

**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”)

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**FIFTH REPORT OF THE MONITOR  
ALVAREZ & MARSAL CANADA INC.  
DATED OCTOBER 27, 2023  
DATE OF HEARING : TUESDAY, OCTOBER 31, 2023 AT 10:00A.M.  
CHARTIER, J.**

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## INTRODUCTION

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

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

9. The Monitor filed its third Monitor's report dated July 31, 2023 (the "**Third Report**") in support of the August 2, 2023 motion. Further information regarding the relief sought during that motion can be found therein.
10. On September 26, 2023, the Court granted the Applicants an Order (the "**September 26, 2023 Order**"), which, among other things, extended the stay of proceedings to December 15, 2023. The Monitor filed its fourth Monitor's Report (the "**Fourth Report**") in support of the September 26, 2023 motion.

## **PURPOSE**

11. The purpose of this report of the Monitor (the "**Fifth Report**" or this "**Report**," and together with the Pre-Filing Report, the First Report, the Second Report, the Third Report, and the Fourth Report, the "**Reports**") is to provide this Honourable Court information, and where applicable the Monitor's views, on:
  - a) the activities of the Monitor since the Fourth Report;
  - b) a comparison of the Companies' cash receipts and disbursements as compared to the cash flow forecast appended to the Fourth Report of the Monitor for the period of September 16, 2023 to October 20, 2023;
  - c) the agreement of purchase and sale (the "**Dynacare PSA**") entered into with Dynacare (as defined below) which is subject to Court approval;
  - d) the request for approval of the professional fees and costs of the Monitor, its legal counsel, and the Debtors' legal counsel;
  - e) the request for approval of the Monitor's actions and activities as described in this Report; and
  - f) the Monitor's recommendations and conclusions in respect of the matters described above.
12. Capitalized terms not otherwise defined in this Report are as defined in the Initial Order, the ARIO, the SISP or other orders of this Honourable Court and the Reports, as the case may be.

## TERMS OF REFERENCE AND DISCLAIMER

13. In preparing this Report, A&M, 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.
14. 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.
15. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

## **BACKGROUND**

16. As discussed in the Reports and detailed in the affidavit of Keith McConnell sworn November 28, 2022, Medco is a privately-held Canadian company, which has been operating since 1946. It operates a multi-specialty medical clinic (the “**Clinic**”) offering diverse healthcare services that is the largest private clinic in the Province of Manitoba and plays a significant role in Manitoba’s healthcare system. The privately-held related company, Realco, holds title to the real property upon which the Clinic is situated, certain equipment and certain financial investments.
17. Medco is responsible for the medical operations of the Clinic and is party to service agreements with all of the physicians providing services through the Clinic. Medco operates the Clinic from leased space in the 10 storey, 232,038 square foot facility located at 790 Sherbrook Street, Winnipeg (the “**Facility**”) owned and operated by Realco.
18. Details with respect to the Companies’ business operations, corporate organization, history and other financial information, including the Debtors’ assets and liabilities and key secured creditors, and further information regarding these CCAA Proceedings (e.g., Court orders, the Reports, etc.) are available on the Monitor’s website at [www.alvarezandmarsal.com/manitobaclinic](http://www.alvarezandmarsal.com/manitobaclinic).

## **ACTIVITIES OF THE MONITOR SINCE THE FOURTH REPORT**

19. The Monitor’s activities to date include, among others, the following:
  - a) conducting ongoing discussions with Management, employees, advisors, and the Debtors’ legal counsel regarding the Debtors’ business and financial affairs;
  - b) hosting multiple discussions with Well Health Clinic Network Inc., with respect to the Well Health APA (as defined in the Fourth Report) and related due diligence and closing preparation matters;

- c) hosting multiple discussions with Health Sciences Centre Foundation., with respect to the HSCF APA (as defined in the Fourth Report) and related due diligence and closing preparation matters;
- d) engaging in discussions with the Debtors, the Debtors' legal counsel, CIBC, CIBC's legal counsel, and the Marketing Agent with respect to the SISP;
- e) reviewing Realco's investment in Dynacare-Gamma Central Medical Laboratory Limited Partnership and estimating the value of the Class B Units (as defined below);
- f) engaging in discussions with CIBC and CIBC's legal counsel with respect to the Class B Units;
- g) negotiating the Dynacare PSA with Dynacare (as defined below);
- h) continuing communication with and utilization of the Monitor's independent legal counsel, McDougall Gauley LLP, as necessary;
- i) communicating with trade creditors and other stakeholders, and assisting with arrangements with various suppliers regarding ongoing services;
- j) reviewing, tracking, and assisting Management with:
  - i) the Applicants' operational restructuring plans;
  - ii) the compilation of the weekly variance reporting as required under the terms of the Commitment Letter for the Interim Financing Facility;
  - iii) reconciling the Companies' general ledger accounts on a weekly basis; and
  - iv) tracking and forecasting the Applicants' weekly cash usage and needs;
- k) attending and being present at the Clinic as required;
- l) attending meetings with Management, employees, and the Physicians; and



- m) attending regular calls with CIBC, Management, and the parties' respective counsel.
- 20. The Monitor continues to work with Well Health and HSCF to remove certain of the conditions within both the Well Health APA and HSCF APA. If the conditions are satisfied as planned, the Monitor intends to file a motion with the Court, to seek Court approval of both the Well Health APA and HSCF APA.
- 21. Further information regarding the conclusion of the SISP and the Monitor's recommendations regarding the approval of the HSCF APA and the Well Health APA will be provided to the Court in a forthcoming Monitor's report to be filed in support of the forthcoming motion.

