

Clerk's Stamp

FILE NUMBER 2201-09184

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ATB FINANCIAL

RESPONDENTS MALGORZATA NOWAK PROFESSIONAL CORPORATION, SANITAS LIMITED, and MALGORZATA NOWAK

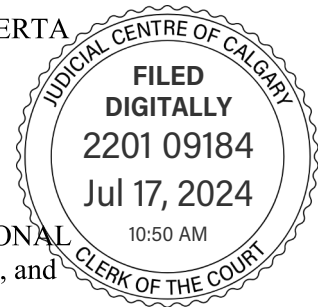
DOCUMENT **FIRST REPORT OF THE RECEIVER
BDO CANADA LIMITED
JULY 16, 2024**

RECEIVER
BDO Canada Limited
110, 5800- 2nd Street SW
Calgary, Alberta T2H 0H2

Attention: Kevin Meyler
Phone: (403) 536-8526
Fax: (403) 640-0591
Email: kmeyler@bdo.ca

RECEIVER'S COUNSEL
MLT Aikins LLP
2100 – 222 3rd Avenue SW
Calgary, Alberta T2P 0B4

Attention: Ryan Zahara
Phone: (403) 693-5420
Fax: (403) 508-4349
Email: rzahara@mltaikins.com



**FIRST REPORT OF THE RECEIVER
BDO CANADA LIMITED
JULY 16, 2024**

INDEX

INTRODUCTION	4
TERMS OF REFERENCE	5
CORPORATE STRUCTURE AND MANAGEMENT	5
FINANCIAL POSITION.....	6
ACTIVITIES OF THE RECEIVER	8
SALES PROCESS.....	10
HERCHEN APA	11
COMMENTS AS TO VALUE / POTENTIAL RECOVERIES TO ATB	12
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	13
SEALING ORDER	13

APPENDICES

APPENDIX A – HERCHEN APA

APPENDIX B – INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

INTRODUCTION

1. On January 11, 2024, ATB Financial (“**ATB**”), sought and obtained an order (the “**Receivership Order**”) of this Honourable Court, appointing BDO Canada Limited (“**BDO**”) as receiver and manager (the “**Receiver**”) of the assets, undertakings and properties (“**Property**” or the “**Properties**”) of Malgorzata Nowak Professional Corporation (operating as Sanitas Dental Health) (“**Nowak PC**”) and Sanitas Limited (collectively with Nowak PC, “**Sanitas**” or the “**Clinic**”).
2. In addition to the Receivership Order, ATB also sought and obtained a bankruptcy order on January 11, 2024, adjudging Malgorzata Nowak (“**Dr. Nowak**”) bankrupt and appointing BDO Canada Limited as Licensed Insolvency Trustee (the “**Trustee**”) of her bankrupt estate pending affirmation by the creditors of her estate which was received on February 6, 2024.
3. On September 25, 2023, Ms. Heather Gertner of ATB filed an Affidavit (the “**Gertner Affidavit**”) in support of ATB’s application for the appointment of a Receiver.
4. The purpose of this report (the “**First Report**”) is to provide this Honourable Court with:
 - (a) Background information in respect of Nowak PC and Sanitas Limited;
 - (b) A summary of the material activities of the Receiver subsequent to the granting of the Receivership Order;
 - (c) An interim statement of receipts and disbursements as at July 12, 2024;
 - (d) An overview of the non-commercially sensitive and non-confidential aspects of the sales process administered by Avail Dental Exit Advisory Services Inc. (“**Avail**”) leading to an asset purchase agreement (the “**Herchen APA**”) between the Receiver and H.R. Herchen Professional Corporation (“**Herchen**”) for the material assets of Sanitas (the “**Purchased Assets**”) as described herein; and
 - (e) The Receiver’s recommendations thereon.
5. Concurrent with the filing of this First Report and in connection with the Receiver’s application scheduled for July 23, 2024, the Receiver will be filing a confidential supplement (the “**Confidential Supplement**”) containing additional confidential information pertaining to the Receiver’s sales process, as well as the contemplated transaction value under the Herchen APA, both of which would have a material effect on any subsequent transaction for the Purchased Assets in the event that the Herchen APA does not close.

