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COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

THE BANK OF MONTREAL

DEFENDANT

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

DOCUMENT

SECOND REPORT OF THE RECEIVER

June 27, 2022

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER

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INTRODUCTION

1. On April 1, 2022 (the “**Receivership Date**”), by order of the Honourable Justice J.T. Neilson (the “**Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as the receiver and manager (the “**Receiver**”) of each of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the “**Debtors**”) and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), pursuant to sections 243(1) of the BIA, 13(2) of the JA, 99(a) of the ABCA and 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7.
2. The Receivership Order empowers and authorizes, but does not obligate, the Receiver to, among other things, take possession and control of the Property and of any and all proceeds, receipts and disbursements arising out of or from the Property, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business subject to Court approval, as necessary.
3. The Receiver developed a comprehensive sales process (the “**Sales Process**”) strategy to market the Property of the Debtors. On April 27, 2022, the Receiver launched the Sales Process (as discussed in greater detail below) and identified an acceptable bidder (the “**Successful Bidder**”), which is negotiated and executed an asset purchaser agreement, which is subject to Court approval.
4. The purpose of this second report of the Receiver (the “**Second Report**” or “**this Report**”) is to provide this Honourable Court and relevant stakeholders in the Receivership Proceedings with information relating to:
 - a) the activities of the Receiver since the issuance of the Receivership Order;

- b) an update on the Receiver's efforts with regards to the collection of accounts receivable;
 - c) the security opinion conducted by the Receiver's independent counsel, McCarthy Tetrault LLP ("**McCarthys**" or the "**Receiver's Counsel**") with respect to the security granted to BMO, the senior secured lender to the Debtors;
 - d) an update regarding the Sales Process;
 - e) the Receiver's request for approval of the sale approval and vesting order respecting an Asset Purchase Agreement dated June 24, 2022 for the purchase of the Debtors Property (the "**Sneath APA**");
 - f) the Receiver's application for the sealing of Confidential Appendix 1, Confidential Appendix 2 and Confidential Appendix 3 to the Report (the "**Sealing Order**");
 - g) the interim statement of receipts and disbursements (the "**Interim Statement of Receipts and Disbursements**") of the Receiver for the period from April 1, 2022 to June 27, 2022 (the "**Reporting Period**");
 - h) the Receiver's application for approval of the Receiver's and the Receiver's Counsel's fees and expenditures;
 - i) the request for approval of the Receiver's actions, activities and conduct as described in the Receiver's First and Second Report;
 - j) the Receiver's ongoing activities and its future course of action; and
 - k) the Receiver's conclusions and recommendations.
5. Capitalized words or terms not otherwise defined in this Report are as defined in the Order and First Report.
6. All references to dollars are in Canadian currency unless otherwise noted.

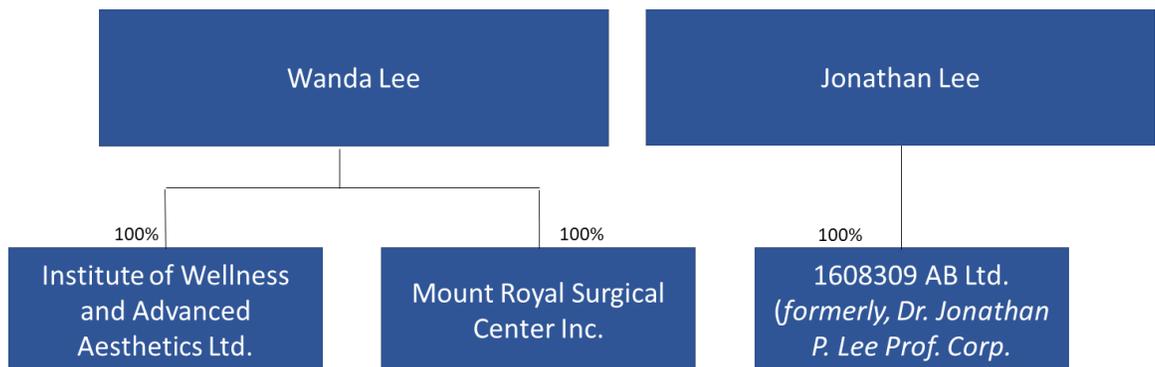
TERMS OF REFERENCE

7. In preparing this Second Report, the Receiver has relied primarily upon information obtained through the representations of certain shareholders, management, and employees of the Debtors. In addition, where applicable, the Receiver has relied on the Debtors books and records, which were produced and maintained principally by the Debtors external accountant, EJR Bookkeeping Services and a contract accountant, who worked for a related party to the Debtors prior to the Receivership Date (the “**Contract Accountant**”).
8. While the Receiver has reviewed certain financial information in respect of the Debtors and for reasonableness, the Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Debtors financial information that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of financial information.

BACKGROUND AND OVERVIEW

The Debtors

9. Below is a corporate organizational chart of the Debtors:



The Institute of Wellness and Advanced Aesthetics

10. The Institute of Wellness and Advanced Aesthetics Ltd. (“**IWAA**” or the “**Borrower**”) was a privately held business offering cosmetic surgery, endocrinological support, internal medicine and non-surgical aesthetic treatments in Calgary, Alberta. In 2018, IWAA began an ambitious project, renovating and constructing an approximately 9,000 square foot leased facility, including 10 nonsurgical aesthetic rooms, 2 surgical operation rooms, and numerous rest and recovery rooms. Upon completion of the leasehold improvements, IWAA began operations in 2020.
11. IWAA’s registered and corporate head office is located at 301 – 3007 14th Street SW Calgary, AB (the “**Leased Premises**”) and it shares the Leased Premises with a related company, Mount Royal Surgical Centre Inc. (“**MRSC**”). The landlord and owner of the Leased Premises is Certus Developments Inc. There is currently 7.5 years remaining on the lease with regards to the Leased Premises and the Receiver currently pays post-filing occupancy costs to the landlord during the Receivership Proceedings. The owner of IWAA is Ms. Wanda Lee (“**Ms. Lee**”).
12. As at the Receivership Date, IWAA did not have any available funds in its bank account and there was no active operations as IWAA had terminated its employees prior to the Receivership Date.

Mount Royal Surgical Centre Inc.

13. MRSC, a related party to IWAA, rented space from IWAA in the Leased Premises and previously performed plastic and other cosmetic surgeries that complemented the services being provided by IWAA. MRSC maintained surgical equipment, staff aides and operating rooms and engaged two surgeons, who paid an hourly fee to MRSC. MRSC was responsible for billing and collecting facility fees from IWAA. MRSC’s assets primarily consist of surgical and medical equipment and surgical supplies. MRSC is also owned by Ms. Lee and is a guarantor of the IWAA credit facilities.

14. As at the Receivership Date, MRSC did not have any available funds in its bank account. Similar to IWAA, the Receiver understands that the two surgeons terminated their relationships with MRSC immediately prior to the Receivership Date as a result of no funds being available for the surgeons to carry out their services.

1603809 AB Ltd.

15. 1603809 AB Ltd. ("**160 AB**"), previously named Jonathan P. Lee Professional Corporation ("**Jonathan PC**"), is a corporation incorporated under the laws of Alberta and wholly owned by the estate of Jonathan Lee, whose representative is Ms. Lee. The Receiver understands there has been no operations or activity in 160 AB since the passing of Jonathan Lee.
16. As at the Receivership Date, 160 AB had no funds in its bank accounts and did not have any employees.

The Loans

17. The Bank of Montreal ("**BMO**") extended credit facilities and related services to the Borrower (collectively, the "**Loans**") pursuant to, among others, a Letter of Agreement executed October 11, 2019, a Letter of Agreement—Amendment executed October 22, 2019, a Commercial Card Agreement Onboarding Documentation executed December 15, 2019 and a Letter of Agreement – Amendment dated October 14, 2021 (collectively, the "**Loan Agreement**").
18. As at the Receivership Date, IWAA was indebted to BMO for approximately \$2.2 million in respect of funds borrowed pursuant to the Loans, plus interest and costs, which continue to accrue (the "**Indebtedness**"). Ms. Lee and Jonathan Lee have personal guarantees in relation to the Indebtedness and the Indebtedness is also guaranteed by MRSC and 160 AB.
19. The Loans are secured by the Debtors assets, which includes the tenant improvements in the Leased Premises. The Receiver's Counsel has issued a

security opinion that confirms the validity and enforceability of BMO's secured interest as against the Property.

20. Further background to each of the Debtors and their financial circumstances are contained in the materials filed in support of and relating to the Receivership Order. These documents, together with the First Report and other relevant information have been posted by the Receiver on the Receiver's website at: www.alvarezandmarsal.com/IWAAL (the "Receiver's Website").

ACTIVITIES OF THE RECEIVER

21. Since the First Report, the Receiver's activities with respect to the Debtors have included, but are not limited to, the following:
- a) attending the Leased Premises and addressing various matters with respect to winding down operations and protecting the Leased Premises and Property;
 - b) attending numerous conference calls with the secured creditor, its legal counsel and the Receiver's Counsel concerning legal matters and financial updates of the Debtors involving the Receivership Proceedings generally and updates on the Sales Process;
 - c) multiple communication with the Debtors legal counsel with respect to the Sales Process and intercompany accounts receivables;
 - d) marketing the Debtors assets through the Sales Process, which included hosting multiple meetings and communications with prospective purchasers interested in purchasing the Debtors assets, assembling all the Debtors information and developing a virtual data room;
 - e) completion of the Sales Process as discussed in further detail below;
 - f) providing instructions to the Receiver's independent legal counsel, McCarthys, in respect of the Receivership Proceedings;

- g) monitoring the cash flow of the Company and ensuring suppliers are paid on a timely basis;
- h) maintaining and updating a cash flow forecast of the Debtors;
- i) continued communication with the Canada Revenue Agency (“CRA”) with respect to finalizing its respective source deduction and GST audits. CRA intends to conduct an audit respecting the above and is discussed further below;
- j) working closely with the Successful Bidder in providing additional due diligence and supporting documents on operations and finance, while setting up transition protocols should the vesting order be approved by this Honourable Court;
- k) continued communications with a supplier, represented by legal counsel, who is claiming ownership of certain of the inventory held by IWAA; and
- l) attending numerous and on-going meetings and discussions with various creditors (or their representatives), legal counsel to the Receiver, interested parties and other stakeholders regarding the Receivership Proceedings.

Canada Revenue Agency

22. Based on the Receiver’s review of the Debtors books and records, the Receiver determined that, prior to the Receivership Date, the last GST returns filed by the Debtors were:

- a. IWAA – December 31, 2021
- b. MRSC – December 31, 2021
- c. 160 AB – July 31, 2021

23. The Receiver completed and filed all remaining “pre-receivership” GST returns as required by CRA.
24. As at June 27, 2022, the Receiver understands that the following remains outstanding to CRA:
 - d. IWAA:
 - i. GST - approximately \$1,096
 - ii. Source Deductions - approximately \$35,632
 - e. MRSC:
 - i. GST – \$Nil
 - ii. Source Deductions - \$Nil
 - f. 160 AB:
 - i. GST – \$Nil
 - ii. Source Deductions - \$Nil
25. On April 14, 2022 the Receiver contacted the CRA and requested that an audit of IWAA, MRSC and 160 AB’s GST and source deduction accounts be completed. The CRA has confirmed they are in receipt of the Receiver’s request and have advised they will schedule an audit for the source deduction accounts of IWAA and MRSC in the coming weeks (160 AB does not have any employees). The Receiver notes that the GST outstanding as indicated above may change once CRA is able to complete the GST audit.