#### **CASH FLOW RESULTS RELATIVE TO FORECAST**

- 22. The Debtors' cash receipts and disbursements during the period of September 16, 2023 to October 20, 2023 (the "**Reporting Period**"), as compared to the cash flow forecast presented in the Fourth Report ("**Cash Flow Forecast**"), are summarized below. A copy of the detailed cash flow actual results compared to the Cash Flow Forecast is attached as Appendix "A" 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
<b>Medco</b>				
Cash Receipts	1,800	2,154	354	27,637
Operating Disbursements	2,224	2,151	73	27,192
<b>Medco Net Cash Flow from Operations</b>	<b>(424)</b>	<b>3</b>	<b>427</b>	<b>445</b>
<b>Realco</b>				
Cash Receipts	248	279	31	5,305
Operating Disbursements	396	340	56	2,664
<b>Realco Net Cash Flow from Operations</b>	<b>(149)</b>	<b>(61)</b>	<b>88</b>	<b>2,640</b>
<b>Net Cash Flow from Operations</b>	<b>(572)</b>	<b>(58)</b>	<b>515</b>	<b>3,086</b>
<b>Non-Operating Cash Disbursements</b>				
Monitor's Fees	205	236	(31)	1,566
Monitor's Expenses	10	4	6	71
Monitor's Counsel's Fees	164	175	(11)	718
Companies' Counsel's Fees	50	45	5	492
MLT Legal Fees	50	39	11	215
Key Employee Retention	-	-	-	50
Interim Financing Interest	8	6	2	57
<b>Total Non-Operating Cash Disbursements</b>	<b>487</b>	<b>505</b>	<b>(18)</b>	<b>3,168</b>
<b>Net Cash Flow</b>	<b>(1,060)</b>	<b>(562)</b>	<b>497</b>	<b>(83)</b>
<b>Opening Cash</b>	<b>1,031</b>	<b>1,031</b>	<b>-</b>	<b>-</b>
Net Cash Flow	(1,060)	(562)	497	(82)
DIP Advance (Repayment)	500	250	(250)	800
<b>Ending Cash</b>	<b>471</b>	<b>718</b>	<b>247</b>	<b>718</b>
<b>Opening DIP Facility Availability</b>	<b>3,423</b>	<b>3,423</b>	<b>-</b>	<b>3,973</b>
DIP Borrowings	500	250	250	800
DIP Repayments	-	-	-	-
<b>Closing DIP Facility Availability</b>	<b>2,923</b>	<b>3,173</b>	<b>250</b>	<b>3,173</b>

23. Over the Reporting Period, the Debtors experienced a positive cash flow variance of approximately \$497,000, as a result of:
- a) a positive variance in the collection of Medco receipts which was primarily due to higher than forecast collections of professional fees;
  - b) a positive variance relating to Medco operating disbursements due primarily to lower than forecast physician draws, repairs and maintenance, audit and legal and contingency expenses;
  - c) a positive variance with respect to the collection of Realco receipts, which is principally the result of higher than forecast parking revenue;

- d) a positive variance relating to certain Realco disbursements such as GST remittances and contingency expense; and
  - e) a negative variance in professional fees due to higher than forecast fees of the Monitor and Monitor's Counsel, which was partially offset by lower than forecast fees and expenses of the Companies' counsel and Lender's counsel.
24. The Debtors were required to utilize \$250,000 of the Interim Financing Facility during the Reporting Period, which was \$250,000 less than forecast. As at October 20, 2023, the total amount utilized under the Interim Financing Facility is \$800,000 leaving approximately \$3.2 million available under the Interim Financing Facility.
25. The Companies previously prepared a Cash Flow Forecast for the 13-week period from September 16, 2023 to December 15, 2023, which was included in the Fourth Report. Based on the Cash Flow Forecast included in the Fourth Report, the Companies will have sufficient liquidity and availability in the Interim Financing Facility to continue operations during the stay of proceedings.

## **DYNACARE PARTNERSHIP**

### **Background**

26. As referenced in the Pre-Filing Report and the affidavit of Keith McConnell sworn November 28, 2022, Realco is the owner of 2,000,000 class B units (the "**Class B Units**") in Gamma-Dynacare Central Medical Laboratory Limited Partnership (the "**Partnership**"). The remaining units in the Partnership are comprised of 8,200,000 class A units owned by the other limited partner, Dynacare-Gamma Laboratory Partnership ("**DGLP**") and 100 general partner units owned by Gamma-Dynacare Central Medical Laboratories GP Inc. (the "**General Partner**", and together with DGLP, "**Dynacare**").
27. The Partnership operates a number of laboratories in the province of Manitoba, and is one of the province's largest providers of community laboratory services.
28. The Class B Units were initially held by Furby Management Services Limited Partnership ("**Furby**") pursuant to an amended and restated partnership agreement

(the “**Partnership Agreement**”) dated December 1, 2008 (the “**Formation Date**”) between Furby, DGLP and the General Partner. Furby’s interest in the Class B Units was subsequently assigned, with consent of DGLP and the General Partner, to Realco on January 1, 2017. Realco, DGLP and the General Partner (collectively, the “**Partners**”) are the only current unitholders of the Partnership.

29. The Partnership Agreement provides for (among other things):
- a) a detailed calculation for determining the monthly dividend payable to Realco on account of the Class B Units (the “**Class B Dividend**”) that takes into account, among other things, Realco's effective ownership percentage in the Partnership (the “**Effective Ownership Percentage**”);
  - b) limitations on the Partners' ability to sell their interest in the Partnership; and
  - c) confidentiality covenants with respect to the Partnership's proprietary and financial information.

