitled to the proceeds of any services rendered by the physicians on Medco's behalf prior to the Closing Date.
- Medco is entitled to the proceeds from all services that were rendered by the physicians at Medco prior to the Closing Date. This total would be \$721,830.70 from the December 15th Remittance and \$35,295.95 from the December 31st Remittance, for a total of \$757,126.65.

Diagram

- The purpose of the attached diagram is to visualize the collection of receipts from MB Health.
- The diagram is comprised of three columns:
 - o Physician production:
 - These are the actual services that are rendered by the Medco physicians each month
 - o Physician draws:
 - These are the draws that are paid out to each physician, which are based on a percentage of their production in the calendar month. There are two draws completed each month, which occur on the last Friday of the month, and the first Friday of the following month.
 - o Remittances:
 - Bi-monthly remittances made on the 15th and last day of each month, as discussed in further detail above.

APPENDIX G



March 18, 2024

Via Email

WITHOUT PREJUDICE

Craig Firth
McDougall Gauley LLP
500-616 Main Street
Saskatoon, SK
S7H 0J6

crfirth@mcdougallgauley.com

Re: Manitoba Clinic Medical Corporation (“Medco”) – pre-closing accounts receivable collected by 1439573 B.C. Ltd. (the “Purchaser”)

Thank you for your letter and the memorandum from Alvarez & Maral Canada Inc. (the “**Monitor**”) contained therein, describing the matter with respect to pre-closing accounts receivable. I am hopeful that this letter sheds further light on the situation and allows us to come to a quick resolution.

The Purchaser agrees that \$757,227.12 of physician billings were received by the Purchaser and such amounts relate to the period between November 23, 2023 – November 30, 2023 (“**Pre-Closing Week**”), prior to when the Purchaser assumed the operations and business of Medco on December 1, 2023 (the “**Closing Date**”). We also agree that the asset purchase agreement did not have the Purchaser purchase either of the accounts receivable, or any of the liabilities associated with Medco.

Where we disagree with the Monitor, is the position that the payment of \$787,104 on December 1, 2023 by the Monitor to the physicians of Medco was done to settle the amounts owed to the physicians for the Pre-Closing Week. This debt was never settled and the physicians were still owed for the services provided during the Pre-Closing Week (which has since been paid by Purchaser).

Medco’s previous practice, as evidenced by the spreadsheet appended as Schedule A which documents all remittances received and draws paid in 2023, demonstrates that once a remittance for a specific billing period is received, a portion is paid to the physicians shortly after. For instance, the remittance received on October 26 for \$1,215,354 for services billed between October 6 to October 23, was paid by Medco to the physicians on November 3. The remittance received on November 15 of \$855,549 for services billed between October 24 to November 6, was paid on November 24. Besides retaining approximately 30% for Medco’s overhead, all amounts received by Medco were subsequently paid to the physicians for the services provided during the associated billing period.

For the remittance received on November 30 of \$1,106,555 for services billed between November 7 to November 22, \$787,104 was paid on December 1. This draw on December 1 did not compensate the physicians for any of the services provided in the Pre-Closing Week as such remittance on which the draw was related was only with respect to the billings between November 7 to November 22 (as evidenced by all previous draws to physicians and the “MB Cut Off Date” file you provided). As such, the physicians were still owed for the work provided to Medco for the Pre-Closing Week.

When the Purchaser received the remittance of \$1,014,212 on December 15 for services provided between November 23 to December 7, the Purchaser paid out \$613,000.00 on December 29, 2023 to the physicians, in accordance with prior practice, satisfying the debt owed for the services provided during the Pre-Closing Week, and for the first week after the Closing Date.¹ As such, the Purchaser paid Medco's liabilities to the physicians related to the Pre-Closing Week.