Employees, Wage Earner Protection Program & s. 81.4(1) BIA Priority Claims

26. Prior to the Receivership Date, the Receiver was made aware by the Contract Accountant that all of the employees had been terminated effective March 24, 2022.
27. Between April 11 through to April 14, 2022, the Receiver, with the assistance of the Contract Accountant, arranged for all employee T4s for the year ended 2021 and 2022 to be delivered to the employees of IWAA and MRSC. There were no employees of 160 AB. Copies of these T4's remains with the Receiver.
28. The Receiver has also prepared and delivered the required information packages with respect to the Wage Earner Protection Program ("**WEPP**") to all eligible terminated employees of IWAA and MRSC. The former employees were also provided with a proof of claim form. To date, the total combined WEPP proof of claims filed against IWAA and MRSC are approximately \$Nil and \$5,800, respectively, of which no amount of the \$5,800 appear to be priority claims under WEPP. As of the date of this Report, the Receiver has not received a statement of account from Service Canada, which confirms the priority and unsecured balance portion outstanding.
29. There are no WEPP claims for 160 AB as there are no employees of this entity that would qualify for such a claim.

Inventory on Consignment

30. On April 18, 2022, a representative from Johnson & Johnson MedTech ("**Johnson & Johnson**") delivered correspondence to the Receiver claiming that certain inventory located at the Leased Premises was on consignment. The Receiver and the Receiver's Counsel are continuing to review the matter and have had various correspondence with Johnson & Johnson's legal counsel in regards to the alleged consignment.

Corporate Insurance Coverage

31. The Debtors' have a comprehensive corporate insurance policy ("**Corporate Insurance Policy**") in place with Country Hills Insurance and Financial Services

Inc. which consists of blanket property coverage, commercial general liability and business interruption insurance. The total monthly premiums are approximately \$1,805.31. The property insurance portion of the policy has been extended by the Receiver to June 24, 2023.

32. The Receiver has requested to be the beneficiary and the loss-payee of the Corporate Insurance Policy. There was no directors and officers insurance in place prior to the Receivership Date.

SECURITY REVIEW

BMO Security Review

33. The Receiver's independent counsel, McCarthys, performed a review of the BMO security and related security and loan documentation and has determined that, subject to standard limitations and qualifications set forth in the subject security opinion, each loan document constitutes a legal, and binding obligation of the Debtors enforceable against the Debtors in accordance with its terms, in favour of BMO and that the security documents create a valid security interest in favor of BMO in the personal property described therein and are sufficient to create a valid security interest in favour of BMO in any such personal property.
34. On this basis, the Receiver seeks the Court's approval to effect distributions to BMO from the sale proceeds and accounts receivable collected by the Receiver, up to the amounts owed to BMO, less a holdback sufficient to allow the Receiver to address any potential priority claims and amounts required to complete the administration of the estate.
35. The Receiver is not aware of any other claimant that may priority over BMO's security, other than the charges as set out in the Receivership Order and WEPP claims.

ACCOUNTS RECEIVABLE

Overview

36. Since the Receivership Date, the Receiver has reviewed the Debtors books and records and evaluated the collectability of the accounts receivable. With the exception of one receivable on MRSC's books, all of the accounts receivables were considered intercompany and related accounts with companies associated with Ms. Wanda Lee.
37. As at the Receivership Date, the Receiver was advised by the Contract Accountant that the books and records required to be updated up to March 31, 2022. The Receiver worked with the Contract Accountant to update the Debtors accounting records. As at the Receivership Date, the total gross accounts receivables owing to each of the Debtors from related parties are as follows:
- a) IWAA - \$1,230,001
 - b) MRSC - \$205,591
 - c) 160 AB - \$433,786
38. On May 31, 2022, the Receiver delivered six collection notices to these related party entities, Ms. Lee, and Ms. Lee's counsel requesting a response and/or payment of these amounts by June 10, 2022. The Receiver did not receive a response from Ms. Lee or Ms. Lee's counsel by the June 10, 2022 and the Receiver's Counsel followed up again with Ms. Lee's counsel on June 17, 2022. As at the date of this Report the Receiver has not received a reply to the May 31, 2022 collection notices. The Receiver is currently contemplating its next steps with Receiver's Counsel in its collection efforts of the accounts receivables for the benefit of the Debtors estates.

SALES PROCESS

Summary of the Sales Process

39. As outlined in detail in the First Report, on April 27, 2022, the Receiver established an extensive, broad-based Sales Process for the Debtors assets as briefly summarized below:
- g. the Receiver prepared a non-confidential teaser (the “**Teaser**”) describing the Sales Process and a Confidentiality Agreement (the “**CA**”). The Teaser and the CA were made available by the Receiver to prospective purchasers and were posted to the Receiver’s Website;
 - h. advertisement of the Sales Process was published in the National Post, Calgary Herald and Edmonton Leader Post throughout the first two weeks of the Sales Process and the Insolvency Insider, on a weekly basis, throughout the Sales Process;
 - i. the Receiver reached out to various potential bidders by direct email and to approximately 66 potential financial and strategic buyers;
 - j. all potential bidders that executed CAs were provided with access to a virtual data room (“**VDR**”) containing the Sales Process materials, photos of the Leased Premises, various financial and other information with respect to the property; and
 - k. the deadline for receipt by the Receiver of a bid from interested parties was 12:00 p.m. noon MST on June 3, 2022 (the “**Bid Deadline**”).
40. A copy of the Teaser and the Sales Process materials can be found in Appendix A to this Report.

Results from the Marketing Process

41. There were 20 prospective purchasers who signed CAs and accessed the VDR and reviewed due diligence materials. Seven interested parties requested and were provided site tours of the Leased Premises.
42. A summary of the offers received in the Sales Process and analysis thereon are contained in the Confidential Appendix 1 to this Second Report (“**Confidential Appendix 1**”).

Confidential Appendix and Temporary Sealing Order

43. After a detailed review, analysis and clarification of terms of the offer and related matters, the Receiver, with the support of BMO, accepted, subject to the Court’s approval, the offer of Dr. Jason Ronald Sneath Medical Corporation by and through its Alberta corporation 2440656 Alberta Corporation (the “**Sneath APA**”). A copy of the redacted Sneath APA is attached as Appendix B to this Report.
44. The Receiver has included as Confidential Appendix 1 to this Report an analysis of the offers received in the Sales Process. The Receiver has also outlined a summary of the Sneath APA and an unredacted copy of the Sneath APA as Confidential Appendix 2. Additionally, the Receiver is including as Confidential Appendix 3 an appraisal prepared by McDougall Auctioneers Ltd. (“**McDougall**”), which outlines the McDougall’s valuation of the Property based on an orderly liquidation value and forced liquidation value basis.
45. Confidential Appendix 1, Confidential Appendix 2 and Confidential Appendix 3 contain confidential information of a commercial nature which, if disclosed to third parties prior to the closing of the sale, could materially jeopardize the Sales Process or (if the transaction does not close) could materially jeopardize the value that could subsequently be obtained. Accordingly, the Receiver is respectfully of the view that it is appropriate that this Honourable Court grant temporary sealing provisions in relation to the Confidential Appendices. It is proposed that the sealing provisions will expire upon the closing of the APA. The Receiver supports the sealing of the

Confidential Appendix 1, Confidential Appendix 2 and Confidential Appendix 3 until the completion of the Sneath APA.

46. The Receiver recommends the Sale Approval and Vesting Order with respect to the Sneath APA and the recommendation is based on the following:
- a) the Receiver is specifically authorized to market and sell the Property pursuant to the Receivership Order;
 - b) the Receiver is of the view that a comprehensive marketing of the Debtors property was undertaken, and that the market of potential purchasers was sufficiently canvassed;
 - c) the Sneath APA was the highest bid received in the Sales Process and provides the highest net realization to the estate, with a sizeable non-refundable deposit, thus reducing the risk and cost to the estate;
 - d) the Sneath APA contains “as is where is” provisions and has no closing conditions other than Court approval; and
 - e) the Receiver and BMO, as the senior secured creditor is supportive of the Sneath APA.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

47. The following is a statement of the Receiver’s receipts and disbursements in respect of the Debtors between the period of April 1, 2022 to June 24, 2022 (the “**Reporting Period**”):

IWAA et al. Interim Statement of Receipts and Disbursements April 1, 2022 to June 24, 2022 <i>in CAD \$</i>	
Opening cash balance	\$ -
Receiver's borrowings	\$ 200,000
Receipts	
Sale of Perishable Inventory	5,581
Collection of Pre-Receivership Rental Fees	2,543
Interest Income	81
Total receipts	\$ 8,204
Disbursements	
Rent and Utilities	143,584
Independent Contractor	6,710
Insurance	4,457
Appraisal Fees	3,500
IT	2,628
Other Operating Costs	4,438
Net GST paid (received)	7,280
Professional fees and costs	-
Total disbursements	\$ 172,597
Ending cash balance	\$ 35,607

48. There was no cash available at the start of the Reporting Period.
49. The Receiver collected approximately \$8,000 during the Reporting Period, primarily relating to the sale of certain perishable inventory and the collection of rental fees for a period prior to the Receivership Date.
50. The Receiver made disbursements of approximately \$173,000 during the Reporting Period, relating primarily to:
- a) Rent and utility payments of approximately \$144,000;
 - b) Independent contractor wages of approximately \$7,000;
 - c) Insurance payments of approximately \$4,000;
 - d) Asset appraisal fees of approximately \$4,000;
 - e) Other operating disbursements of approximately \$7,000, which include disbursements related to information technology, bookkeeping and cleaning services; and

f) GST of approximately \$7,000.

51. The Receiver and the Receiver's Counsel have incurred professional fees and costs totalling approximately \$336,000 (exclusive of GST) from the Receivership Date to June 26, 2022. The Receiver and the Receiver's Counsel fees and disbursements have not been paid to date and the Receiver is seeking approval of its and the Receiver's Counsels accounts as discussed further below.
52. The total ending cash available as at June 24, 2022 was approximately \$35,600. The Receiver has drawn \$200,000 in Receivers' Certificates to date, from the total of \$500,000 available to the Receiver pursuant to the Receivership Order.