#### **CCAA Proceedings and Investigations**

30. Upon commencing the CCAA proceedings, the Monitor sought to obtain further information relating to Realco’s interest in the Class B Units of the Partnership and their corresponding value and marketability.
31. The Monitor, through its inspection of Realco’s books and records and numerous meetings with Management, has learned that:
- a) since the Formation Date, several acquisitions were made by the Partnership, including the purchase of certain assets of 5996601 Manitoba Ltd., Trainor Laboratory LP, Brandon Medical Clinic Corporation, Lakewood Lab Inc., and Unicity Laboratories Services (individually a “**Partnership Acquisition**” and collectively the “**Partnership Acquisitions**”);
  - b) the Partnership Acquisitions materially increased the size of the Partnership’s operations and its enterprise value;

- c) Furby's Effective Ownership Percentage of the Class B Units at the Formation Date was approximately 20% (the “**Initial Percentage**”) which was reflected in the statement of partners’ equity in the Partnership’s financial statements;
- d) after each Partnership Acquisition, the Effective Ownership Percentage would remain at the Initial Percentage if the owner of the Class B Units contributed its pro-rata share of the purchase price for the acquisition; otherwise, the Effective Ownership Percentage would be diluted;
- e) Furby, and subsequently Realco, did not participate in three (3) of the Partnership Acquisitions relating to assets of the Brandon Clinic Medical Corporation, Lakewood Lab Inc. and Unicity Laboratory Services (individually a “**Diluting Acquisition**” and collectively the “**Diluting Acquisitions**”), thereby reducing the Effective Ownership Percentage from the Initial Percentage;
- f) the last Diluting Acquisition occurred on December 14, 2017;
- g) the Partnership does not appear to have maintained up-to-date records detailing the changes in the Effective Ownership Percentage of each of the Partners after each Partnership Acquisition;
- h) as a result of the Diluting Acquisitions, the Partnership had been paying the Class B Dividend to Furby, and subsequently Realco, using an Effective Ownership Percentage of 12.44% (the “**Diluted Percentage**”);
- i) the statement of partners’ equity in the Partnership's unaudited financial statements of DGLP for the period ending December 31, 2022 list Realco’s Effective Ownership Percentage as 20%, which is consistent with the Initial Percentage; however, there is a footnote stating “ *Ownership % has not been updated to reflect the current ownership percentages. The allocation of net income and distribution figures are accurate and are calculated at 12.44% for The Manitoba Clinic Holdings Co. Ltd. for both years.*” The 12.44% noted in the footnote is consistent with the Diluted Percentage;

- j) certain of the Partnership's unaudited financial statements and financial reports for the 2020, 2021, and 2022 fiscal years showed differing income and expense classifications and values on the income statement; and
- k) there have been multiple changes in the Partnership's management since the Formation Date, and the previous corporate controller had recently been replaced. As such, the current corporate controller was not employed when the Diluting Acquisitions were completed, nor was he privy to the conversations that allegedly occurred between the Partnership and Realco's former Executive Director, Jeff Grapentine.

### **The Dynacare LOI**

- 32. Counsel for the Partnership contacted the Monitor within a week of its appointment under the Initial Order. Shortly thereafter the Partnership advised the Monitor that it was interested in purchasing the Class B Units from Realco.
- 33. On March 14, 2023, the Monitor received a Letter of Intent (the "**Dynacare LOI**") from the Partnership to purchase the Class B Units from Realco, with the structure of the transaction (i.e. whether it would be structured as a redemption of Realco's partnership interest or a purchase of the Class B Units by DGLP or an affiliate) to be determined at a later date.
- 34. A copy of the Dynacare LOI has been appended to the confidential supplemental report to the Monitor's Fifth Report (the "**Confidential Supplement**").
- 35. The Monitor undertook a detailed valuation exercise to estimate the range of value of the Class B Units and determine whether Dynacare's offer was reasonable. This exercise took a number of months to complete. Further detail is provided below on the Monitor's valuation efforts.
- 36. The Monitor was still evaluating the reasonableness of the offer at the time that it applied for the SISP as the offer in the LOI was open for acceptance and further investigations regarding the value of the Class B Units were required. The Monitor, in consultation with CIBC and the Partnership, did not include information relating to the Class B Units in the SISP data room.

## Discussions with Dynacare

37. The Monitor has engaged in several meetings with the Partnership in an effort to obtain additional information regarding the Partnership and to clarify Realco's Effective Ownership Percentage of the Class B Units. The Partnership was (and remains) confident that the ownership percentage of the Class B Units is consistent with the Diluted Percentage and provided additional corroborating documentation to the Monitor to support its position (the “**Back-Up Documentation**”).
38. The Monitor reviewed the Back-Up Documentation; however, the Monitor was unable to fully verify the Diluted Percentage. The Partnership subsequently provided the Monitor with email exchanges between Jeff Grapentine and representatives of the Partnership in January of 2017 discussing the reconciliation of (and, in the Partnership’s view, effectively agreeing to) the Diluted Percentage on behalf of Furby (the “**Email Exchanges**”).
39. The Monitor accepts that neither Furby nor Realco contributed to the Diluting Acquisitions and that their Effective Ownership Percentage of the Class B Units has been diluted; however, based on the discussions with the Partnership and the information contained in the Back-Up Documentation and the Email Exchanges the Monitor remains unable to independently verify the Diluted Percentage.
40. In the absence of an agreement between Realco and the Partnership, any dispute between the parties regarding the value of the Class B Units may have to have been resolved through litigation.
41. Dynacare also advised the Monitor that its contract with the government of Manitoba (the “**Community Laboratories Agreement**”), from which the Partnership derives all of the income associated with the Class B Dividends, expires on March 31, 2024. The Community Laboratories Agreement will not automatically be renewed and, therefore, it was possible the Government of Manitoba would implement a public request for proposal (“**RFP**”) process for a new contract. Put simply, Realco cannot guarantee that this income stream will be available after March 31, 2024.