Had the Purchaser immediately directed to Monitor the \$721,931 (the amount of billings relating to the Pre-Closing Week) the remainder of the remittance would have only been \$292,281 for December 1 to December 7, and the physician's draw (assuming the same average of overhead being retained by the clinic) would have been \$216,000, approximately one third of the standard draw payments to physicians for the prior year, despite: (i) the physicians having continued to provide the same level of care and service between Nov 23 to December 7, (ii) no change to the physicians splits, and (iii) the total remittance for November 23 to Dec 7 was the fourth largest remittance for the prior year. Had the physicians not received payment for the services provided for this period, the clinic's operations and business would have been compromised, and the physicians would still be owed these amounts.

Recognizing that the Purchaser did not purchase any of the liabilities or account receivable, but in light of the fact that such payment to the physicians has occurred, based on the above and attached, the Purchaser is hopeful that the Monitor agrees with Purchaser's position that the physicians were never compensated for the services provided in the Pre-Closing Week, but that such liability has since been satisfied by virtue of the draw paid by Purchaser on December 29, 2023 and January 5, 2024.

In light of the fact that such receivables were used to satisfy a liability, the total \$757,227.12 is not owed to the Monitor by Purchaser. Instead, the Purchaser is offering to wire \$220,000 to the Monitor, being the amount they would have retained as overhead after the payment to the physicians for the services provided by the physicians prior to the Closing Date, to fully and finally settle this matter.

If the Monitor is not willing to accept the above proposal, I suggest we engage a mediator prior to the April 29 court date to resolve this issue.

I look forward to working collaboratively with you on resolving this.

Sincerely,

"Brandon Rasula"

Brandon Rasula

Enclosures

¹ Purchaser also received \$898,199.91 on December 29, 2023, of which, \$35,295.95 related to the period prior to the Closing Date. These amounts were paid to the physicians in the same manner as the December 29, 2023 payment on January 5, 2024.

SCHEDULE A
MB Clinic Docpay Cash receipts and Cash Payments - Cash Basis as per past practice

| Date of receipts from MBH | Remittance received | Date of Payments to Doctors | Draws to doctors | Net receipt | Periods covered |
|----------------------------------|----------------------------|------------------------------------|-------------------------|--------------------|------------------------|
| 2022-12-10 | 874,502 | 2022-12-30 | 573,600 | 300,902.43 | Nov 22, -Dec 7 2022 |
| 2022-12-23 | 815,287 | 2023-01-06 | 529,100 | 286,186.77 | Dec 8- Dec 20 |
| 2023-01-11 | 670,519 | 2023-01-27 | 557,600 | 112,919.26 | Dec 21 -Jan 6 23 |
| 2023-01-26 | 888,867 | 2023-02-03 | 557,600 | 331,267.27 | Jan 7- Jan 23 |
| 2023-02-10 | 854,759 | 2023-02-24 | 552,100 | 302,659.18 | Jan 24-Feb 7 |
| 2023-02-23 | 552,595 | 2023-03-03 | 552,100 | 494.84 | Feb 8-Feb17 |
| 2023-03-10 | 733,995 | 2023-03-31 | 532,100 | 201,895.01 | Feb18-March 7 |
| 2023-03-26 | 977,337 | 2023-04-06 | 534,207 | 443,130.13 | March 8- March 23 |
| 2023-04-08 | 610,502 | 2023-04-28 | 567,600 | 42,902.11 | March24- April 5 |
| 2023-04-26 | 761,142 | 2023-05-05 | 550,021 | 211,120.95 | April 6 -April 21 |
| 2023-05-10 | 877,433 | 2023-05-26 | 584,100 | 293,332.92 | April 22- May 5 |
| 2023-05-26 | 862,585 | 2023-06-02 | 541,100 | 321,485.03 | May 6 - May 23 |
| 2023-06-10 | 836,481 | 2023-06-30 | 588,600 | 247,881.07 | May 24- June 7 |
| 2023-06-25 | 934,402 | 2023-07-07 | 551,866 | 382,535.10 | June 8 -June 22 |
| 2023-07-12 | 808,615 | 2023-07-28 | 581,800 | 226,815.22 | June 23-July 7 |
| 2023-07-26 | 638,536 | 2023-08-04 | 575,000 | 63,535.95 | July 8- - July 21 |
| 2023-08-10 | 616,123 | 2023-08-25 | 558,500 | 57,622.60 | July 22- Aug 4 |
| 2023-08-26 | 1,031,899 | 2023-09-01 | 565,500 | 466,399.37 | Aug 5 -Aug23 |
| 2023-09-10 | 776,477 | 2023-09-29 | 564,500 | 211,977.09 | Aug 24- Sept 7 |
| 2023-09-27 | 1,006,153 | 2023-10-06 | 559,500 | 446,653.07 | Sept 8 - Sept 22 |