RECEIVER'S BORROWING

53. Pursuant to paragraph 22 of the Receivership Order, the Receiver has been empowered to borrow up to \$500,000 (or such greater amount as the Court may further order).
54. On April 6, 2022, the Receiver issued Receiver's Certificate No. 1 in the amount of \$100,000 to BMO and received and utilized these funds in the Receivership Proceedings. Receiver's Certificate No. 1 is attached as Appendix C to this Report.
55. On April 25, 2022, the Receiver issued Receiver's Certificate No. 2 in the amount of \$100,000 to BMO and received and utilized these funds in the Receivership Proceedings. Receiver's Certificate No. 2 is attached as Appendix D to this Report.
56. The terms of Receiver's Certificate No. 1 and Receiver's Certificate No. 2 are subject to interest as calculated by the BMO Prime Rate plus 6%. Interest is calculated monthly in arrears and accrued monthly. The Prime Rate in effect as of June 27, 2022, is 3.7%. In the Receiver's view, this cost of borrowing is commercially reasonable in the circumstances.
57. Pursuant to paragraph 22 of the Receivership Order, Receiver's Certificate No. 1 and Receiver's Certificate No. 2 have a charge over the Property of the Debtors by way of a fixed and specific charge as security for the payment of the monies

borrowed, together with interest and charges, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, but subordinate in priority to the Receiver's Borrowing Charge (as defined in the Receivership Order) and the charges set out in section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

58. Pursuant to paragraphs 19 and 20 of the Receivership Order, the Receiver seeks approval from this Honourable Court of the respective professional fees and disbursements of the Receiver and the Receiver's Counsel for the period of April 1, 2022 to June 26, 2022 (the "**Interim Taxation Period**"). These fees and costs have been incurred, but not paid as of the date of this Report.
59. The total fees and expenses of A&M, in its capacity as the Court-appointed Receiver of the Debtors, during the Interim Taxation Period are \$260,473.45 (exclusive of GST), which comprise of \$251,986.50 in fees and \$8,486.95 in expenses (the "**Receiver's Fees and Costs**"). A summary of the Receiver's fees and expenses by invoice is attached as Appendix E to this Report.
60. The total fees and expenses of McCarthys, independent counsel to the Receiver, during the Interim Taxation Period total \$75,695.00 (exclusive of GST), which comprise of \$75,622.00 in professional fees and \$73.00 expenses (the "**Receiver's Counsel's Fees and Costs**"). A summary of the Receiver's Counsel's Fees and Costs by invoice is attached as Appendix F to this Report.
61. The Receiver and its counsel's respective invoices outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be brought to the Receiver's application before this Honourable Court set for July 5, 2022 and made available to the Court.
62. The Receiver is respectfully of the view that its fees and those of its counsel are fair and reasonable for the reasons as outlined in the 'Activities of the Receiver' and other matters discussed in the Receiver's First and Second Report.

63. The Receiver respectfully requests the Court's approval of these accounts for the Interim Taxations Period.

RECEIVER'S ONGOING ACTIVITIES AND FUTURE COURSE OF ACTION

64. The Receiver's next steps include, but are not limited to the following:
- a) work on closing the Sneath APA, if approved by this Honourable Court;
 - b) continued efforts in collecting outstanding accounts receivable;
 - c) assign and vacate the Leased Premises after the closing of the transaction;
 - d) work with CRA to initiate and finalize the audit of the Debtors;
 - e) work with a tax accountant to prepare and file all outstanding and required corporate tax returns;
 - f) work with BMO on the distribution of funds, subject to an agreed upon holdback for the Receiver to carry out the Receiver's remaining duties of the estate; and
 - g) various other administrative tasks relating to the Receivership Proceedings.

RECEIVER'S RECOMMENDATIONS

65. The Receiver is of the view that it has made commercially reasonable efforts to obtain the highest and most efficient realizations of the assets of the Debtors. The Receiver is satisfied that the interests of the stakeholders of the Debtors have been considered during the course of the realization processes and these Receivership Proceedings.

66. Accordingly, the Receiver respectfully recommends this Honourable Court:

- a) approve the Interim Statement of Receipts and Disbursements;
- b) approve the Sneath APA and Sale Approval and Vesting Order;
- c) authorize the Receiver to make distribution of the proceeds of the Sneath APA to BMO;
- d) grant a temporary sealing order in respect of Confidential Appendix 1, Confidential Appendix 2 and Confidential Appendix 3 until the completion of the Sneath APA;
- e) approve the actions, activities, and conduct of the Receiver and the Receiver's Counsel as described in the First Report, this Report and throughout these Receivership Proceedings; and
- f) approve the fees and costs of the Receiver and Receiver's Counsel as set out in the Interim Taxation Period Billings.

All of which is respectfully submitted this 27th day of June, 2022.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as the Court-appointed
Receiver of the Debtors, and not in
its personal or corporate capacity**



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



Jill Strueby, CPA, CA, CIRP, LIT
Vice President

Appendix A
Teaser and Sales Process Materials

RECEIVERSHIP SALE

**The Institute of Wellness & Advanced Aesthetics Ltd. , 1608309 Alberta Ltd. and
Mount Royal Surgical Centre Inc.**



Premier, State-of-the-Art, Surgical and Non-Surgical Aesthetic Facility in Calgary, Alberta

Bid Deadline: June 3, 2022



Asset Acquisition Opportunity

Company Background

The Institute of Wellness & Advanced Aesthetics Ltd. (“IWAA” or the “Company”) was a business that offered cosmetic surgery, endocrinological support, internal medicine and non-surgical aesthetic treatments in Calgary, Alberta. In 2018, the Company began an extensive project, renovating and constructing an approximately 9,000 square foot leased facility, including 10 non-surgical aesthetic rooms, 3 consultation rooms, 2 surgical operation rooms, and numerous rest and recovery areas. Upon completion of the leasehold improvements, the Company began operations in 2020.

IWAA’s head office is located at 301 – 3007 14th Street SW Calgary, AB (the “Leased Premises”) and it shared the facility with a related company, Mount Royal Surgical Centre Inc. (“MRSC”). This leased facility is well-located, in very close proximity to the affluent communities of Altadore, Marda Loop, Elbow Park and Mount Royal.

The Company’s assets (the “Assets”) primarily consist of extensive high-end tenant improvements related to the construction of the facility, non-surgical aesthetic equipment, furniture and other surgical and non-surgical inventory and agreements, licenses and assignment of the Leased Premises.

Due to the Covid-19 pandemic and government mandated shutdowns resulting in the closure of the facility on various occasions during 2020 and 2021, the Company encountered financial challenges that resulted in Receivership Proceedings on April 1, 2022.

IWAA and MRSC boast superior, state-of-the-art facilities, that position a business opportunity for profitability and growth in the future. This “turn-key ready” facility is considered a very rare find and an exciting purchase opportunity for any interested buyer.

Court Process

On April 1, 2022, by order of the Honourable Justice J.T. Neilson (the “Receivership Order”) of the Court of Queen’s Bench of Alberta (the “Court”), Alvarez & Marsal Canada Inc. (“A&M”) was appointed as the receiver and manager (the “Receiver”) of The Institute of Wellness & Advanced Aesthetics Ltd., 1608309 Alberta Ltd. and Mount Royal Surgical Centre Inc., (collectively, the “Debtors”) and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Property”).

The Receivership Order authorizes the Receiver to market any or all of the Property (such marketed Property being the Assets).

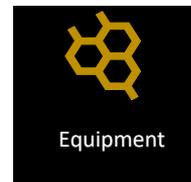
Asset Acquisition Highlights



- The facility is located at 3007 14th Street SW, Calgary, AB and is within close proximity to the vibrant and affluent communities of Altadore, South Calgary, Elbow Park and Mount Royal.
- This new mixed-use urban building is a beautiful McKinley Burkhart designed four-story building, strategically situated at the corner of Premier Way (29th Avenue) on 14 Street SW.



- The leased facility offers ~9,000 square feet of space including 2 operating rooms, 10 aesthetic procedure rooms, and numerous consultation and rest and recovery areas along with 10 underground parking stalls.
- The facility is located on the third floor of South Calgary’s renowned Spider Site, a building offering two elevators, an upgraded back-up generator system, and stunning shared common space.
- The furnishings within the clinic are of high-end quality and include elaborate leasehold improvements.



- The operating rooms include an anesthesiology machine, operating table, and have previously been accredited by the College of Physicians & Surgeons of Alberta.
- The non-surgical rooms are complete with state-of-the-art equipment and beautiful furnishings and fixtures.
- There are over 90 surgical and aesthetic pieces of equipment, which are all of recent age and in very good condition.



THE INSTITUTE

WELLNESS × ADVANCED AESTHETICS

Mount Royal Surgical Centre



Location Details

Location Details

Spider Site

Address: 301 - 3007 14th Street SW, Calgary, AB

Facility Size: 9,000 square feet

Location Map



Facility Photos



THE INSTITUTE

WELLNESS x ADVANCED AESTHETICS

Mount Royal Surgical Centre



Sales Process and Next Steps

Next Steps

The Receiver is conducting the Sales Process (“SP”) in accordance with the procedures included in the Sales Process posted on the Receiver’s website:

www.alvarezandmarsal.com/IWAAL.

The SP is intended to solicit interest in completing a transaction of all or substantially all of the Debtors’ Assets, as defined on page 2. The SP is conducted on an “*as is, where is*” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver whatsoever.

All qualified interested parties will be provided with an opportunity to participate in the SP and are required to execute the Confidentiality Agreement that accompanies this Teaser to receive access to a Virtual Data Room (“**Data Room**”) with additional information.

Event	Date
Posting and distribution of summary non-confidential information (“Teaser”)	April 27, 2022
Receiver to email contact list of identified interested parties and other potentially interested parties	April 27, 2022
Further advertisements of the Sale Process in the publications identified	April 28 - May 10, 2022
Open Virtual Data Room	April 28, 2022
Qualified Bidders to review asset listing and schedule appointments to inspect the Assets	April 27 - June 3, 2022
Bid Deadline	June 3, 2022 (12:00 pm Calgary time)
Receiver to review bids, select bid, and negotiate a Definitive Agreement	June 4 - 10, 2022
Receiver to seek Court approval of Bid(s) submitted by Successful Bidder(s)	Week of June 20, 2022 or as soon as practical thereafter

Per the SP, a Qualified Bidder must deliver a Bid Form to the Receiver by:

- **Bid Deadline:** 12:00pm MT on **June 3, 2022**.
- **Deposit:** A Bid shall be accompanied by a cash deposit equal to 10% of the purchase price, which will be non-refundable if a Bid is accepted and a Definitive Agreement is entered into.
- **Break Fee:** A Bid may not include any request or entitlement of any break fee, expense reimbursement, or similar form of payment.

A&M reserves the right at any time to amend or terminate these sale procedures, to decline an interested party the ability to participate in the process, to terminate discussions with any or all interested parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.

Interested parties who wish to pursue a potential acquisition are required to execute a Confidentiality Agreement, which accompanies this Teaser, to receive access to additional information. Please contact a representative of the Receiver listed below for further information.