## **Monitor's Indication of Value**

42. As previously discussed, the Monitor has attempted to independently verify the possible range of values of the Class B Units. These efforts have included reviewing Realco's books and records and engaging in discussions with Management.
43. The Monitor's attempt to independently assess the range of value involved calculating a weighted average cost of capital for the Partnership, which was then used as the basis for calculating an enterprise value multiple and, subsequently, the fair market value of the equity stake of the Class B Units in the Partnership. In calculating the estimated value of the Class B Units, a number of subjective inputs were necessarily relied upon, including, but not limited to:
  - a) the Partnership's normalized after-tax earnings;
  - b) the risk-free rate;
  - c) the Canadian equity risk premium;
  - d) the un-levered beta value of the Partnership;
  - e) the company-specific risk premium; and
  - f) the illiquidity discount of the minority equity stake.
44. One of the primary risks influencing the discount factors used when assessing the value of the Class B Units was the lack of documentation surrounding the Effective Ownership Percentage, which has a material impact on the assessment of value. For the purposes of the assessment of value exercise, the Monitor assumed that Effective Ownership Percentage was consistent with the Diluted Percentage.
45. Another risk factor with respect to the Class B Unit assessment of value was the calculation of the normalized after-tax earnings. In the assessment of value exercise, the Monitor conservatively used the data with the lowest earning reports.
46. Utilizing the above assumptions, the Monitor was able to assess the value for the Class B Units (the "**Monitor's Assessment**"). The Monitor's Assessment has been included in the Confidential Supplement. The Monitor's Assessment is not (and should not be relied upon as) a formal business valuation.



### **Discussions with CIBC**

47. Throughout the CCAA proceedings, the Monitor has kept CIBC, the primary secured creditor, apprised of its ongoing discussions with Dynacare and its undertaking to establish a range of value with respect to the Class B Units.
48. Upon receiving the Monitor's Assessment and after considering the numerous factors listed above, CIBC supported the Monitor entering into formal negotiations with the Partnership. CIBC has, however, expressed concern regarding the potential loss of a sale from the Partnership given the uncertainty regarding the Diluted Percentage, the long-term operations of the business and the value of the Class B Units.

### **Dynacare PSA**

49. On October 20, 2023, the Monitor entered into the Dynacare PSA with respect to the Class B Units. A redacted copy of the Dynacare PSA is attached as Appendix "B", and a partial summary of the agreement is as follows:
  - a) the Partnership, by its General Partner, will purchase from the Monitor, on behalf of Realco, all of the 2,000,000 Class B Units in the Partnership;
  - b) the General Partner will provide the Monitor with a 10% deposit payable by October 27, 2023. This deposit was received by the Monitor on October 26, 2023;
  - c) the offer is subject to approval of this Honourable Court;
  - d) the closing date of the transaction will be within 10 days of Court approval; and
  - e) at the closing date, the General Partner will pay to the Monitor the remaining balance owing, which represents the purchase price less the deposit.
50. An unredacted copy of the Dynacare PSA has been appended to the Confidential Supplement.

### **Monitor's Recommendations**

51. The Monitor is of the view that it is appropriate for the Court to approve the Dynacare PSA for the following reasons:
- a) the lack of sufficient documentation that it has received from both Realco and the Partnership relating to the Effective Ownership Percentage has made it difficult to precisely value the Class B Units and would make it very challenging for the Monitor to market publicly;
  - b) the impending expiration of the Community Laboratories Agreement, as discussed above, may further suppress interest in the Class B Units if the Monitor were to conduct a public sales process for those units;
  - c) a public sales process would likely have been opposed by the Partnership and may have resulted in litigation;
  - d) CIBC, the party who will be most economically impacted by the disposition of the Class B Units, was extensively consulted throughout the process and supports the Dynacare PSA;
  - e) the Monitor believes the consideration received for the Class B Units is reasonable in the circumstances, and is within the range of values that was ascribed to those units by the Monitor in the Monitor's Assessment;
  - f) Realco has sufficient funds to satisfy the obligations associated with section 6(5)(a) of the CCAA; and
  - g) the Monitor is supportive of the sale.
52. Due to the confidential nature of the materials contained in the Confidential Supplement, the Monitor is concerned that if the Confidential Supplement is disclosed to third parties prior to the closing of the transaction, this disclosure could materially jeopardize the sale, or if the sale does not close, could materially jeopardize subsequent efforts to market the Class B Units. As such, the Monitor is of the view that that it is appropriate for this Honourable Court to seal the Confidential Supplement in accordance with the proposed form of the sealing order accompanying the Monitor's application (the "**Sealing Order**"), as it contains:

- a) the commercial terms of the Dynacare LOI;
- b) the results of the Monitor's assessment of value with respect to the Class B Units; and
- c) the commercial terms of the Dynacare PSA.

#### **APPROVAL OF PROFESSIONAL FEES**

- 53. The Monitor seeks approval from this Honourable Court of the professional fees and disbursements of the Monitor for the period of September 1, 2023 to October 15, 2023 and the Monitor's Counsel and the Debtors' Counsel for the periods of September 1, 2023 to September 30, 2023 and September 1, 2023 to October 18, 2023, respectively (the "**Interim Taxation Period**"). These fees and costs have been incurred and have been paid as of the date of this Report and are reflected in the cash flow results above.
- 54. The total fees and expenses of the Monitor during the Interim Taxation Period are \$123,125.61 (exclusive of GST), which are comprised of \$119,411.50 in fees and \$3,714.11 in expenses (the "**Monitor's Fees and Costs**").
- 55. The total fees and expenses of the Monitor's Counsel, McDougall Gauley LLP, and the Debtors' Counsel, Taylor McCaffrey LLP, during the Interim Taxation Period total \$68,897.88 and \$40,158.40 (exclusive of GST), respectively (the "**Legal Fees and Costs**").
- 56. A summary of the Monitor's Fees and Costs and the Legal Fees and Costs by invoice is attached as Appendix "**C**" to this Report.
- 57. The Monitor, its counsel, and the Debtors' counsels' invoices outline the dates of the work completed, descriptions of the work performed, the length of time taken to complete the work, and the names of the individuals who completed the work. Copies of the invoices will be brought to the Monitor's application before this Honourable Court, and made available to the Court upon request.
- 58. The Monitor is of the view that the invoices rendered by the Monitor, its counsel, and the Debtors' counsel are commensurate with the work performed,

commercially fair and reasonable and were validly incurred in accordance with the provisions of the ARIO and other orders of the Court.