| | | | | | |
|------------|-----------|------------|---------|------------|----------------------|
| 2023-10-08 | 822,789 | 2023-10-27 | 609,500 | 213,289.27 | Sept 23- Oct 5 |
| 2023-10-26 | 1,215,354 | 2023-11-03 | 767,700 | 447,654.15 | Oct 6-Oct 23 |
| 2023-11-15 | 855,549 | 2023-11-24 | 837,300 | 18,249.00 | Oct 24 - Nov 6, 2023 |
| 2023-11-30 | 1,106,555 | 2023-12-01 | 787,104 | 319,451.00 | Nov 7 - Nov 22, 2023 |
| 2023-12-15 | 1,014,212 | 2023-12-29 | 613,000 | 401,211.74 | Nov 23 - Dec 7, 2023 |

APPENDIX H

March 26, 2024

Via Email

1439573 B.C. Ltd. dba The Manitoba Clinic
550-375 Water Street, Vancouver, BC V6B 5C6
c/o
WELL Health Technologies Corp.

Attention: Brandon Rasula, Head of Legal and Privacy

Dear Sir:

Re Manitoba Clinic Medical Corporation ("Medco") – pre-closing accounts receivable collected by 1439573 B.C. Ltd. (the "Purchaser")

REFER TO: CRAIG FRITH
DIRECT DIAL: (306) 665-5432
FAX NO.: (306) 652-1323
E-MAIL: cfrith@mcdougallgauley.com
Assistant: Alecia Iwanchuk
Direct dial: (306) 665-5472
Email: aiwanchuk@mcdougallgauley.com
Our File No.: 568954.1

Introduction

Thank you for your letter dated March 18, 2024 and the follow-up call on March 19, 2024.

With the parties in agreement that the AR¹ remained Medco's Property (as that term is defined in the Amended and Restated Initial Order of the Honourable Justice Kroft dated December 1, 2022), the Monitor wishes to provide the Purchaser one final opportunity to return the AR to Medco (care of the Monitor) by March 29, 2024, failing which we will proceed with the motion on April 29, 2024.

The Enhanced Powers Order

Please find attached the Order (Enhancing the Monitor's Powers) of the Honourable Justice Chartier dated November 24, 2023 (the "**Order**"), which you will recall was granted concurrently with the Approval and Vesting Order approving the sale of the Medco assets to the Purchaser.

Paragraph 7 of the Order provides:

7. THIS COURT ORDERS that any Person having notice of this Order shall forthwith advise the Monitor of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Monitor, and shall deliver all such Property to the Monitor upon the Monitor's request.

[Emphasis added.]

The Monitor requested on multiple occasions that the Purchaser return the AR, which the Purchaser agrees remained Medco's Property throughout and is therefore caught by paragraph 7 of the Order.

¹ Unless otherwise defined herein, capitalized terms appearing in this letter will have the meanings given to them in our letter dated February 26, 2024.

The Purchaser's Calculation

In your letter, the Purchaser has attempted to reverse-engineer what it says Medco's ordinary course draw payment to the physicians should have been for the services rendered from November 23 to 30, 2023.

With respect, the Purchaser's calculation ignores the fact that Medco ceased business operations on November 30, 2023, making that day Medco's *de facto* year end for the purposes of reconciling the Medco physicians' draw accounts: a process that takes into account the physicians' total billings for the year, the draw payments already made to the physicians, and their respective share of Medco's operating costs.