6. In the event the transaction contemplated by the Herchen APA does not close, the assets may be subject to further marketing and the Receiver's ability to obtain the highest and best price possible in the circumstances would be severely compromised due to the confidential information being in the public domain which would cause irreparable prejudice to the creditors and other stakeholders of the estate. As a result, the Receiver will be seeking a further order sealing the Confidential Supplement until the Receiver files its certificate confirming that the Herchen APA has closed, if this Court so grants such requested relief.
7. Capitalized terms not otherwise defined in this First Report are as defined in the Receivership Order or the Initial Gertner Affidavit.
8. All references to currency are in Canadian dollars unless otherwise noted.

TERMS OF REFERENCE

9. In preparing this First Report, the Receiver has relied upon unaudited financial information and books and records of Sanitas, discussions with Management (as defined below), and discussions with Avail in its capacity as sales agent. The Receiver has not performed an audit, review or other verification of such information. Accordingly, the Receiver does not express an opinion or any other form of assurance on the information presented herein.
10. The information contained in the First Report is not intended to be relied upon by any prospective purchaser or investor in any transaction with Sanitas. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction or use of the First Report.

CORPORATE STRUCTURE AND MANAGEMENT

11. A search of the Alberta Corporate Registry System as at July 5, 2024 indicates that:
 - (a) Malgorzata Nowak Professional Corporation is a dental professional corporation that was registered in Alberta on July 27, 2017 and its sole voting shareholder and sole director is Dr. Nowak. Malgorzata Nowak Professional Corporation was struck from the Alberta Corporate Registry on January 2, 2024 for failure to file Annual Returns.
 - (b) Sanitas Limited is a named Alberta corporation that was registered in Alberta on March 23, 2020 and revived on October 20, 2022. Its sole voting shareholder and sole director is Dr. Nowak.

12. The Receiver understands that while Dr. Nowak was the principal dentist with Nowak PC, her husband Jerzy Michal Nowak was responsible for much of the administration and financial affairs of Sanitas. On October 20, 2023, Mr. Nowak filed an Affidavit (the “**October 20 Michal Affidavit**”) in opposition to the appointment of a Receiver whereby he swears that he is a corporate representative of Malgorzata Nowak Professional Corporation and is Dr. Nowak’s husband and business partner. Dr. Nowak and Mr. Nowak are collectively and individually referred to herein as “**Management**”.
13. The Receiver understands that the operations of the clinic historically operated under Nowak PC, but then commenced operating under Sanitas Limited and then subsequently Nowak Spa SDH then given various seizures, account closures and garnishments by creditors, including Canada Revenue Agency. For example, Management advises that employees would have historically been paid at various time from different legal entities, however no formal intercompany accounting or reconciliations would have been completed.

FINANCIAL POSITION

Assets

14. The substantial assets of the Clinic were comprised of dental equipment, leasehold improvements, a minimal amount of accounts receivable and potential intangible assets such as goodwill.
15. The Clinic operated from a leased location at 1123 Kensington Road NW in Calgary, Alberta pursuant to a lease dated March 20, 2020 with Sable Developments – Kensington Gate Corp. as amended by a Lease Amending Agreement dated November 13, 2020 (the “**Sable Gate Lease**”). However, on January 9, 2024, Sable Gate Corp. (the “**Landlord**”), as successor to Sable Developments – Kensington Gate Corp., advised Dr. Nowak and Sanitas Limited, as tenants, that they were in default of the lease and the Landlord was terminating the lease effective immediately. Subsequent to its appointment and in an effort to be able to market and convey the Clinic assets as a potential going-concern in an attempt to monetize the leasehold improvements, following discussions with ATB, the Receiver and Trustee negotiated and entered into a Lease Revival Agreement effective March 25, 2024 to revive the Sable Gate Lease.

Liabilities

Receiver's Borrowings

16. As of June 12, 2024, ATB has advanced to the Receiver \$100,000 in the form of Receiver's Borrowings subject to the Receiver's Borrowing Charge which provides priority over all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

Canada Revenue Agency ("CRA")

17. As described above, as the Receiver has not yet completed its review of the books and records of the Clinic, it is not yet in a position to complete a deemed trust audit to ascertain the existence (or lack thereof) of any deemed trust with respect to employee source deductions or Goods and Services Taxes.

ATB

18. The Initial Gertner Affidavit describes that on November 1, 2022, default judgement was obtained by ATB in the amount of \$964,391.64, following which a one-time payment in the amount of \$500 was made on the judgement. ATB filed a proof of claim in the personal bankruptcy proceedings of Dr. Nowak claiming an amount of \$1,004,544.18.