## **CONCLUSIONS AND RECOMMENDATIONS**

59. The Monitor respectfully recommends that this Honorable Court approve:
- a) the Monitor's actions, activities and conduct described herein;
  - b) the Dynacare PSA;
  - c) the Sealing Order; and
  - d) the professional fees and costs of the Debtors' counsel, the Monitor and its counsel during the Interim Taxation Period.

All of which is respectfully submitted to this Honourable Court this 27<sup>th</sup> day of October, 2023.

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



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



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

**APPENDIX A**  
**Cash Flow Budget to Actual Results**

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

	Reporting Period			YTD Actual
	Forecast	Actual	Variance	
<b>Medco</b>				
Cash Receipts	1,800	2,154	354	27,637
Operating Disbursements	2,224	2,151	73	27,192
<b>Medco Net Cash Flow from Operations</b>	<b>(424)</b>	<b>3</b>	<b>427</b>	<b>445</b>
<b>Realco</b>				
Cash Receipts	248	279	31	5,305
Operating Disbursements	396	340	56	2,664
<b>Realco Net Cash Flow from Operations</b>	<b>(149)</b>	<b>(61)</b>	<b>88</b>	<b>2,640</b>
<b>Net Cash Flow from Operations</b>	<b>(572)</b>	<b>(58)</b>	<b>515</b>	<b>3,086</b>
<b>Non-Operating Cash Disbursements</b>				
Monitor's Fees	205	236	(31)	1,566
Monitor's Expenses	10	4	6	71
Monitor's Counsel's Fees	164	175	(11)	718
Companies' Counsel's Fees	50	45	5	492
MLT Legal Fees	50	39	11	215
Key Employee Retention	-	-	-	50
Interim Financing Interest	8	6	2	57
<b>Total Non-Operating Cash Disbursements</b>	<b>487</b>	<b>505</b>	<b>(18)</b>	<b>3,168</b>
<b>Net Cash Flow</b>	<b>(1,060)</b>	<b>(562)</b>	<b>497</b>	<b>(83)</b>
<b>Opening Cash</b>	<b>1,031</b>	<b>1,031</b>	<b>-</b>	<b>-</b>
Net Cash Flow	(1,060)	(562)	497	(82)
DIP Advance (Repayment)	500	250	(250)	800
<b>Ending Cash</b>	<b>471</b>	<b>718</b>	<b>247</b>	<b>718</b>
<b>Opening DIP Facility Availability</b>	<b>3,423</b>	<b>3,423</b>	<b>-</b>	<b>3,973</b>
DIP Borrowings	500	250	250	800
DIP Repayments	-	-	-	-
<b>Closing DIP Facility Availability</b>	<b>2,923</b>	<b>3,173</b>	<b>250</b>	<b>3,173</b>

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

	Reporting Period			YTD
	Forecast	Actual	Variance	Actual
<b>Cash Receipts</b>				
Professional Fees	1,678	2,027	349	25,853
Sundry, Injectables and Tray Fees	73	70	(3)	961
Research/Clinical Trial Revenue	27	31	4	410
EKG Revenue	22	26	4	253
Equipment Sales	-	-	-	160
<b>Total Cash Receipts</b>	<b>1,800</b>	<b>2,154</b>	<b>354</b>	<b>27,637</b>
<b>Operating Cash Disbursements</b>				
Physician Draw	1,196	1,155	42	15,699
True-Up Payments	323	323	-	1,819
Tweak Revenue Offset	-	-	-	-
Payroll and All Benefits	354	360	(6)	5,223
Medical Supplies	72	75	(4)	660
Office Supplies	35	42	(7)	428
Repairs and Maintenance	10	-	10	38
Non-Salary Research Clinic Trial	3	1	2	284
Rent	169	169	(0)	2,956
Audit and Legal Fees	8	-	8	6
Insurance	25	25	0	59
GST	4	-	4	19
Contingency	25	-	25	-
<b>Total Operating Cash Disbursements</b>	<b>2,224</b>	<b>2,151</b>	<b>73</b>	<b>27,192</b>
<b>Net Cash Flow from Operations</b>	<b>(424)</b>	<b>3</b>	<b>427</b>	<b>445</b>

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

	Reporting Period			YTD
	Forecast	Actual	Variance	Actual
<b>Cash Receipts</b>				
Parking Revenue	39	76	37	832
Lab Revenue	-	-	-	900
MBMC Rent	169	169	0	2,956
Other Lease Income	40	35	(5)	429
X-Ray Income	-	-	-	185
Other Income	0	-	(0)	3
<b>Total Cash Receipts</b>	<b>248</b>	<b>279</b>	<b>31</b>	<b>5,305</b>
<b>Operating Cash Disbursements</b>				
R/M, security, cleaning, supplies	63	75	(12)	677
Salaries and Benefits	13	9	3	227
Radiologist Fees	-	-	-	68
Repairs and Maintenance	20	14	6	121
Audit and Legal Fees	15	-	15	24
Insurance	13	13	(0)	231
Utilities	41	42	(1)	402
Office Supplies, Expense, & Consulting	1	0	1	17
Business and Property taxes	186	186	-	851
GST Remittance	20	-	20	46
Contingency	25	-	25	-
<b>Total Operating Cash Disbursements</b>	<b>396</b>	<b>340</b>	<b>56</b>	<b>2,664</b>
<b>Net Cash Flow from Operations</b>	<b>(149)</b>	<b>(61)</b>	<b>88</b>	<b>2,640</b>