The Monitor's calculation of what Medco was obligated to pay its former physicians once the draw account reconciliation was completed differs considerably from that set out in your letter.

More importantly, the determination as to how much to pay the former Medco physicians was not the Purchaser's to make. As a result of the Purchaser's actions, Medco has been deprived of the AR and the amounts available for Medco's first-ranking secured creditor have been reduced without legal justification. The Purchaser's actions amounted to a conversion of Medco's Property and Canadian Imperial Bank of Commerce's security.

Closing

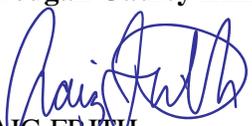
The Monitor hereby reiterates its previous request that the Purchaser return the AR to Medco (care of the Monitor). Should the Purchaser fail to return the AR by March 29, 2024, the Monitor will be obligated to report to the Court that the Purchaser is in contempt of the Order and has converted the AR.

Should it be necessary to have this matter heard by the Court on April 29, 2024, the Monitor will be seeking to be reimbursed for the costs of the motion on a solicitor-client basis.

Yours truly,

McDougall Gauley LLP

Per:


CRAIG FRYTH
CPF~aai
enclosure

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

TRUE COPY

ORDER
(ENHANCING THE MONITOR'S POWERS)
DATE OF HEARING: TUESDAY, NOVEMBER 24, 2023 AT 10:00 A.M.
THE HONOURABLE MR. JUSTICE CHARTIER

McDougall Gauley LLP
500 616 Main Street
Saskatoon SK S7J 0H6

IAN A. SUTHERLAND, K.C. / CRAIG FRITH
PHONE: (306) 665-5417 / (306) 665-5432
FAX: (306) 664-4431
CLIENT FILE NO. 568954.1

THE KING'S BENCH
WINNIPEG CENTRE

THE HONOURABLE)
) Friday, the 24th day of November, 2023
MR. JUSTICE CHARTIER)

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

TRUE COPY
ORDER
(ENHANCING THE MONITOR'S POWERS)

THIS MOTION, made by Alvarez & Marsal Canada Inc. in its capacity as the court-appointed monitor (the "**Monitor**") of Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. (collectively, the "**Applicants**") for an order expanding the scope of the Monitor's powers, was heard this day at the Law Courts Building at 408 York Avenue, in the City of Winnipeg, Manitoba.

ON READING the Sixth Report and the Confidential Supplement, and on hearing the submissions of counsel for the Monitor, the Applicants, Canadian Imperial Bank of Commerce ("**CIBC**"), HSCF Property Inc., 1439573 B.C. Ltd., and Dale Syndicate Services Ltd., no one else appearing for any other person on the Service List, although properly served as appears from the affidavit of service of Shelby Braun sworn November 21, 2023; all filed:

SERVICE

1. THE COURT ORDERS that the time for service of the Monitor's notice of motion and supporting materials is hereby abridged and validated so that the motion is properly returnable today and hereby dispenses with further service thereof.

INTERPRETATION

2. THE COURT ORDERS that, unless otherwise defined herein, capitalized terms appearing in this Order shall have the meanings given to them in the Amended and Restated Initial Order of the Honourable Mr. Justice Kroft dated December 1, 2022 (the "ARIO").

ORDER TO TAKE EFFECT UPON FILING OF MONITOR'S CERTIFICATE

3. THIS COURT ORDERS that this Order shall become effective immediately upon the Monitor filing the Monitor's certificate attached as **Schedule "A"** to this Order (the "**Monitor's Certificate**") which shall then be forthwith served on the members of the Service List in accordance with paragraph 48 of the ARIO.

4. THIS COURT ORDERS that the Monitor's Certificate shall be filed and served if the Monitor determines, in its sole discretion, that the exercise of the additional powers provided herein is reasonably necessary for the Applicants to continue or conclude these proceedings.