Alvarez & Marsal
Bow Valley Square 4
Suite 1100, 250 6th Ave SW
Calgary, Alberta T2P 3H7

Nishant Virmani
Associate
Calgary
403.538.7555
nvirmani@alvarezandmarsal.com

Stephen Oosterbaan
Associate
Calgary
403.538.7527
soosterbaan@alvarezandmarsal.com

Jill Strueby
Vice President
Calgary
403.538.7529
jstrueby@alvarezandmarsal.com

Orest Konowalchuk
Senior Vice President
Calgary
403.538.4736
okonowalchuk@alvarezandmarsal.com



THE INSTITUTE

WELLNESS × ADVANCED AESTHETICS

Mount Royal Surgical Centre



SALES PROCESS (“SP”)

Receivership of The Institute of Wellness and Advanced Aesthetics Ltd. (“**IWAA**”), 1608309 Alberta Ltd. (“**160**”) and Mount Royal Surgical Centre Inc. (“**MRSC**”) (collectively, the “**Debtors**”)

INTRODUCTION

1. On April 1, 2022, by order of the Honourable Justice J.T. Neilson (the “**Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as the receiver and manager (the “**Receiver**”) of the Debtors and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).
2. The Receivership Order authorizes the Receiver to market any or all of the Property (such marketed Property being the “**Assets**”).
3. This SP shall exclusively govern the process for soliciting and selecting bids for the sale of the Property.

SP OVERVIEW

4. The purpose of this SP is to, among other things:
 - a. describe the Assets available through the SP;
 - b. solicit interest in a sale of all or substantially all of the Assets;
 - c. describe the manner in which parties interested in purchasing some or all of the Assets (“**Potential Bidders**”) may gain access to or continue to have access to due diligence materials concerning the Assets;
 - d. describe the manner in which Potential Bidders and their respective bids become Qualified Bidders and Qualified Bids (each defined below);
 - e. set out the process for delivery, receipt and negotiation of Bids (defined below) received; and
 - f. describe the process for selection of one or more Successful Bid(s) (defined below), and the process for obtaining approval of one or more Successful Bid(s) by the Court.
5. The SP, including the various deadlines set out herein, may be amended from time to time on notice to participants in the SP, by and at the sole discretion of the Receiver. The Receiver will consider extending such deadlines, in the event that the Receiver determines that such an extension will generally benefit the Debtors’ creditors and other stakeholders.
6. The Receiver shall generally oversee the SP. In the event of a disagreement as to the interpretation or application of the SP, the Court will have jurisdiction to hear and resolve such dispute.
7. Any transaction for the sale of any Assets (a “**Transaction**”) will be on an “**as is, where is**” basis and without any existing or surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Receiver, or any of their respective agents, estates, or advisors, except to the extent as provided in the relevant Definitive Agreement(s) (defined below) with the Successful Bidder(s).

8. The Assets will include, but are not limited to the equipment, furniture and fixtures, inventory, tenant improvements, and assignment of the leases including the facility Lease Agreement (defined below). The Receiver (and its representatives) do not make any representations or warranties whatsoever, and shall have no liability of any kind whatsoever, as to the information or the materials provided through the due diligence process or otherwise made available to any Potential Bidder, Qualified Bidder, or Successful Bidder, with respect to the Assets or any part thereof, including any information contained in the Teaser or Data Room and provided or made in any management presentations.
9. All of the right, title and interest in and to the Assets will be sold and transferred free and clear of all security interests, claims, options, and interests therein and there against pursuant to an Approval Order (defined below) granted by the Court, with the exception of permitted encumbrances.
10. A summary of the key steps of the SP is as follows:

Event	Date
Posting and distribution of summary non-confidential information ("Teaser")	April 27, 2022
Receiver to email contact list of identified interested parties and other potentially interested parties	April 27, 2022
Further advertisements of the Sale Process in the publications identified	April 28 - May 10, 2022
Open Virtual Data Room	April 28, 2022
Qualified Bidders to review asset listing and schedule appointments to inspect the Assets	April 27 - June 3, 2022
Bid Deadline	June 3, 2022 (12:00 pm Calgary time)
Receiver to review bids, select bid, and negotiate a Definitive Agreement	June 4 - 10, 2022
Receiver to seek Court approval of Bid(s) submitted by Successful Bidder(s)	Week of June 20, 2022 or as soon as practical thereafter

THE SALE PROCESS

11. The Receiver will prepare a list of Potential Bidders comprised of persons who are known to the Receiver as having an interest in purchasing the Assets or a portion thereof. Concurrently, the Receiver will also prepare an initial offering summary (the "**Teaser**") notifying the Potential Bidders and any other interested persons of the SP and inviting them to express interest in making a bid for the Assets of a portion thereof (each, a "**Bid**"). The Teaser will provide key details regarding the Assets, provide pictures of the Assets, and set out important deadlines under this SP.
12. On April 27, 2022, the Receiver will distribute the Teaser to the Potential Bidders known to the Receiver, along with a copy of the SP and a form of confidentiality agreement (the "**Confidentiality Agreement**") that is acceptable to the Receiver in its sole discretion. Copies of the Teaser, SP and Confidentiality Agreement will also be provided to any appropriate persons who become known to the Receiver after the distribution of such documents to the known Potential Bidders. The SP also shall be posted on the Receiver's website.
13. Also on April 27, 2022, the Receiver shall advertise this SP in the following publications:
 - a. Globe & Mail (National);
 - b. Insolvency Insider;
 - c. The Calgary Herald; and
 - d. The Edmonton Journal.

Concurrently, the Receiver will also issue a press release with information regarding this SP in Canada Newswire for dissemination in Canada.

14. Any Potential Bidder who (a) executes the Confidentiality Agreement, (b) provides written confirmation of the identity and contact information of the Potential Bidder, and (c) provides a written acknowledgement of receipt of a copy of the SP and agreeing to accept and be bound by the provisions contained therein and herein, shall be deemed to be a “**Qualified Bidder**”.

Due Diligence

15. Upon a Potential Bidder’s satisfaction of the conditions set out in paragraph 14 of this SP (and therefore becoming a Qualified Bidder), the Receiver shall provide such Qualified Bidder with access to an electronic data room established by the Receiver (the “**Data Room**”) that will contain such information about the Assets that the Receiver, in its reasonable business judgment, determines to be necessary for the Qualified Bidder to evaluate a Transaction.
16. The Receiver will consider all reasonable requests for additional information and due diligence access from Qualified Bidders; however, the Receiver will not be obligated to furnish any information relating to the Assets other than to a Qualified Bidder.
17. Qualified Bidders may schedule appointments with the Receiver to inspect the Assets commencing on May 2, 2022 at 9:00 a.m. Mountain Time and finishing not later than 10:00 a.m. Mountain Time on June 3, 2022.
18. The Receiver and its respective advisors make no representations or warranties as to the information made available pursuant to the SP, including any information contained in the Data Room.

Bid Process

19. Any Qualified Bidder who wishes to submit a Bid must deliver its Bid to the Receiver at the address specified at Schedule “A” attached hereto no later than 12:00 p.m. Mountain Time on June 3, 2022, or such other date or time as the Receiver may determine (the “**Bid Deadline**”).
20. The Receiver will consider any Bid that includes a letter stating that the Bid is irrevocable until the earlier of: (i) 11:59 pm on the Business Day following the closing of a Transaction with a Successful Bidder in respect of the Assets or a part thereof; and (ii) thirty (30) Business Days following the Bid Deadline; provided however, that if such Bid is selected as a Successful Bid, it shall remain irrevocable until 11:59 pm (Calgary Time) on the Business Day following the closing of the Successful Bid or Successful Bids, as the case may be.
21. A Bid must:
 - a. include evidence sufficient to allow the Receiver to make a reasonable determination as to the Qualified Bidder’s (and its direct and indirect owners’ and their principals’) financial and other capabilities to consummate the Transaction contemplated by the Bid, which evidence may include, but is not limited to, evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution; and
 - b. fully disclose the identity of each entity that is bidding or otherwise sponsoring or participating in the Bid, including the identification of the Qualified Bidder’s direct and indirect owners and their principals, and the complete terms of any such participation.

22. A Bid must also include an acknowledgement and representation that the Qualified Bidder:
- a. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Bid;
 - b. did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Receiver or any of its Representative, except as expressly stated in a definitive agreement (“**Definitive Agreement**”) submitted by it;
 - c. confirms that the contemplated transaction will be made on an “**as is where is**” and “**without recourse**” basis;
 - d. will accept the assignment of the main Lease Agreement at Spider Site, #301 – 3007 14th Street SW, Calgary, AB with Certus Developments Ltd. dated April 12, 2018 (the “**Lease Agreement**”);
 - e. is a sophisticated party capable of making its own assessments in respect of making its Bid; and
 - f. has had the benefit of independent legal advice in connection with its Bid.
23. A Bid shall include evidence of, in form and substance reasonable satisfactory to the Receiver, authorization and approval from the Qualified Bidder’s board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid.
24. A Bid shall be accompanied by a cash deposit equal to 10% of the purchase price.
25. A Bid **may not include** any request or entitlement of any break fee, expense reimbursement, or similar form of payment.
26. A Bid **may not** be subject to any conditions other than approval by the Court. Specifically, all inspections or other due diligence associated with the Assets, wherever situated, must be completed by the Qualified Bidder prior to submitting its Bid to the Receiver.
27. A Bid submitted by a Qualified Bidder that complies with the conditions set out at paragraphs 19-26 is referred to herein as a “**Qualified Bid**”.

Selection of Winning Bid

28. The Receiver will review all Qualified Bids between June 4, 2022 and June 10, 2022.
29. After the Qualified Bids have been submitted, the Receiver may contact a Qualified Bidder for the purpose of further negotiating the terms of a Definitive Agreement for the purchase and sale of the Assets contemplated in such Qualified Bidder’s Bid, and may enter into such negotiations.
30. In the event the Receiver determines that one or more Qualified Bids constitute a superior offer, the Receiver shall select the highest or best Qualified Bid and notify that party as soon as practicable. A Qualified Bid that is determined by the Receiver to be the highest, best or otherwise most favourable

Bid is a “**Winning Bid.**” A Qualified Bidder who submits a Winning Bid that is accepted by the Receiver is referred to herein as a “**Successful Bidder**”.

31. If a Winning Bid has been accompanied by a deposit in accordance with paragraph 24 hereof, the deposit shall be applied to the total purchase price. In the event a Bid that is accompanied by a deposit is not a Winning Bid, the Receiver shall return the deposit within 5 days of the Court approving the Winning Bid(s).
32. The Receiver reserves the right to reject or refuse to accept any Bid or to otherwise terminate the SP. The Receiver further reserves the right to deal with one or more Qualified Bidders to the exclusion of others, to accept a Bid for some or all of the Assets or to accept multiple Bids and enter into multiple Definitive Agreements in respect of the Assets.

Approval Orders

33. In the event the Receiver accepts a Winning Bid(s), the Receiver shall apply for an order from the Court in form and substance that is satisfactory to the Receiver, approving the Transaction(s) contemplated by the Winning Bid(s) and any necessary related relief required to consummate the Transaction(s) contemplated by the Winning Bid(s), subject to the terms of the Definitive Agreement(s) (the “**Approval Order**”). The application for the Approval Order shall take place during the week of June 20, 2022 or at such later date as determined by the Receiver.
34. An Approval Order shall become a “**Final Order**” upon the satisfaction of the following conditions:
 - a. It is in full force and effect;
 - b. It has not been reversed, modified or vacated and is not subject to a stay; and
 - c. All applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving the Approval Order, wholly operable.
35. Closing of the Transaction(s) contemplated by any Winning Bid(s) shall occur within three (3) business days of the date upon which the Approval Order has become a Final Order, or as may be extended with approval from the Receiver.