**APPENDIX B**  
**Dynacare PSA (Redacted)**

## **AGREEMENT OF PURCHASE AND SALE**

**THIS AGREEMENT** is dated for reference as of the 20<sup>th</sup> day of October, 2023.

**BETWEEN:**

**GAMMA-DYNACARE CENTRAL MEDICAL LABORATORY LIMITED  
PARTNERSHIP,  
by its general partner, GAMMA-DYNACARE CENTRAL MEDICAL  
LABORATORIES GP INC.**

(the “**Purchaser**”)

**AND:**

**ALVAREZ & MARSAL CANADA INC.**, in its capacity as court appointed  
monitor for and on behalf of **THE MANITOBA CLINIC HOLDING CO. LTD.**  
and not in its personal or corporate capacity

(the “**Vendor**”)

**WHEREAS:**

- A. Pursuant to the Order of the Honourable Mr. Justice Kroft of the Manitoba Court of King's Bench (the “**Court**”) issued November 30, 2022 (as amended and restated on December 1, 2022, the “**Initial Order**”), Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. (“**MCH**” and together with Manitoba Clinic Medical Corporation, 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**”).
- B. Alvarez & Marsal Canada Inc. has been appointed as monitor of the Companies under the CCAA (in such capacity, the “**Monitor**”) and granted the power, *inter alia*, to execute the present Agreement of Purchase and Sale (the “**Agreement**”) for and on behalf of MCH.
- C. MCH is the owner of 2,000,000 Class “B” units in the Purchaser (the “**Units**”).
- D. The Purchaser has offered to purchase and the Vendor wishes to sell the Units, subject to obtaining Court approval of the sale, on the terms and conditions set out 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 acknowledged, the parties hereto agree as follows:

1. **Definitions**

1.1 The following terms and expressions will have the following meanings:

- (a) “**Applicable Law**” means, in relation to any person, property, or circumstance, all laws, statutes, rules, regulations, official directives, and orders of governmental

authorities, including judgments, orders, and decrees of courts, commissions or bodies exercising similar functions, and includes the provisions and conditions of any permit, licence, or other governmental or regulatory authorization that are in effect as at the relevant time and are applicable to such person, property or circumstance.

- (b) “**Agreement**” means this agreement of purchase and sale;
- (c) “**Closing**” means the completion of the transactions contemplated in this Agreement;
- (d) “**Closing Date**” has the meaning in Section 9.1 of this Agreement;
- (e) “**Court**” has the meaning in Recital A to this Agreement;
- (f) “**Limited Partnership Agreement**” means Amended and Restated Limited Partnership Agreement of the Purchaser, dated December 1, 2008, as amended by the Joinder and Amending Agreement;
- (g) “**Monitor**” has the meaning in Recital B to this Agreement;
- (h) “**Monitor’s Certificate**” means the certificate to be issued by the Monitor on the Closing Date confirming that (i) the Purchaser has paid and the Vendor has received the Purchase Price for the Units payable on the Closing Date pursuant to the Agreement; (ii) the conditions to Closing have been satisfied or waived by the Vendor and the Purchaser; and (iii) the transaction contemplated in the Agreement has been completed to the satisfaction of the Monitor;
- (i) “**Purchase Price**” has the meaning in Section 3.1 of this Agreement;
- (j) “**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 contemplated by this Agreement and vesting in the name of the Purchaser, upon payment of the Purchase Price, all of MCH’s right, title, and interest in and to the Units, free and clear of all encumbrances, liens, and charges.

## 2. **Purchase and Sale**

- 2.1 The Vendor agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor the Units, subject to and in accordance with the terms and conditions of this Agreement and the Vesting Order.

## 3. **Purchase Price**

- 3.1 The purchase price to be paid for the Units shall be [REDACTED] (the “**Purchase Price**”), without adjustment.

- 3.2 Concurrent with the execution of this Agreement, the Purchaser shall pay to the Vendor's solicitor, in trust, by bank draft, solicitor's trust cheque, or wire transfer, in each case drawn on a Canadian Chartered Bank, payable to the Vendor's solicitor a deposit of [REDACTED] (the "**Deposit**"), representing 10% of the Purchase Price, no later than October 27, 2023. The Deposit will be held by the Vendor's solicitor and applied to the Purchase Price at Closing. If the Purchaser is otherwise unable or unwilling to effect the Closing, the Vendor will retain the Deposit as a genuine pre-estimate of liquidated damages and not as a penalty. If the Vendor is unable or unwilling to effect the Closing (and not as a result of the Purchaser's breach of its obligations in this Agreement), notably by being unable to perform the conditions or obligations under Sections 10.1 and 10.2 (notwithstanding the waiver of any conditions or obligations by the Purchaser in its favor), the Vendor's solicitor shall promptly return the Deposit to the Purchaser upon demand.

4. **Payment of Purchase Price**

- 4.1 At the Closing Date, the Purchaser shall pay the remaining balance of the Purchase Price (less the Deposit) to the Vendor by way of bank draft, solicitor's trust cheque, or wire transfer, in each case drawn on a Canadian chartered bank, payable to the Vendor's solicitors in accordance with reasonable solicitor trust conditions reflecting the terms of this Agreement.

5. **Costs and Expenses**

- 5.1 The parties hereby agree that all other costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring that expense.

6. **Representations**

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

- 6.2 The Purchaser represents and warrants that:

(a) this Agreement:

- (i) has been duly executed and delivered by the Purchaser;
- (ii) constitutes a legal, valid, and binding obligation of the Purchaser; and
- (iii) is enforceable against the Purchaser in accordance with its terms;

(b) the Purchaser:

- (i) has obtained all applicable consents under Limited Partnership Agreement (and any other relevant agreements) such that it has good and sufficient

power, authority, and right to enter into and deliver this Agreement and to complete the transactions contemplated hereunder; and

- (ii) is not a non-Canadian person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident for the purposes of the *Income Tax Act* (Canada).
- (c) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser will result in a violation of:
  - (i) any of the provisions of the constating documents or by-laws of the Purchaser;
  - (ii) any contract or other instrument to which the Purchaser is a party or by which the Purchaser is bound; or
  - (iii) any Applicable Law in respect of which the Purchaser must comply.