MONITOR'S ENHANCED POWERS

5. THIS COURT ORDERS that, without in any way limiting the powers and duties of the Monitor set out in the ARIO or other Orders of the Court in these proceedings, the Monitor shall be directed and empowered, but not required, to exercise the following powers in respect of the Business and Property for and on behalf of the Applicants where the Monitor considers it necessary or desirable to do so:

- (a) to take any and all actions and steps to manage, operate, and carry on the Business, including, without in any way limiting the generality of the foregoing:
 - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly liquidation of the Business and conclude these proceedings;
 - (ii) any actions or steps necessary to complete and disseminate the Applicants' year-end financials;
 - (iii) any and all actions or steps the Applicants are authorized, entitled, or empowered to take by virtue of the Orders made in these proceedings;
 - (iv) receiving and collecting all monies currently in the Applicants' possession, and receiving and collecting all monies and accounts now owed or hereafter owing to the Applicants and exercising all remedies of the Applicants in collecting such monies; and
 - (iv) applying for, surrendering, and otherwise dealing with any permits, licences, approvals, or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Monitor, in the name of the Applicants;
- (b) to preserve and protect the Property, or any parts thereof;
- (c) to report to, meet with, and discuss with such affected Persons as the Monitor deems appropriate on all matters relating to the Property and these proceedings, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (d) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (e) to perform such other duties as are required by this Order or by this Court from time to time.

6. THIS COURT ORDERS that the Monitor is solely authorized and empowered to exercise the powers set out in this Order to the exclusion of, and without any interference from, any Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE MONITOR

7. THIS COURT ORDERS that any Person having notice of this Order shall forthwith advise the Monitor of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Monitor, and shall deliver all such Property to the Monitor upon the Monitor's request.

8. THIS COURT ORDERS that all Persons shall forthwith advise the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records, and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Monitor or permit the Monitor to make, retain, and take away copies thereof and grant to the Monitor unfettered access to and use of accounting, computer, software, and physical facilities relating thereto, provided however that nothing in this paragraph 8 or in paragraph 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

9. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Monitor for the purpose of allowing the Monitor to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Monitor in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Monitor. Further, for the purposes of this paragraph, all Persons shall provide the Monitor with all such assistance in gaining immediate access to the information in the Records as the Monitor may in its discretion require including providing the Monitor with instructions

on the use of any computer or other system and providing the Monitor with any and all access codes, passwords, account names, and account numbers that may be required to gain access to the information.

LIMITATION ON THE MONITOR'S LIABILITY

10. THIS COURT ORDERS that the Monitor is not and shall not for any purposes be deemed to be an officer, director, employee, receiver, receiver-manager, or liquidator of the Applicants, and that no provision in this Order is intended to create a fiduciary duty to any party, including, without limitation, any creditor or shareholder of the Applicants. Any exercise of any power or authority granted to the Monitor by this Order shall be in its capacity as Monitor and for and on behalf of the Applicants.

11. THIS COURT ORDERS that the Monitor is not and shall not for the purposes of the *Income Tax Act*, RSC, 1985, c 1 (5th Supp) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.

12. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA, the Orders granted in these proceedings, or as an officer of this Court, the Monitor shall incur no liability or obligation, as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA, the Orders granted in these proceedings, or any applicable legislation.

GENERAL

13. THIS COURT ORDERS that, except as modified by this Order, the ARIO and other Orders of the Court made in these proceedings shall continue to apply.

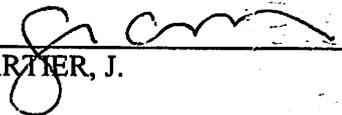
14. THIS COURT ORDERS that the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

15. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

16. THIS COURT ORDERS that the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

17. THIS COURT ORDERS that any interested party (including the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

December 1
November __, 2023


CHARTIER, J.