SCHEDULE "A"

Addresses for Deliveries

Any notice or other delivery made to the Receiver pursuant to the SP must be made to:

ALVAREZ & MARSAL CANADA INC.

Bow Valley Square 4

Suite 1110, 250 6th Ave SW

Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Jill Strueby

Tel: (403) 538-4736 / (403)538-7529

Email: okonowalchuk@alvarezandmarsal.com / jstrueby@alvarezandmarsal.com

With a copy to:

MCCARTHY TETRAULT LLP

421 7th Avenue SW, Suite 4000

Calgary AB T2P 4K9

Attention : Walker MacLeod

Tel : (403) 463-1207

Email : wmacleod@mccarthy.ca

Deliveries made pursuant to this SP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SP shall be deemed to be received when delivered to the relevant address, as identified above.

CONFIDENTIALITY AGREEMENT

[DATE]

Private & Confidential

[NAME]

Dear Sirs/Mesdames:

As you may be aware, on April 1, 2022, by order of the Honourable Justice J.T. Neilson (the “**Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as the receiver and manager (the “**Receiver**”) of each of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc. (collectively, the “**Debtors**”) and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

Pursuant to the Receivership Order, Alvarez & Marsal Canada Inc., in its capacity as the Receiver of the Property (as defined below), has the authority to, subject to certain limitations, market any or all the Property and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business. Any party desiring to receive further information in respect of the Debtors, its Property and its operations is required to execute a confidentiality agreement in a form satisfactory to the Receiver.

In connection with discussions between you and the Receiver relating to an offer for the acquisition of all or any part of the Property and/or any other alternative transaction in respect of the Debtors (the “**Transaction**”), you have requested that certain Confidential Information (as defined below) be provided to you by the Receiver, its affiliates or “Representatives” (as defined below). In consideration of the Receiver permitting, providing or causing the Confidential Information to be provided to you, the Receiver and you agree to the following and in connection therewith you agree to cause all of your affiliates and Representatives to comply with the provisions hereof and you agree that all references to “you” and “your” in this letter agreement (“**this Agreement**”) refer to the addressee of this letter, its affiliates, and where the context so requires, its Representatives.

1. For purposes of this Agreement, the term “**Confidential Information**” means: (i) all information and material of the Receiver and/or the Debtors or any of their respective affiliates or licensors, in oral, written, graphic, electronic or any other form or medium, that has or shall come into your possession or knowledge in connection with or as a result of the discussion, negotiation, investigation, consideration or implementation of the Transaction, including information and material concerning the Receiver’s and/or the Debtors or any of their respective affiliates’ past, present or future stakeholders, members, suppliers, technology, properties, assets, liabilities, obligations or business; (ii)

any analyses, compilations, studies or other Documents (as defined below) prepared by you or for your use containing, incorporating or reflecting any information described in this paragraph 1; and (iii) all information about an identifiable individual or other information that is subject to any federal, provincial, state or other applicable statute, law or regulation of any governmental or regulatory authority relating to the collection, use, storage and/or disclosure of information about an identifiable individual, including the *Personal Information and Protection of Electronic Documents Act* (Canada), The Alberta Freedom of Information and Protection of Privacy Act and/or any other equivalent provincial legislation, whether or not such information is confidential. For the purposes of this definition, “information” and “material” includes know-how, data, patents, copyrights, trade secrets, processes, business rules, tools, business processes, techniques, programs, designs, formulae, marketing, advertising, financial, commercial, sales or programming materials, equipment configurations, system access codes and passwords, written materials, compositions, drawings, diagrams, computer programs, studies, works in progress, visual demonstrations, ideas, concepts, and other data. Notwithstanding the foregoing, “Confidential Information” does not include information or material:

- (a) that is publicly available when it is received by, or becomes known to, you or which subsequently becomes publicly available through no fault of yours (but only after it becomes publicly available);
 - (b) that is already known to you at the time of its disclosure and is not known by you to be the subject of an obligation of confidence of any kind;
 - (c) that you independently develop without any use of or reference to the information described in paragraph 1 and which such independent development can be established by evidence that would be acceptable to a court of competent jurisdiction; or
 - (d) that you receive in good faith without an obligation of confidence of any kind from a third party who you had no reason to believe was not lawfully in possession of such information free of any obligation of confidence of any kind, but only until you subsequently come to have reason to believe that such information was subject to an obligation of confidence of any kind when originally received.
2. The Confidential Information is to be used by you solely for the purpose of evaluating the Transaction and, except with the prior written consent of the Receiver, such information shall be kept strictly confidential and shall not be disclosed by you, except that you may disclose the Confidential Information or relevant portions thereof to the following persons provided they need to know such information for purposes of evaluating the Transaction: your directors, officers, employees, lawyers, accountants or financial advisors (the “**Representatives**”). It is understood that only so much of the Confidential Information as is necessary for a particular individual to perform his or her function shall be disclosed to such individual and that Representatives to whom Confidential Information is communicated or made available shall be informed of the confidential nature of the Confidential Information, and shall agree to be bound by the terms of this

Agreement (with the exception of your legal counsel) and not to disclose that information to any other person (except as permitted under this Agreement) without the prior written consent of the Receiver. Except as expressly contemplated by this Agreement, you agree not to use the Confidential Information, directly or indirectly, for your own advantage or for any purpose not expressly contemplated by this Agreement and you agree to use all commercially reasonable efforts to preserve the confidentiality of the Confidential Information. Subject to paragraph 4 of this Agreement, you also agree to keep strictly confidential the fact that you are evaluating the Transaction, that you are or were discussing the Transaction with the Receiver, that you entered into this Agreement or that Confidential Information is being or has been made available to you. You also agree to be responsible and liable for any breach of this Agreement by your Representatives (as if your Representatives were parties to and bound by the provisions of this Agreement by which you are bound).

3. You represent that you do not directly or indirectly have, and covenant that you will not directly or indirectly enter into, any agreement, understanding or arrangement with any person (other than the Receiver or your Representatives) regarding or in connection with the Transaction unless with the express prior written consent of the Receiver.
4. If you or any of your Representatives conclude (after consultation with your legal advisors) that you or they are legally compelled to publicly disclose any of the Confidential Information or to disclose any of the Confidential Information to a third party or otherwise in circumstances prohibited by this Agreement, you shall provide the Receiver with prompt written notice of such requirement so that the Receiver and the Debtors may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement and you agree to delay such disclosure as long as reasonably possible (without incurring liability for failure to make such disclosure) to permit the Receiver and/or the Debtors to seek such a protective order or other remedy and to allow for consultation with the Receiver with respect to any reasonable alternatives to such disclosure and with respect to the content of any such disclosure. If such protective order or other remedy is not obtained, or if the Receiver waives compliance with the provisions hereof, you agree to disclose or furnish only that portion of the Confidential Information that you are advised by written opinion of counsel is legally required to be disclosed or furnished and, to the extent reasonably possible in the circumstances, you agree to use commercially reasonable efforts to ensure that confidential treatment shall be accorded to such information. You agree in any event to give prompt written notice to the Receiver and the Debtors of any proposed disclosure made by you pursuant to this paragraph 4.
5. You acknowledge that certain of the Confidential Information to which you may be given access pursuant to this Agreement is information to which solicitor-client privilege and/or litigation privilege (“**Privilege**”) attaches (collectively, “**Privileged Information**”). You acknowledge and agree that access to the Privileged Information is being provided solely for the purposes set out in this Agreement and that such access is not intended and should not be interpreted as a waiver of any Privilege in respect of Privileged Information or of any right to assert or claim Privilege in respect of Privileged Information. To the extent there is any waiver of Privilege, it is intended to be a limited waiver in favour of you,

solely for the purposes and on the terms set out in this Agreement. You shall, at the request and expense of the Receiver, claim or assert, or cooperate to claim or assert, Privilege in respect of Privileged Information.

6. Unless otherwise agreed to in writing by the Receiver, you shall: (i) return, cause to be returned to the Receiver, or destroy, all copies of the Confidential Information and Documents in your possession or in the possession of your Representatives; and (ii) destroy all copies of any analyses, compilations, studies or other Documents prepared by you or for your use containing, incorporating or reflecting any Confidential Information, as soon as commercially reasonable following the date of any request by the Receiver to you to return or destroy the Confidential Information. For purposes of this Agreement, “**Document**” means any embodiment, in written, graphic, audio, video, electronic, or any other form or medium, which contains any Confidential Information, including any and all copies, papers, reproductions, slides and microfilms and any electronic media such as disks, tapes, other magnetic media, computer software and computer storage systems and, where this Agreement calls for Documents to be destroyed, in the case of electronic media that can be permanently erased, such obligation means that such Documents shall be permanently erased.

Notwithstanding the foregoing, you (i) may retain a copy of the Confidential Information and/or Documents to the extent that such retention is required to demonstrate compliance with applicable law, regulation or professional standards, or to comply with an existing *bona fide* document retention policy, and (ii) to the extent that (i) above is inapplicable to Confidential Information and/or Documents that are electronically stored, destroy such electronically stored Confidential Information and/or Documents only to the extent that it is reasonably practical to do so; provided that in the case of either (i) or (ii), notwithstanding paragraph 18, any Confidential Information and/or Documents retained under this paragraph shall remain subject to the obligations of confidentiality and other obligations under this Agreement until such time as you have certified in writing to the Receiver that such materials have been returned or destroyed.

7. During the period of two years following the date hereof, you shall not solicit for hire or employment, directly or indirectly, any officer or employee of the Receiver and/or the Debtors or their respective affiliates and you shall not agree to employ any officer or employee so solicited. For the purposes of this clause, “solicitation” shall not include solicitation of any officer or employee of the Receiver and/or the Debtors who is solicited: (i) by advertising placed in a newspaper, trade journal, through a web site or via other media of general circulation; or (ii) by an employee of an executive search firm acting on your behalf where you did not identify to such search firm the name of such officer or employee and you did not direct, instruct or encourage the solicitation of the specific officer or employee.
8. You acknowledge and agree that none of the Receiver and/or the Debtors, their respective affiliates or Representatives is making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information. You also acknowledge and agree that there are valid reasons for why particular corporate information (including Confidential Information) of the Receiver and/or the Debtors or

their respective affiliates may not be made available to you (including because such information is competitively sensitive or is subject to an obligation of confidentiality or is otherwise not permitted to be disclosed as a result of contractual restrictions or applicable law). None of the Receiver and/or the Debtors, their respective affiliates or Representatives shall be under any obligation to update, supplement or amend the Confidential Information as a result of subsequent events or developments or otherwise. None of such persons shall have any liability whatsoever, direct or indirect, to you or any other person as a result of your use of the Confidential Information.