Other creditors claiming a security interest

19. A search of the Alberta Personal Property Registry on July 12, 2024 indicates, *inter alia*, the following creditors having noted registered interests:

Nowak PC

- (a) ATB Registered a security agreement on November 26, 2019 claiming an interest in all present and after acquired personal property;
- (b) ATB Registered a security agreement on December 20, 2019 claiming an interest in all present and after acquired personal property;
- (c) Alberta Women Entrepreneurs Association registered a security agreement on November 13, 2020 claiming an interest in all present and after acquired personal property;
- (d) ATB registered a writ of enforcement on November 17, 2022 in the amount of \$966,261.80;

- (e) 9859870 Canada Inc. registered a security agreement on November 22, 2022 claiming an interest in all accounts, chattel paper, documents, equipment, general intangibles, instruments and inventory as those terms are defined in the personal property security act;

Sanitas Limited

- (a) Valued Professional Products registered a writ of enforcement on May 25, 2023 in the amount of \$3,231.88;
- (b) Valued Professional Products registered a seizure on August 30, 2023 with a declared value of \$0;

Employees

- 20. The Receiver understands that as of the date of the Receivership Order there were approximately 3 employees (including Mr. Nowak) for which the Receiver administered the Wage Earner Protection Program Act. The Receiver understands that operations of the Clinic had effectively ceased some time prior to the Receivership as precipitated by the termination of the lease.
- 21. Based on the payments made to the employees by Employment and Social Development Canada (“ESDC”) through the Wage Earner Protection Plan Program (“WEPP”), an amount will be outstanding to ESDC, however such amount is not yet confirmed as of the date of this First Report, with a portion such amount subject to a super-priority over the current assets of the Clinic to a maximum of \$2,000 per employee.

Landlord

- 22. As outlined above, the Clinic operated from leased premises for which the Landlord terminated its lease for a breach of obligations. In order to be in a position to convey the Clinic’s interest in the leasehold improvements, the Receiver and Trustee negotiated with the Landlord and the Receiver cured the defaults under the Sable Gate Lease such that the Sable Gate Lease was brought current, reinstated and subject to assignment pursuant to the Herchen APA as discussed herein.

ACTIVITIES OF THE RECEIVER

- 23. Subsequent to the granting of the Receivership Order, the Receiver has, *inter alia*:

- (a) Attended to recreating, to the best of its ability, certain employee records to allow it to administer WEPP;
- (b) Attended to various employee enquiries, where information was available, with respect to requests for employment filings such as T4's which were not filed by the Clinic;
- (c) Coordinated the return of third-party goods, including verification of ownership as appropriate;
- (d) Sourced alternative insurance given the pre-receivership cancellation of the Clinic's insurance policy;
- (e) Regularly attended to the Clinic's premises to ensure compliance with insurance requirements given the vacancy of the property, as well as to attend to minor repair and maintenance matters;
- (f) Engaged a former employee of the Clinic in an attempt to respond to multiple requests for dental records, including discussions with the College of Dental Surgeons of Alberta with respect to Receiver's difficulty accessing such information and obligations thereon;
- (g) Corresponded with the Court with respect to amounts held in Court pursuant to a garnishment of funds initiated by ATB;
- (h) Corresponded with Dr. Nowak, Mr. Nowak and a third-party dental clinic where Dr. Nowak was working pursuant to an associate agreement and where Dr. Nowak and Nowak PC were collectively the Associate. The Receiver clarified that it was not taking a position with respect to post-receivership earnings earned by Dr. Nowak and returned such amounts to Dr. Nowak. The Receiver notes that such earnings remained subject to the Office of Superintendent of Bankruptcy's directive 11R2 pertaining to the obligation of an individual bankrupt to remit surplus income for the benefit of the creditors of their bankrupt estate;
- (i) Commenced its review of available banking records, noting that based upon the records available to the Receiver and discussions with Management the ultimate payees are not readily determinable from the initial banking documentation due to the use of electronic e-transfers, debit card or cash transactions where the payee information is not detailed on bank statements;

- (j) Held numerous and extensive discussions with respect to the termination and cure of the Sable Gate Lease, as well as the potential impact of the sales process on the Landlord;
- (k) Engaged and liaised with Avail to administer the sales process culminating in the Herchen APA;
- (l) Provided updates to stakeholders as required; and
- (m) Attended to various other administrative matters as it pertains to the Receivership.

SALES PROCESS

- 24. Paragraph 4(l) of the Receivership Order provides the Receiver with the authorization to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 25. Paragraph 4(m) of the Receivership Order provides the Receiver with the authority to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (a) Without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (b) With the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause.