I, Craig Frith, of the firm of McDougall Gauley LLP, hereby certify that I have received the consents as to form of the following parties:

J.J. Burnell of MLT Aikins LLP, counsel for Canadian Imperial Bank of Commerce
David R.M. Jackson of Taylory McCaffrey LLP, counsel for Manitoba

Catherine Howden of Pitblado Law, counsel for HSCF Property Inc.
Brandon Rasula of WELL Health Technologies Corp., counsel for 1439573 B.C.
Ltd.
Arad Mojtahedi of Norton Rose Fulbright, counsel for Dale Syndicate Services Ltd.

Schedule A – Form of Monitor’s Certificate

File No. CI 22-01-38613

**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-

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Kroft of the Manitoba Court of King's Bench (the "Court") dated December 1, 2022, Alvarez & Marsal Canada Inc. was appointed as the Monitor (the "**Monitor**") of Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. (collectively, the "**Applicants**").

B. Pursuant to an Order of the Honourable Mr. Justice Chartier of the Court dated November 24, 2023, the Court approved the enhancement of the Monitor's powers (the "**Enhanced Powers**") to be effective upon the filing by the Monitor of a certificate if the Monitor determines that the exercise of the Enhanced Powers are reasonably necessary for the Applicants to continue or conclude these proceedings.

THE MONITOR CERTIFIES that:

1. The Monitor has determined that the exercise of the Enhanced Powers are reasonably necessary for the Applicants to continue or conclude these proceedings.

4. This Certificate was delivered by the Monitor at _____ [TIME] on _____
[DATE].

**Alvarez & Marsal Canada Inc., in its capacity
as Monitor of Manitoba Clinic Medical
Corporation and The Manitoba Clinic Holding
Co. Ltd., and not in its personal or corporate
capacity**

Per: _____

Name:

Title:

APPENDIX I

**Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.
Professional Fee Allocation - January 1, 2023 to November 30, 2023**

| List of activities in CCAA | Medco Allocation | Realco Allocation |
|--|-------------------------|--------------------------|
| Communication with physicians regarding the CCAA | 100% | 0% |
| Attending numerous meeting with individual physicians and with practice groups | 100% | 0% |
| Analysis of current overhead structure and costs | 100% | 0% |
| Calculation of 2021 true-up owing for physicians | 100% | 0% |
| Creation of go-forward Medco overhead model | 100% | 0% |
| Review of restructuring alternatives with Medco management | 100% | 0% |
| Town hall meetings with physicians | 100% | 0% |
| Review and calculation of 2022 physician true-up | 100% | 0% |
| Analysis of 2023 physician overhead rate grid | 100% | 0% |
| Preparation of update presentation to Lender regarding 2022 true-up and restructuring efforts | 100% | 0% |
| Development of retention strategy for remaining physicians | 100% | 0% |
| Attending the Companies' board of directors meetings | 100% | 0% |
| Reviewing and approving various requests for sale of medical equipment | 100% | 0% |
| Discussion and negotiation with Well Health regarding the Well Health APA | 100% | 0% |
| Review of monthly physician draws with management | 100% | 0% |
| Creation and update of 2023 estimated physician true-up excel tracker, with management assistance | 100% | 0% |
| Monitoring of restructuring plan implementation, correspondence with management regarding the same | 100% | 0% |
| Review of physician financial statements for period ending November 30, 2023 | 100% | 0% |
| Calculation of tweak for period ending November 30, 2023 | 100% | 0% |
| Review and communication with WELL Health regarding disputed funds | 100% | 0% |
| Communication with employees regarding the CCAA | 98% | 2% |
| Communications with creditors and other stakeholders | 75% | 25% |
| Attending bi-weekly calls with the Lender, management and respective counsel | 75% | 25% |
| Completion of 2022 year end accounting | 75% | 25% |
| Creation of pro-forma financial forecast for Medco and Realco | 75% | 25% |
| Analysis of the Companies' financial position in various restructuring scenarios | 75% | 25% |
| Completion of year end accounting for the period ending November 30, 2023 | 75% | 25% |
| Completion of weekly banking reconciliations | 50% | 50% |
| Completion of weekly variance analysis | 50% | 50% |
| Preparation of update of rolling cash flow forecast | 50% | 50% |
| Preparation of Monitor's Reports | 50% | 50% |
| Conducting the SISP for the assets of Medco and Realco | 50% | 50% |
| Review of SISP bids, negotiation with bidders, transaction due diligence and closing matters | 50% | 50% |
| Review of Realco holdings in Dyancare and negotiation of the Dyancare PSA | 0% | 100% |
| Discussion and negotiation with HSCF regarding the HSCF APA | 0% | 100% |
| | 81% | 19% |