9. You acknowledge and agree that no agreement relating to or providing for the Transaction shall exist unless and until a subsequent definitive agreement with respect to the Transaction has been executed and delivered by the Receiver. It is agreed that unless and until such a definitive agreement has been executed and delivered, neither you nor the Receiver shall have any legal obligation of any kind whatsoever with respect to the Transaction by virtue of this Agreement or any other written or oral communications with respect to the Transaction. You further understand and agree that, subject always to the order(s) of the Court in the Receivership proceedings: (i) the Receiver is free to conduct any process with respect to the Transaction as it, in its sole discretion, determines necessary (including, without limitation, negotiating with any person and entering into any agreement without prior notice to you or any other person); (ii) any process or procedures relating to the Transaction may be changed at any time and without notice to you or any other person; (iii) any data room containing Confidential Information may be closed by the Receiver at any time; and (iv) you shall not have any claim whatsoever against the Receiver or any of its affiliates or Representatives arising out of or relating to the Transaction (other than as expressly set forth in a subsequent definitive written agreement entered into by the Receiver with you in connection with the Transaction).
10. You agree that the Receiver and Debtors (with the consent of the Receiver) shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach or anticipatory breach by you or your Representatives of the provisions of this Agreement, in addition to any other remedies available to the Receiver and Debtors at law or in equity, and you acknowledge and agree that an award of damages is not likely an effective or adequate remedy to the Receiver and/or the Debtors in the event of a breach by you or your Representatives of this Agreement.
11. You hereby agree to indemnify and hold harmless the Receiver and the Debtors and their respective affiliates from any and all damage, loss, cost, expense or liability of whatsoever nature or kind (including legal fees and the costs of enforcing this Agreement) arising directly or indirectly out of the breach by you or your Representatives of any provision of this Agreement.
12. The parties agree that this Agreement shall terminate and all obligations herein shall be released in the event the parties execute and deliver a definitive agreement with respect to the Transaction and the terms and conditions as contemplated by such definitive agreement are closed and completed.

13. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.
14. You agree that, except with the prior written consent of the Receiver, you shall not contact, meet with or communicate to any of the directors, officers or employees of the Receiver and/or the Debtors or any of their respective affiliates with a view to discussing in any manner the Confidential Information or the Transaction or any steps taken in furtherance thereof.
15. If any provision of this Agreement is held to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall not affect any other provision hereof and all other provisions hereof shall continue in full force and effect.
16. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no understandings, representations, warranties, terms, conditions, undertakings or collateral or other agreements, express, implied or statutory, between the parties with respect to the subject matter hereof other than as expressly set forth in this Agreement.
17. The term "person" as used in this Agreement shall be interpreted broadly to include, without limitation, any corporation, company, partnership, trust, firm, unincorporated organization or individual.
18. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties agree that any disputes arising under this Agreement shall be decided by arbitration, without right of appeal to the courts, by a single arbitrator who is satisfactory to both of the parties hereto and whose costs shall be shared equally by the parties.
19. Except as otherwise provided herein, your obligations under this Agreement shall continue in full force and effect for a period of three years from the date hereof.

<Remainder of Page Intentionally Left Blank>

If you agree with the foregoing, please sign and return the enclosed duplicate copy of this Agreement which shall constitute your agreement to the terms and conditions contained herein, which shall be deemed to be made as of the date appearing on the top right-hand corner of page 1 hereof.

Yours very truly,

ALVAREZ & MARSAL CANADA INC., in its capacity as the Court-Appointed Receiver and Manager of The Debtors, and not in its personal or corporate capacity

By: _____

Name: Orest Konowalchuk

Title: Senior Vice President

AGREED TO as of the date appearing on the top right-hand corner of page 1 hereof:

[NAME]

by: _____

BID FORM – The Institute of Wellness & Advanced Aesthetics, 1608309 Alberta Ltd. and Mount Royal Surgical Centre. - IN RECEIVERSHIP

To: The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd. and Mount Royal Surgical Centre Inc. (collectively, the “**Debtors**” or the “**Company**”), by and through its court appointed receiver and manager, Alvarez and Marsal Canada Inc. (the “**Receiver**”), acting in its capacity as receiver and manager, and not in its personal or corporate capacity, of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including proceeds thereof, of the Debtors.

Bow Valley Square 4
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7

Attention: Orest Konowalchuk okonowalchuk@alvarezandmarsal.com
Jill Strueby jstrueby@alvarezandmarsal.com

1. _____
(Name of Party issuing Bid) (the “**Bidder**”)

2. _____
(Address of Party)

3. _____ (Phone number) _____ (Email)

4. _____
(Person to be contacted)

The Debtors’ Assets

5. The total amount hereby offered:
 - a. Purchase Price: \$ _____
6. The Assets are defined in the Sales Process (“**SP**”) as including, but not limited to, the equipment, furniture and fixtures, inventory, tenant improvements, and assignment of the leases including the facility Lease Agreement (defined in the SP).
7. In the event more than one of the foregoing Bids is submitted by the Bidder, the Receiver may accept any one Bid from any Bidder in its sole and absolute discretion.
8. The Receiver maintains the right to accept any Bid in its sole discretion and is not required to accept the Bid with the highest amount offered. The Receiver may choose to reject all Bids at its sole and absolute discretion.
9. Enclosed is the Bidder’s bank draft payable to Alvarez & Marsal Canada Inc., in its capacity as Receiver of the Company as a deposit in the amount of \$ _____, representing 10% of the total amount of the Bidder’s highest valued Bid submitted herein (the “**Deposit**”).
10. If a Bid is accepted by the Receiver (an “**Accepted Bid**”), the applicable Bidder will, in good faith,

negotiate a binding definitive agreement (a “**Definitive Agreement**”) with the Receiver, satisfactory to the Receiver, which shall, unless the parties agree otherwise, include, *inter alia* the following terms:

- a. a purchase price in an amount equal to that contained in an Accepted Bid;
- b. an allocation of the purchase price for each of the assets sold under a Definitive Agreement (the “**Assets**”), and a term to adjust the purchase price for any removal of Assets from the purchase and sale;
- c. additional provisions incorporating the Additional Conditions set out in an Accepted Bid;
- d. standard conditions precedent, including, that the performance of a Definitive Agreement will be subject to approval of the Court of Queen’s Bench of Alberta (the “**Court**”), no action or proceeding, at law or in equity, shall have been commenced or threatened by any person, firm, company, government, regulatory body or agency to enjoin, restrict or prohibit the sale of the Assets, the Purchaser shall have paid the Purchase Price and GST payment in full to the Receiver, and the Purchaser shall have provided a certificate from an officer of the Purchaser that all representations and warranties of the Purchaser contained in a Definitive Agreement are true and correct;
- e. a term that the Deposit will be non-refundable upon the execution of a Definitive Agreement by the Bidder and the Receiver unless the transaction contemplated by a Definitive Agreement does not close as a sole result of the breach of an obligation or term of a Definitive Agreement by the Receiver or the Court does not grant the Approval and Vesting Order as contemplated in the Definitive Agreement);
- f. a term that the Assets shall be acquired by the Bidder on an “as is, where is” and “without recourse” basis;
- g. a term that the Receiver will make no representation, warranty or collateral agreement, either express or implied, as to the condition or fitness of any Asset for any purpose or as to the title, ownership or merchantability of any Asset;
- h. a term that the implied conditions and warranties contained in the *Sale of Goods Act*, RSA 2000 c S-2, as amended, or any similar statute or law in any other province or territory, are expressly excluded and shall not apply to the sale effected by a Definitive Agreement;
- i. a representation by the Bidder that it has completed to its satisfaction any due diligence and investigation in relation to the Assets; and
- j. such other terms that are customary in an agreement of the nature of a Definitive Agreement and/or otherwise required by the Receiver, in its sole and absolute discretion.

11. The Receiver requires that all Bids be submitted by e-mail or courier to the Receiver by 12:00 p.m. Mountain Time on Friday, June 3, 2022.

DATED at _____ this _____ day of _____, 2022.

(Signature of Authorized Representative)

(Name and Position)

ACCEPTED:

**THE DEBTORS, BY AND THROUGH THEIR COURT
APPOINTED RECEIVER AND MANAGER, ALVAREZ
AND MARSAL CANADA INC., ACTING IN ITS
CAPACITY AS RECEIVER, AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

(Signature of Authorized Representative)

(Name and Position)

Appendix B
Sneath APA (redacted)

ASSET PURCHASE AND SALE AGREEMENT

BETWEEN

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

(the “Vendor”)

- AND -

2440656 Alberta Corporation, a corporation incorporated pursuant to the laws of the Province of Alberta

(the “Purchaser”)

June 24, 2022

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ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 24th day of June, 2022.

BETWEEN:

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

- and -

2440656 Alberta Corporation a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS the Receiver was appointed as receiver and manager of the Property pursuant to the Receivership Order;

WHEREAS the Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the promises, mutual covenants, agreements, and warranties contained herein, the Parties covenant and agree as follows:

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Agreement, including the recitals, this Section 1.1, and the Schedules attached hereto, unless the context otherwise requires, or unless otherwise defined herein, the following words and phrases shall have the following meanings:

- (a) "**Affiliate**" means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term "**control**" as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise.
- (b) "**Agreement**" means this Asset Purchase and Sale Agreement including the recitals hereto and the Schedules attached hereto.

- (c) **“Applicable Laws”** means, in relation to any Person, asset, transaction, event or circumstance:
- (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction;
 - (iii) regulations, orders, ordinances and directives issued by Government Authorities; and
 - (iv) the terms and conditions of all permits, licenses, approvals and authorizations;
- which are applicable to such Person, asset, transaction, event or circumstance.
- (d) **“Assets”** means all of the right, title, estate and interest in the assets, properties and undertakings listed in Schedule **“A”** hereto.
- (e) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta.
- (f) **“Claim”** means any claim, demand, lawsuit, proceeding, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing.
- (g) **“Closing”** means the transfer of possession, beneficial ownership, and risks of the Assets from the Vendor to the Purchaser and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date pursuant to this Agreement.
- (h) **“Closing Date”** has the meaning provided in Section 4.1.
- (i) **“Closing Payment”** has the meaning provided in Section 3.3.
- (j) **“Court”** means the Court of Queen’s Bench of Alberta.
- (k) **“Court Approval”** means the approval of the Transaction and this Agreement by the Court and the vesting of the Assets in the name of the Purchaser, free and clear of any Encumbrances, other than any Permitted Encumbrances and including, to the extent necessary, a direction that the rights and obligations under the Lease be assigned by the Vendor to the Purchaser;
- (l) **“Data Room Information”** means all information in any form provided to the Purchaser in relation to the Debtor, its Affiliates or the Assets.
- (m) **“Debtors”** means The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd., and Mount Royal Surgical Centre Inc., and **“Debtor”** means any one of them;
- (n) **“Deposit”** has the meaning provided in Section 3.2(a).
- (o) **“Dollar”** and **“\$”** mean a dollar of the lawful money of Canada.