6.3 The Purchaser acknowledges and agrees that:

- (a) the Vendor is entering into this agreement solely in its capacity as Monitor for and on behalf of MCH and not in its personal or corporate capacity;
- (b) under no circumstances shall the Monitor have any liability pursuant to this Agreement or in relation to the Closing in its personal or corporate capacity, whether such liability be in contract, tort, or otherwise; and
- (c) except as expressly set forth in Section 6.1, the Vendor expressly negates any representations or warranties of any kind or nature, whether express or implied, written or verbal, made by the Vendor or its agents.

## 7. **Income Tax Allocation**

7.1 The Vendor acknowledges and agrees that, as a withdrawing partner of the Partnership during the Partnership's current fiscal period, MCH shall be allocated from the Partnership its share of the income or losses for tax purposes of the Partnership which accrued during such fiscal period up to the time of Closing where MCH shall have ceased to be a partner of the Partnership. The allocation shall be in accordance with the Limited Partnership Agreement.

## 8. **Mutual Release and Discharge**

8.1 Subject to Section 8.2, upon issuance of the Monitor's Certificate, the Vendor and the Purchaser shall be deemed to have forever released and discharged each other from any all claims, demands, actions, proceedings, grievances, complaints, applications, arbitrations and investigations of governmental authorities, in each case, whether asserted, threatened, pending or existing, in relation to or arising from the Limited Partnership Agreement, the ownership of the Units by MCH, including any amounts owing or payable to MCH by the Purchaser in connection with the retroactive Class B Unit Distribution (as defined in the

Limited Partnership Agreement) and any other pre-closing matters, including any selling, general and administrative expenses fees owed by MCH to the Purchaser, excluding the transactions contemplated under this Agreement.

- 8.2 The mutual release and discharge contemplated by Section 8.1 shall not apply to any claims, demands, actions, proceedings, grievances, complaints, applications, arbitrations and investigations of governmental authorities, in each case, whether asserted, threatened, pending or existing, in relation to or arising from the lease between MCH, as landlord, and the Purchaser, as tenant, dated September 22, 2022.

9. **Covenants**

- 9.1 The Vendor, subject to any applicable orders of the Court, covenants to the Purchaser that it will do the following:

- (a) the Vendor shall apply for a Vesting Order in a form and substance satisfactory to the Purchaser, acting reasonably, within a reasonable time after the execution of this Agreement and the parties hereto agree that they will work together, and execute any and all such documents to apply for and obtain the Vesting Order from the Court with respect to this Agreement; and
- (b) at the Closing Date, the Vendor shall deliver or cause to be delivered to the Purchaser a copy of the issued Vesting Order.

- 9.2 The Purchaser covenants to the Vendor that, on or before the Closing Date, the Purchaser shall deliver the Purchaser Price to the Vendor's solicitors, in accordance with Section 4.1 above.

10. **Conditions Precedent to the Completion of the Transaction**

- 10.1 The obligations of the Vendor and the Purchaser to conclude the transactions contemplated hereunder are subject to the following conditions being fulfilled or performed:

- (a) the Court granting the Vesting Order approving this Agreement and the transaction contemplated hereby and, subject to payment of the Purchase Price, vesting title to the Units in the Purchaser free and clear of any and all security interests (whether contractual, statutory, or otherwise), Court-ordered super-priority charges, hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;
- (b) the Vesting Order not having been stayed, reversed, or dismissed prior to Closing; provided, however, for greater certainty, expiration of the appeal period for the Vesting Order shall not be a pre-condition of the Purchaser's or Vendor's obligation to complete the within transaction;
- (c) no injunction or other order being issued to enjoin, restrict or prohibit the sale of the Units;

- (d) the Closing not being otherwise prohibited by the applicable laws in Manitoba; and
- (e) the Vendor obtaining all required approvals pursuant to the Limited Partnership Agreement to transfer the Units to the Purchaser, including the written approval from the general partner for the Limited Partnership.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the Agreement of both the Vendor and the Purchaser.

10.2 The obligation of the Purchaser to complete the transaction contemplated hereunder is subject to the following conditions being fulfilled or performed:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date; and
- (b) the Vendor shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

10.3 The obligation of the Vendor to complete the transactions contemplated hereunder is subject to the following conditions being fulfilled or performed:

- (a) all representation and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made as of such time; and
- (b) the Purchaser shall have performed each of its covenants and obligations contained in this Agreement on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing.

10.4 If any condition set out in Section 10 is not satisfied or performed by the time specified therefore, the party for whose benefit the condition is inserted may waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part.

## 11. **Closing**

11.1 Subject to the conditions set out in this Agreement, the completion of the purchase and sale of the Units will be within 10 days of the Court granting the Vesting Order (the “**Closing Date**”), or as otherwise agreed upon in writing by the parties to this Agreement.

**12. Deliverables of the Vendor At Closing**

12.1 At the Closing Date, the Vendor shall deliver or cause to be delivered to the Purchaser:

- (a) unit certificates representing the Units;
- (b) unit transfer instrument transferring the Units to the Purchaser;
- (c) an executed Monitor's Certificate; and
- (d) a copy of the Vesting Order.

**13. Deliverables of the Purchaser at the Closing**

13.1 At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor a bank draft, solicitor's trust cheque, or wire transfer, in each case drawn on a Canadian Chartered Bank, payable to the Vendor for the balance of the Purchase Price (less the Deposit).