APPENDIX J

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

| | Reporting Period | | | YTD |
|---|------------------|-----------------|-----------------|---------------|
| | Forecast | Actual | Variance | Actual |
| Medco | | | | |
| Cash Receipts | - | 83 | 83 | 31,332 |
| Operating Disbursements | 32 | 246 | (215) | 31,932 |
| Medco Net Cash Flow from Operations | (32) | (163) | (132) | (601) |
| Realco | | | | |
| Cash Receipts | - | (28) | (28) | 5,704 |
| Operating Disbursements | 20 | 4 | 16 | 3,392 |
| Realco Net Cash Flow from Operations | (20) | (33) | (13) | 2,312 |
| Net Cash Flow from Operations | (52) | (196) | (144) | 1,711 |
| Non-Operating Cash Receipts | | | | |
| Dynacare Purchase | - | - | - | 5,500 |
| HSCF Purchase | - | - | - | 33,088 |
| WELL Purchase | - | - | - | 508 |
| Interest from Trust Accounts | - | 75 | 75 | 225 |
| Total Non-Operating Cash Receipts | - | 75 | 75 | 39,321 |
| Non-Operating Cash Disbursements | | | | |
| Monitor's Fees | 189 | 98 | 91 | 1,857 |
| Monitor's Expenses | - | 1 | (1) | 77 |
| Monitor's Counsel's Fees | 140 | 88 | 52 | 1,078 |
| Companies' Counsel's Fees | 20 | - | 20 | 580 |
| MLT Legal Fees | 30 | 5 | 25 | 249 |
| Key Employee Retention | - | - | - | 75 |
| Interim Financing Interest | - | - | - | 74 |
| Interim Distribution | - | 35,849 | (35,849) | 35,849 |
| Marketing Agent Fee | - | 87 | (87) | 87 |
| Total Non-Operating Cash Disbursements | 379 | 36,127 | (35,748) | 39,925 |
| Net Cash Flow | (431) | (36,248) | 35,679 | 1,108 |
| Opening Cash | 37,356 | 37,356 | - | - |
| Net Cash Flow | (431) | (36,248) | (35,817) | 1,108 |
| DIP Advance (Repayment) | - | - | - | - |
| Ending Cash | 36,925 | 1,108 | (35,817) | 1,108 |
| Opening DIP Facility Availability | 3,973 | 3,973 | - | 3,973 |
| DIP Borrowings | - | - | - | - |
| DIP Repayments | - | - | - | - |
| Closing DIP Facility Availability | 3,973 | 3,973 | - | 3,973 |

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

| | Reporting Period | | | YTD |
|---|------------------|--------------|--------------|---------------|
| | Forecast | Actual | Variance | Actual |
| Cash Receipts | | | | |
| Professional Fees | - | 83 | 83 | 29,334 |
| Sundry, Injectables and Tray Fees | - | - | - | 1,081 |
| Research/Clinical Trial Revenue | - | - | - | 486 |
| EKG Revenue | - | - | - | 271 |
| Equipment Sales | - | - | - | 160 |
| Total Cash Receipts | - | 83 | 83 | 31,332 |
| Operating Cash Disbursements | | | | |
| Physician Draw | - | - | - | 18,732 |
| True-Up Payments | - | 233 | (233) | 2,375 |
| Tweak Revenue Offset | - | - | - | - |
| Payroll and All Benefits | 10 | 2 | 7 | 5,934 |
| Medical Supplies | - | 7 | (7) | 802 |
| Office Supplies | 15 | 6 | 9 | 504 |
| Repairs and Maintenance | - | - | - | 38 |
| Non-Salary Research Clinic Trial | - | (0) | 0 | 287 |
| Rent | - | - | - | 3,125 |
| Audit and Legal Fees | - | - | - | 6 |
| Insurance | 7 | 7 | (0) | 119 |
| GST | - | (8) | 8 | 11 |
| Contingency | - | - | - | - |
| Total Operating Cash Disbursements | 32 | 246 | (215) | 31,932 |
| Net Cash Flow from Operations | (32) | (163) | (132) | (601) |