- (p) **“Encumbrance”** means all liens, charges, security interests, pledges, options, mortgages, adverse claims and other encumbrances on ownership rights of any kind or character or agreements to create the same.
- (q) **“Excluded Assets”** means any or all of the following:
 - (i) legal and title opinions;
 - (ii) documents prepared by or on behalf of the Debtor in contemplation of litigation and any other documents within the possession of the Debtor which are subject to solicitor-client privilege under the laws of the Province of Alberta or any other jurisdiction; and,
 - (iii) records, policies, manuals, and other proprietary, confidential business or technical information not used exclusively in connection with the Assets.
- (r) **“Government Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Assets, or the Transaction.
- (s) **“GST”** any goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada).
- (t) **“Indemnified Parties”** has the meaning provided in Section 3.4(d).
- (u) **“Insider”** has the meaning given to that term in the *Securities Act* (Alberta).
- (v) **“Lease”** means the lease agreement between Certus Developments Inc., as landlord, and The Institute of Wellness and Advanced Aesthetics Ltd., as tenant, pertaining to the premises described as Suite 301, 3007 14th Street SW, Calgary, Alberta and dated April 12, 2018, and all amendments thereto and renewals thereof;
- (w) **“Party”** means either the Vendor or the Purchaser, as the context may require, and **“Parties”** means both the Vendor and the Purchaser.
- (x) **“Permitted Encumbrances”** means, any of the following:
 - (i) rights reserved to or vested in any Government Authority to control or regulate any of the Assets, in any manner; and,
 - (ii) any other circumstance, matter, or thing disclosed in Schedule **“B”** hereto.
- (y) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority, or other entity.
- (z) **“Property”** has the meaning given to it in the Receivership Order.
- (aa) **“Purchase Price”** has the meaning given in Section 3.1.

- (bb) **“Receivership Order”** means the consent order issued by the Court in the Receivership Proceedings on April 1, 2022, as may be subsequently amended, modified, supplemented, or restated, from time to time.
- (cc) **“Receivership Proceedings”** means the proceedings before the Court and identified as Court File No. 2201-03735.
- (dd) **“Representatives”** means, with, respect to any Party, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party and its Affiliates.
- (ee) **“Transaction”** means any and all transactions for the purchase and sale of the Assets as contemplated by this Agreement.
- (ff) **“Vendor Entity”** means the Vendor and its Representatives, and each of their respective successors and assigns.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;
- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (f) reference to any Article, Section, or Schedule means an Article, Section, or Schedule of this Agreement, unless otherwise specified;
- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict;
- (h) “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule "A"	The Assets
Schedule "B"	Permitted Encumbrances

1.4 Interpretation If Closing Does Not Occur

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

1.5 Knowledge or Awareness

References to a Party's knowledge or awareness and similar references contained in Sections 5.1 and 5.3 mean the actual knowledge or awareness, as the case may be, of the officers of such Party who are primarily responsible for the matters in question, and does not include knowledge and awareness of any other Person or any other Person or any constructive or imputed knowledge. A Party shall not have any obligation to make inquiry of any Person or the files and records of any Person or of any Government Authority in connection with any representations and warranties contained herein that are made to its knowledge, information, belief or awareness.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey, and set over to the Purchaser, and the Purchaser agrees to purchase and accept the Asset's from the Vendor at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, in accordance with the Court Approval.

ARTICLE 3 PURCHASE PRICE AND PAYMENT

3.1 Purchase Price

The purchase price to be paid, by the Purchaser to the Vendor for the Assets shall be [REDACTED] (the "Purchase Price").

3.2 Deposit

- (a) The Vendor acknowledges receipt of an electronic wire transfer paid directly by the Purchaser in the amount of [REDACTED]

(referred to hereinafter as the “**Deposit**”). The Deposit received by the Vendor pursuant to this Section 3.2(a) shall be held in trust by the Vendor and shall be releasable in accordance with this Agreement.

- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit received by the Vendor shall be retained by the Vendor and credited against the Purchase Price, in partial satisfaction of the Purchaser’s obligation to pay the Purchase Price at Closing.
- (c) If Closing does not occur:
 - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 6.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit received by the Vendor shall be returned by the Vendor to the Purchaser and, subject to Section 8.2 of this Agreement, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement;
 - (ii) for any reason other than the conditions precedent in favour of the Purchaser as set forth in Section 6.2 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Vendor shall retain the Deposit as liquidated damage and not as a penalty and, subject to Section 8.2 of this Agreement.
- (d) The Purchaser and the Vendor hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 3.2(c)(ii), the Vendor will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 3.2(c)(ii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Vendor as contemplated by this Section 3.2(d). The Purchaser expressly waives any present or future right, at law or in equity, that would prohibit or may prohibit the retention of the Deposit as liquidated damages by the Vendor in connection with Closing not occurring after the satisfaction or waiver of the conditions precedent in favour of the Purchaser set forth in Section 6.2 of this Agreement and the Purchaser and the Vendor expressly covenant and agree that:
 - (i) this Agreement and all of the Transactions occurring or potentially occurring thereby, including without limitation the potential retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c)(ii) of this Agreement, are the product of an arm’s length negotiations between sophisticated business people represented by counsel;
 - (ii) there has been a course of conduct between Vendor and the Purchaser giving specific consideration to all of the Transactions occurring herein including, without limitation, the potential retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c)(ii) of this Agreement;

- (iii) the Purchaser be and is hereby estopped from making any Claim to challenge the retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c)(ii) of this Agreement;
- (iv) the Purchaser's agreement to allow the Vendor to retain the Deposit as contemplated by Section 3.2(c)(ii) of this Agreement was a material inducement to the Vendor entering into this Agreement with the Purchaser; and
- (v) the Vendor would have elected to sell, convey and transfer the Assets to a different Person and the Vendor and the Purchaser would not have entered into this Agreement had the Vendor and the Purchaser not agreed to allow the Vendor to retain the Deposit in the manner contemplated by Section 3.2(c)(ii) of this Agreement.

3.3 Closing Payment

- (a) The Purchaser shall pay to the Vendor at Closing, by certified cheque, bank draft, or electronic wire transfer, the remaining portion of Purchase Price plus any and all applicable taxes and fees payable under Section 3.4 (collectively referred to as, the "**Closing Payment**"). The Purchase Price shall be subject to standard Closing adjustments for a similar transaction in the nature of the purchase and sale of the Assets including, without limitation, adjustment for Claims in respect of the Lease.
- (b) The Closing Payment and the Deposit shall be immediately releasable to the Vendor at Closing.

3.4 Taxes and Fees

- (a) At the Closing, the Seller and the Purchaser will jointly make, execute and file an election pursuant to subsections 167(1) and (1.1) of the *Excise Tax Act* (Canada) on the forms prescribed for such purpose along with any documentation necessary or desirable in order to effect the transfer of the Assets by the Vendor without payment of any GST. The Purchaser shall file the election within the time prescribed by the *Excise Tax Act* (Canada).
- (b) The GST Registration Number of the Vendor is [REDACTED] (The Institute of Wellness and Advanced Aesthetics Ltd.), [REDACTED] (1608309 Alberta Ltd.) and [REDACTED] (Mount Royal Surgical Centre Inc.). The GST Registration Number of the Purchaser is [REDACTED].
- (c) The Purchaser shall be liable for and shall pay any and all, federal or provincial sales taxes and all other taxes, duties, or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith, this Agreement, the Assets and the Transaction.
- (d) The Purchaser hereby agrees that it shall indemnify and hold the Vendor, the Receiver and its respective employees, agents, representatives, consultants, counsel, fiduciaries, servants, officers, directors, partners, predecessors,

successors and assigns, subsidiary corporations, parent corporations, and related corporate divisions and the successors and assigns of each of the foregoing (all of the foregoing hereinafter called the “**Indemnified Parties**”) harmless with respect to any and all Claims incurred by or against the Indemnified Parties, or any of them, whether direct, indirect or consequential, as a result of or arising from tax (including, without limitation, GST) that is payable pursuant to the transfer of the Assets or the Transaction.

ARTICLE 4 CLOSING

4.1 Closing

The Closing of the Transaction shall take place, at such place as the Parties may agree, on the later of:

- (a) three (3) Business Days following the day Court Approval is obtained; or
- (b) on such other Business Day as the Parties may agree in writing;

(the “**Closing Date**”).

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Vendor’s Representations and Warranties

The Vendor hereby represents and warrants to the Purchaser that:

- (a) it has been appointed by the Court as receiver and manager of the Property and such appointment is valid and subsists;
- (b) it has good right, full power, and absolute authority to sell, assign, transfer, convey, and set over the interest of the Debtor in and to the Assets, subject to the terms and conditions of the Receivership Order and the Court Approval; and,
- (c) it is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

5.2 No Additional Representations and Warranties by the Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 5.1 and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor or its Representatives in connection with the Assets or in relation to the Transaction. For greater certainty, the Vendor does not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:

- (i) the accuracy or completeness of the Data Room Information or any other data or information supplied by the Vendor or any of its Representatives in connection with the Assets;
- (ii) the quality, condition, fitness, suitability, serviceability, or merchantability of any of the Assets; or,
- (iii) the right, title, estate or interest of the Debtors in and to the Assets.

The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from the Vendor or any of its Representatives with respect to any matters in connection with the purchase of the Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an “as is, where is” basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Assets, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk, and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as expressly contained in Section 5.1 of this Agreement.

- (b) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual, and statutory rights and remedies) against the Vendor or any Vendor Entity in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written, or any other means).

5.3 Purchaser’s Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

- (a) **Standing:** It is and at the Closing Date shall continue to be a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry out business in the jurisdiction where the Assets are located.
- (b) **Requisite Authority:** Except for the Court Approval, it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder.
- (c) **Execution and Enforceability:** Provided the Court Approval is obtained, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and

delivered by it at Closing will constitute legal, valid, and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences.

- (d) **No Further Authorization Required:** To its knowledge after due inquiry, and provided that Court Approval is obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement.
- (e) **No Conflicts:** Provided the Court Approval is obtained, the consummation of the Transaction will not constitute or result in a material violation, breach, or default by it under any provision of any agreement or instrument to which it is a party or by which is it bound or any judgment, law, decree, order, or ruling applicable to it.
- (f) **No Lawsuits or Claims:** It has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Transaction.
- (g) **Availability of Funds:** It has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement.
- (h) **Insiders:** To the Purchaser's knowledge, having made due enquiry, no Insider of the Purchaser is also an Insider of the Vendor or the Debtor.

5.4 Enforcement of Representations and Warranties

- (a) Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants and/or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties set forth in Sections 5.1 and 5.3 hereof shall survive Closing for the benefit of the Purchaser and the Vendor, respectively, provided that no Claim in respect of such representations and warranties shall be made or be enforceable unless written notice of such Claim is given by the claimant to the other Parties within twelve (12) months of the Closing Date. Effective on the expiry of such twelve (12) month period, each Party hereby releases and forever discharges the other Parties from any breach of any representations and warranties set forth in Sections 5.1 and 5.3 hereof except in respect of those Claims in which notice has been given in accordance with this Section 5.4. No Claim shall be made against a Party, in respect of the representations and warranties in this Agreement made by the other Parties, except pursuant to and in accordance with this Section 5.4.
- (b) There shall not be any merger of any covenant, representation, or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

- (c) The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser or the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

ARTICLE 6 CONDITIONS PRECEDENT TO CLOSING

6.1 Vendor's Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at Closing of the following conditions precedent:

- (a) **Representations and Warranties True:** All representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects on the Closing Date.
- (b) **Purchaser's Obligations:** The Purchaser shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date.
- (c) **Payment:** The Purchaser shall have tendered the Closing Payment to the Vendor in the manner provided in this Agreement.
- (d) **No Injunction:** There will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction.
- (e) **Restrictions:** All necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions.
- (f) **Court Approval:** The Court Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Court Approval condition contained in Section 6.1(f). The Vendor shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions.