Listing Agreement with Avail Dental Exit Advisory Services Inc.

- 26. As outlined in the Initial Gertner Affidavit, prior to the granting of the Receivership Order, ATB had discussions with Darren Shanahan of Avail who was familiar with the Clinic assets.
- 27. Avail was known to representatives of the Receiver as having experience in court-appointed sale mandates of dental clinics. The Receiver understands from Mr. Shanahan that the team at Avail has been involved in the transition of over 150 dental practices over the past 8 years and has completed an average of over 80 dental practice valuations.

28. Following discussions with Avail, the Receiver entered into a listing agreement whereby Avail would exclusively list the Clinic assets for sale and would be entitled to a commission equal to 3.5% of the first \$1,500,000 and 1% on the amount over \$1,500,000, plus applicable GST.

Marketing Process

29. Avail has provided the following details pertaining to their marketing process for the Clinic:
- (a) Avail sent an email blast describing the opportunity to a proprietary database of individuals understood to be potentially interested in similar assets as well as individuals identified or brought to the attention of the Receiver, with approximately 318 individuals or organizations receiving details of the opportunity; and
 - (b) Based on Avail and the Receiver's efforts, 44 groups signed confidentiality agreements and 41 requesting and reviewing more detailed financial and building information, the results including the number and details of offers of which are as disclosed in the Confidential Supplement to the First Report.
30. Following the above sales and marketing efforts, the highest and best offer was submitted by Herchen leading to the Herchen APA.

HERCHEN APA

31. The key, non-confidential and non-commercially sensitive terms of the Herchen APA are summarized below. The purchase price and other commercially sensitive information is disclosed in the Receiver's Confidential Supplement to this First Report.
- (a) Purchased Assets include Sanitas' right, title and interest (if any) to the dental equipment, interest in the Sable Gate Lease and certain other intangible assets as outlined in the Herchen APA;
 - (b) Conditional only upon Court approval;
 - (c) Purchased Assets are sold on an "as is, where is" basis;
 - (d) Closing date to be the later of:
 - i. August 16, 2024;
 - ii. Ten (10) business days after Court approval;

- iii. Ten (10) business days after the final resolution, dismissal or withdrawal of an appeal of a Court order approving the sale; or
 - iv. Such other date as the Receiver and Herchen may agree to in writing.
- (e) Patient Records will form part of the Purchased Assets, subject to Herchen demonstrating it is in good standing with the College of Dental Surgeons of Alberta;
- (f) Includes the Sable Gate Lease as an Assigned Contract;
- 32. A copy of the Herchen APA, with the purchase price and deposit information redacted, is attached as **Appendix “A”** to this First Report.
- 33. The Receiver believes that in the totality of the circumstances, the approval of the Herchen APA is in the best interest of all stakeholders for the following reasons:
 - (a) The Clinic’s assets were widely marketed for sale by Avail, a broker experienced in the sale of dental clinics with an extensive network of potential purchasers;
 - (b) The Herchen APA was negotiated between the parties at arm’s length, in good faith and is commercially reasonable in the Receiver’s business judgement;
 - (c) There has been no unfairness in the sales process conducted or the negotiation of the Herchen APA.
- 34. The Receiver has been in frequent contact with ATB, the first ranking secured creditor and financier of the Receiver’s Borrowings during the course of these proceedings. The Receiver understands that ATB is supportive of the Transaction in the circumstances, notwithstanding the deficiency that ATB is forecast to incur.

COMMENTS AS TO VALUE / POTENTIAL RECOVERIES TO ATB

- 35. The October 20 Michal Affidavit, *inter alia*, attaches a Letter of Opinion on the current market value for Sanitas’ dental equipment with an ascribed market value of \$174,324.56. For clarity, the Receiver has not completed a fulsome reconciliation of the assets subject to this Letter of Opinion versus those subject to the Herchen APA, but highlights that it does not appear to include an ascribed value to Sanitas’ interest in the leasehold improvements, value (if any) in patient records, goodwill, etc.

36. The October 20 Michal Affidavit, *inter alia*, also describes a purported settlement agreement as between ATB, Sanitas and its principals in an amount of \$350,000 “as full and final settlement for the business and personal guarantees” which the Receiver understands ATB took the position that there was no completed settlement agreement, leading them to seek and be granted the Receivership and Bankruptcy Orders.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

37. The Receiver has attached an interim statement of receipts and disbursements for the period to July 12, 2024 (the “**First Interim SRD**”) as **Appendix “B”**. The First Interim SRD illustrates that the Receiver is holding approximately \$12,130 in its trust account as of July 12, 2024.
38. The Receiver highlights that the First Interim SRD is prepared on a cash basis, therefore does not reflect accrued, but unpaid costs, such as the professional fees of the Receiver or its counsel.