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

| | Reporting Period | | | YTD |
|---|------------------|-------------|-------------|--------------|
| | Forecast | Actual | Variance | Actual |
| Cash Receipts | | | | |
| Parking Revenue | - | (28) | (28) | 1,003 |
| Lab Revenue | - | - | - | 900 |
| MBMC Rent | - | - | - | 3,125 |
| Other Lease Income | - | - | - | 489 |
| X-Ray Income | - | - | - | 185 |
| Other Income | - | 0 | 0 | 3 |
| Total Cash Receipts | - | (28) | (28) | 5,704 |
| Operating Cash Disbursements | | | | |
| R/M, security, cleaning, supplies | 20 | 5 | 15 | 851 |
| Salaries and Benefits | - | - | - | 250 |
| Radiologist Fees | - | - | - | 68 |
| Repairs and Maintenance | - | - | - | 138 |
| Audit and Legal Fees | - | - | - | 25 |
| Insurance | - | - | - | 257 |
| Utilities | - | (0) | 0 | 513 |
| Office Supplies, Expense, & Consulting | - | (0) | 0 | 22 |
| Business and Property taxes | - | - | - | 1,224 |
| GST Remittance | - | - | - | 46 |
| Contingency | - | - | - | - |
| Total Operating Cash Disbursements | 20 | 4 | 16 | 3,392 |
| Net Cash Flow from Operations | (20) | (33) | (13) | 2,312 |

APPENDIX K

Manitoba Clinic Medical Corporation and the Manitoba Clinic Holding Co. Ltd.**Summary of Monitor's Fees and Disbursements****February 1, 2024 to March 30, 2024****Invoices subject to Court Approval**

| Inv. No. | Period | Fees | Disbursements | Total Fees & Disbursements | GST | Total |
|-----------------|---------------------------------------|------------------|----------------------|---|-----------------|------------------|
| #18 | February 1, 2024 to February 29, 2024 | 23,954.50 | 100.00 | 24,054.50 | 1,202.73 | 25,257.23 |
| #19 | March 1, 2024 to March 30, 2024 | 32,605.50 | 750.75 | 33,356.25 | 1,667.81 | 35,024.06 |
| | Total | 56,560.00 | 850.75 | 57,410.75 | 2,870.54 | 60,281.29 |

Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.**Summary of Monitor's Counsel's Fees and Disbursements****February 1, 2024 to April 19, 2024****Invoices subject to Court Approval**

| Inv. No. | Period | Fees | Disbursements | Total Fees & Disbursements | GST & PST | Total |
|-----------------|---------------------------------------|------------------|----------------------|---|----------------------|------------------|
| 568954 | February 1, 2024 to February 29, 2024 | 26,242.00 | 3,778.82 | 30,020.82 | 3,060.33 | 33,081.15 |
| 717154 | March 1, 2024 to March 30, 2024 | 16,961.00 | 10.80 | 16,971.80 | 1,866.25 | 18,838.05 |
| 718504 | April 1, 2024 to April 19, 2024 | 32,156.50 | 2.80 | 32,159.30 | 3,537.36 | 35,696.66 |
| | Total | 75,359.50 | 3,792.42 | 79,151.92 | 8,463.94 | 87,615.86 |