6.2 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at Closing of the following conditions precedent:

- (a) **Representations and Warranties True:** All representations and warranties of the Vendor contained in this Agreement shall be true in all material respects on the Closing Date.

- (b) **Vendor's Obligations:** The Vendor shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Vendor on or prior to the Closing Date.
- (c) **Restrictions:** All necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions.
- (d) **Court Approval:** The Court Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties, or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the Court Approval condition contained in Section 6.2(d). The Purchaser shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions.

6.3 Parties to Exercise Diligence and Good Faith with respect to Conditions

Each Party covenants to the other that it will proceed diligently, honestly, and in good faith, and use commercially reasonable efforts with respect to all matters within its reasonable control to satisfy its respective conditions in Sections 6.1 and 6.2.

ARTICLE 7 CLOSING DELIVERIES

7.1 Vendor Closing Deliveries

At Closing, the Vendor shall table the following:

- (a) a certified copy of the Court Approval;
- (b) a statement of adjustments confirming the amount of the Closing Payment; and,
- (c) any and all such other documentation, instruments, and records required: (i) pursuant to the Court Approval; (ii) pursuant to this Agreement; or, (iii) required in order to conclude the Transaction.

7.2 Purchaser's Closing Deliveries

At Closing, Purchaser shall:

- (a) table the Closing Payment; and,
- (b) any and all such other documentation, instruments, and records required: (i) pursuant to the Court Approval; (ii) pursuant to this Agreement; or, (iii) required in order to conclude the Transaction.

ARTICLE 8 TERMINATION

8.1 Right of Termination

This Agreement may be terminated at any time prior to Closing by mutual written agreement of each of the Vendor and the Purchaser.

8.2 Effect of Termination

If this Agreement is terminated by the Vendor or the Purchaser as permitted by or otherwise in accordance with the terms of this Agreement, Article 9 and Section 14.2 shall remain in full force and effect following any such termination.

ARTICLE 9 CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

9.1 Confidentiality

Each Party agrees to keep in strict confidence:

- (a) subject to Section 9.2, all information regarding the terms of this Agreement and the Purchase Price; and
- (b) any information exchanged or received in connection with:
 - (i) the performance of due diligence by the Purchaser prior to or after the date hereof (including due diligence conducted under or in connection with the Offer to Purchase); or
 - (ii) negotiation or drafting of this Agreement;

provided that a Party shall be entitled to disclose all information as may be required or desirable in connection with obtaining the Court Approval. If this Agreement is terminated, each Party upon request will promptly return to the other Party all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

9.2 Public Announcements

- (a) If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the transactions contemplated herein, the disclosing Party shall provide the other Parties with an advance copy of any such press release or other public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and advise of any comments they may have with respect thereto.
- (b) Notwithstanding Section 9.1 or 9.2(a), a Party may release or provide information about the Transaction insofar as is required by Applicable Laws (including as may be required to obtain Court Approval) or stock exchange requirements applicable to the disclosing Party or its Affiliates; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Parties with the details

of the nature and substance of such required disclosure as soon as practicable and in any event prior to such disclosure. A Party may provide information about the Transaction to a bank or other financial institution to obtain financing on any required consent of the bank or other financial lender of such Party or any of its Affiliates. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Governmental Authorities (including Court Approval) or Third Parties.

ARTICLE 10 GOVERNING LAW AND DISPUTE RESOLUTION

10.1 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

10.2 Resolution of Disputes

- (a) Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.
- (b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 11 NOTICES

11.1 Service of Notices

The addresses for service of the Parties shall be as follows:

the Purchaser: Greenfields Law
Suite 120, 4838 Richard Road S.W.
Calgary, Alberta T3E 6L1

Attention: Ryan Shewchuk
Email: shewchuk@greenfields-law.com

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

Attention: Orest Konawulchuk / Jill Strubey
Email: okonowalchuk@alvarezandmarsal.com /
jstrueby@alvarezandmarsal.com

with a copy to: McCarthy Tétrault LLP
4000, 421 – 7th Avenue S.W.
Calgary, Alberta T2P 4K9

Attention: Walker W. MacLeod / Erinn Wilson
Email: wmacleod@mccarthy.ca / erinnwilson@mccarthy.ca

Any of the Parties may from time to time change its address for service herein by giving written notice to the other. Any notice may be served by personal service upon the above person specified by a Party, or if no person is specified, upon any officer of a Party, by mailing the same by prepaid post in a properly addressed envelope addressed to the Party at its respective address for service hereunder, or by email to such Party at the email address specified hereunder. Any notice personally served upon an office or the person specified by a Party, as the case may be, shall be deemed to be given on the date of such service, any notice served by mail shall be deemed to be given to and received by the addressee on the fourth Business Day, after the mailing thereof and any notice given by email shall be deemed to be given and received on the day when it is sent, if it is sent during normal business hours (8:00 a.m. to 4:00 p.m.) and, otherwise, on the next following normal Business Day. No notices shall be served by mail during times of interruption or threat of interruption of mail service due to strikes, lockout, or other causes.

ARTICLE 12 PERSONAL INFORMATION

12.1 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records, or files transferred to the Purchaser or otherwise obtained by the Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 12.1 shall survive the Closing Date indefinitely.

ARTICLE 13 ASSIGNMENT

13.1 Assignment

- (a) Neither Party may assign their interest in or under this Agreement or to the Assets without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.
- (b) No assignment, transfer, or other disposition of this Agreement or the Assets or any portion of the Assets shall relieve the Purchaser from its obligations to the Vendor herein. The Vendor shall have the option to claim performance or payment of the obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate performance or payment of the same obligation.

ARTICLE 14 MISCELLANEOUS

14.1 Remedies Cumulative

No failure on the part of any Party to exercise any right or remedy will operate as a waiver thereof. A Party will not be precluded from exercising any right available to it at law, equity, or by statute because of its exercise of any single or partial right, and a Party may exercise any such remedies independently or in combination.

14.2 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation, and execution of this Agreement and the consummation of the Transaction, subject to Section 14.6 of this Agreement.

14.3 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

14.4 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

14.5 Benefit of the Agreement

This Agreement will ensure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties.

14.6 Further Assurances

From time to time, as and when reasonably requested by the other Party, a Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the Transaction, provided such documents, instruments, or actions are consistent with the provisions of this Agreement. All such further documents, instruments, or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

14.7 Time of the Essence

Time shall be of the essence in this Agreement.

14.8 Enurement

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

14.9 Severability

In the case any of the provisions of this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

14.10 Counterpart Execution

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall not be binding upon any Party unless and until executed by all Parties.

14.11 Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

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



Per:

Name: Orest Konowalchuk, CPA, CA, CIRP, LIT
Title: Senior Vice President

2440656 Alberta Corporation

Per:

Name:
Title:

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

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

Per:

Name:

Title:

2440656 Alberta Corporation

Per:



Name: Dr. Jason Sneath

Title: President

SCHEDULE "A"

THE ASSETS

All of the right, title, estate and interest of the Vendors in and to the business commonly known as the Institute of Wellness and Advanced Aesthetics and operated out of the premises situated at Suite 301, 3007 14th Street SW, Calgary, but excluding any accounts receivable or other obligations owing to the Vendors by any Person that (a) is a current or former director or officer of any of the Vendors; or (b) is an Affiliate of any of the Vendors.

SCHEDULE "B"
PERMITTED ENCUMBRANCES

None.

Appendix C
Receiver's Certificate No. 1

RECEIVER'S CERTIFICATE

CERTIFICATE NO. 1

AMOUNT \$100,000.00

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd. and Mount Royal Surgical Centre Inc., (the "**Debtors**") acquired for, or used in relation to the Debtor's business, including all proceeds thereof (the "**Property**") appointed by Order of the Court of Queen's Bench of Alberta (the "**Court**") issued the 1st day of April, 2022 (the "**Order**") made in action 2201-03735, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$100,000.00, being part of the total principal sum of \$500,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 6.000 per cent above the prime commercial lending rate of Bank of Montreal 2.700 per cent from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act* (Canada) and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Attn: Trevor Bauer, 525 – 8th Ave SW, 9th Floor Calgary, AB T2P 1G1.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 6th day of April, 2022.

ALVAREZ & MARSAL CANADA INC., solely in its capacity as Receiver of the Property, and not in its personal capacity



Per: _____
Name: Orest Konowalchuk
Title: Senior Vice President

Appendix D
Receiver's Certificate No. 2

RECEIVER'S CERTIFICATE

CERTIFICATE NO. 2

AMOUNT \$100,000.00

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of The Institute of Wellness and Advanced Aesthetics Ltd., 1608309 Alberta Ltd. and Mount Royal Surgical Centre Inc., (the "**Debtors**") acquired for, or used in relation to the Debtor's business, including all proceeds thereof (the "**Property**") appointed by Order of the Court of Queen's Bench of Alberta (the "**Court**") issued the 1st day of April, 2022 (the "**Order**") made in action 2201-03735, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$100,000.00, being part of the total principal sum of \$500,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 6.000 per cent above the prime commercial lending rate of Bank of Montreal 2.700 per cent from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act* (Canada) and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Attn: Trevor Bauer, 525 – 8th Ave SW, 9th Floor Calgary, AB T2P 1G1.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the 25th day of April, 2022.

ALVAREZ & MARSAL CANADA INC., solely in its capacity as Receiver of the Property, and not in its personal capacity



Per: _____
Name: Orest Konowalchuk
Title: Senior Vice President

Appendix E
Receiver's Fees and Costs

IWAA et al. - in Receivership
Summary of Receiver's Fees and Disbursements ("Interim Period Billings")
April 1, 2022 to June 26, 2022

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
#1	March 30, 2022 to April 30, 2022	146,526.00	6,134.95	152,660.95	7,633.05	160,294.00
#2	May 1, 2022 to May 31, 2022	55,872.50	2,352.00	58,224.50	2,911.23	61,135.73
#3	June 1, 2022 to June 26, 2022	49,588.00	-	49,588.00	2,479.40	52,067.40
	TOTAL	251,986.50	8,486.95	260,473.45	13,023.68	273,497.13

Appendix F
Receiver's Counsel's Fees and Costs

IWAA et al. - in Receivership
Summary of Receiver's Counsel's Fees and Disbursements ("Interim Period Billings")
April 1, 2022 to June 26, 2022

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
8022638	March 28, 2022 to April 30, 2022	26,298.50	-	26,298.50	1,314.93	27,613.43
8023310	May 1, 2022 to May 31, 2022	20,270.50	-	20,270.50	1,013.53	21,284.03
	June 1, 2022 to June 26, 2022	29,053.00	73.00	29,126.00	1,456.30	30,582.30
	TOTAL	\$ 75,622.00	\$ 73.00	\$ 75,695.00	\$ 3,784.76	\$ 79,479.76