**14. Indemnification**

14.1 Provided the Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all claims which may be made or brought against the Vendor in connection with the Units, arising after the Closing Date, and
- (b) indemnify, release, and save harmless the Vendor from and against any and all claims in connection with the Units, arising after the Closing Date,

as a result of owning the Units after the Closing Date.

**15. General**

15.1 Time is of the essence of this Agreement.

15.2 This Agreement constitutes the entire agreement between the parties and contains all of the covenants, representations and warranties of the parties. There are no verbal statements, covenants, representations, warranties, undertakings or agreements between the parties. This Agreement may not be amended or modified in any respect, except by written instrument executed by the parties.

15.3 The parties shall execute and deliver such further documents and instruments and do all such acts and things as may be reasonably necessary or requisite to carry out the full intent and meaning of this Agreement and to effect the transactions contemplated by this Agreement.

15.4 This Agreement shall be governed by the laws of the Province of Manitoba and the laws of Canada applicable therein.



- 15.5 The parties agree that the Court will have exclusive jurisdiction to determine all disputes and claims arising between the parties.
- 15.6 This Agreement may be executed in counterpart and delivered by facsimile, email of a pdf copy or other electronic means of transmission, and all such executed counterparts shall be considered originals for all purposes and, taken together, will constitute execution of this Agreement.
- 15.7 Any notice required or permitted to be given to any of the parties to this Agreement may be given in writing by prepaid registered post, personally delivered or electronic mail to the parties as follows:

(a) To the Vendor at:

ALVAREZ & MARSAL CANADA INC.  
c/o  
McDougall Gauley LLP  
500-616 Main Street  
Saskatoon, SK S7H 0J6  
Attention: Craig Frith  
Email: [cfrith@mcdougallgauley.com](mailto:cfrith@mcdougallgauley.com)

(b) To the Purchaser at:

GAMMA-DYNACARE CENTRAL MEDICAL LABORATORY LIMITED  
PARTNERSHIP, by its general partner, GAMMA-DYNACARE CENTRAL  
MEDICAL LABORATORIES GP INC.  
c/o  
Stikeman Elliott LLP  
1155 René-Lévesque Blvd. West, 41st Floor  
Montréal Québec H3B 3V2  
Attention: Joseph Reynaud  
Email: [jreynaud@stikeman.com](mailto:jreynaud@stikeman.com)

- 15.8 Any such notice shall be deemed to have been given or made on the date on which it was delivered or emailed (except that, in the case of email given on a day that is not a business day, on the next business day after receipt of transmission), and on the second day following the date on which it was mailed by prepaid registered post. Any party may change its address for notices from time to time by written notice in accordance with this Section.
- 15.9 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 15.10 If any provision of this Agreement or any document delivered in connection with the Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other

provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted.

[Intentionally left blank. Signature page to follow.]

**EXECUTED** as of the 20<sup>th</sup> day of October, 2023.



**GAMMA-DYNACARE CENTRAL  
MEDICAL LABORATORY LIMITED  
PARTNERSHIP, by its general partner,  
GAMMA-DYNACARE CENTRAL  
MEDICAL LABORATORIES GP INC.**

Per:

A handwritten signature in black ink, appearing to read "Vito Ciciretto".

Name: Vito Ciciretto

Position: President & CEO

I have authority to bind the Corporation

Per:

A handwritten signature in black ink, appearing to read "Thanesh Yogarajah".

Name: Thanesh Yogarajah

Position: CFO

I have authority to bind the Corporation

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as court-appointed monitor  
for and on behalf of The Manitoba Clinic  
Holding Co. Ltd. and not in its personal or  
corporate capacity**

Per:

Name:

Position:

I have authority to bind the Corporation

**EXECUTED** as of the 20<sup>th</sup> day of October, 2023.

**GAMMA-DYNACARE CENTRAL  
MEDICAL LABORATORY LIMITED  
PARTNERSHIP, by its general partner,  
GAMMA-DYNACARE CENTRAL  
MEDICAL LABORATORIES GP INC.**

Per:

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Name:

Position:

I have authority to bind the Corporation

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as court-appointed monitor  
for and on behalf of The Manitoba Clinic  
Holding Co. Ltd. and not in its personal or  
corporate capacity**

Per:



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Name: Cassie Riglin

Position: Senior Vice President

I have authority to bind the Corporation

**APPENDIX C**  
**CCAA Professional Fees and Costs Schedule**

**Manitoba Clinic Medical Corporation and the Manitoba Clinic Holding Co. Ltd.**  
**Summary of Monitor's Fees and Disbursements**  
**September 1, 2023 to October 15, 2023**

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
#11	September 1, 2023 to September 30, 2023	90,137.50	3,514.11	93,651.61	4,682.58	98,334.19
#12	October 1, 2023 to October 15, 2023	29,274.00	200.00	29,474.00	1,473.70	30,947.70
	<b>Total</b>	<b>119,411.50</b>	<b>3,714.11</b>	<b>123,125.61</b>	<b>6,156.28</b>	<b>129,281.89</b>

**Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.**  
**Summary of Monitor's Counsel's Fees and Disbursements**  
**September 1, 2023 to September 30, 2023**

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST & PST	Total
704582	September 1, 2023 to September 28, 2023	68,568.50	329.38	68,897.88	7,543.67	76,441.55
	<b>Total</b>	<b>68,568.50</b>	<b>329.38</b>	<b>68,897.88</b>	<b>7,543.67</b>	<b>76,441.55</b>

**Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.**  
**Summary of the Debtor's Counsel's Fees and Disbursements**  
**September 1, 2023 to October 18, 2023**

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST & PST	Total
688646	September 28, 2023	22,960.50	170.40	23,130.90	2,756.29	25,887.19
689788	October 18, 2023	17,027.50	-	17,027.50	2,043.31	19,070.81
	<b>Total</b>	<b>39,988.00</b>	<b>170.40</b>	<b>40,158.40</b>	<b>4,799.60</b>	<b>44,958.00</b>