SEALING ORDER

39. In order to protect the integrity of any reinstated sales process in the event the transaction subject to the Herchen APA does not close, the Receiver is requesting that this Honourable Court grant an order sealing the Confidential Supplement until the Receiver files a certificate confirming that the transaction contemplated by the Herchen APA has closed.

RECOMMENDATIONS

40. The Receiver respectfully recommends that this Honourable Court:
- (a) Approve the activities of the Receiver and the First Interim SRD as currently before the Court;
 - (b) Approve the transaction with Herchen substantially upon the terms in the Herchen APA, including the vesting of the assets and assignment of the Sable Gate Lease; and
 - (c) Seal the Confidential Supplement on the Court file, until the filing of the Receiver’s Certificate.

All of which is respectfully submitted this 16th day of July, 2024.

BDO Canada Limited

Solely in its capacity as Receiver of Malgorzata Nowak Professional Corporation and Sanitas Limited and not in its personal or corporate capacity

A handwritten signature in blue ink, appearing to read "Kevin Meyler", is positioned above the "Per:" text.

Per:

Kevin Meyler, CPA, CIRP, LIT
Senior Vice President

APPENDIX A

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of the 15th day of July, 2024 (the “**Effective Date**”) among:

BDO CANADA LIMITED, in its capacity as court-appointed receiver of **MALGORZATA NOWAK PROFESSIONAL CORPORATION (OPERATING AS SANITAS DENTAL HEALTH)** and **SANITAS LIMITED** and not in its personal or corporate capacity

(the “**Vendor**”)

– and –

H. R. Herchen Professional Corporation

(the “**Purchaser**”)

WHEREAS pursuant to the Order of the Honourable Mr. Justice G.S. Dunlop of the Alberta Court of King's Bench (the “**Court**”) dated January 11, 2024 (the “**Appointment Order**”), in Action No. 2201-09184 (the “**Receivership Proceedings**”), BDO Canada Limited (the “**Receiver**”) was appointed receiver and manager of Malgorzata Nowak Professional Corporation (operating as Sanitas Dental Health) (“**Nowak PC**”) and Sanitas Limited (“**Sanitas**” and collectively with Nowak PC, the “**Debtors**”).

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

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act* (Alberta).

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

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

having the force of law, that applies in whole or in part to such Person, property, transaction or event.

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

“Assigned Contracts” means those Contracts set out and listed in Schedule “C”. For certainty, the Assigned Contracts do not include the Excluded Contracts.

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

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

“Assumed Liabilities” means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule “D”; (b) all Liabilities relating to the Purchased Assets arising on or after the Closing Time; and (c) all Liabilities which relate to the Assigned Contracts; in each case solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing. For certainty, the Assumed Liabilities do not include the Excluded Liabilities.

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

“Bill of Sale” means a general conveyance and bill of sale, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendor’s rights, benefits, and interests in, to and under the Purchased Assets.

“Books and Records” means the Vendor's files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), which are in the possession of the Vendor (if any) and are materially relevant to the Assigned Contracts or the Purchased Assets, and which are provided on an ‘as is, where is’ basis in accordance with Section 7.3.

“Business Day” means a day on which banks are open for business in Calgary, Alberta, but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta.

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

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

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

“Closing Date” means, subject to the terms hereof, the date that is the later of (a) August 16, 2024; (b) ten (10) Business Days after the date the Approval and Vesting Order is granted by the Court; (c) the date that is ten (10) Business Days following the final resolution, dismissal or withdrawal of an appeal properly brought by a party with standing to appeal the Approval and Vesting Order; (d) or such other date as the Parties may agree to in writing from time to time.

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

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

“Court” has the meaning set out in the recitals hereto.

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

“Deposit” has the meaning ascribed thereto in Section 3.2(a) hereof.

“Effective Date” has the meaning set out in the preamble hereto.

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

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

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

“Excluded Contracts” means all Contracts that are not identified as Assigned Contracts.

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

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

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

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

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

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

“Outside Date” means August 30, 2024 or such earlier or later date as the Parties may agree upon in writing.

“Parties” has the meaning set out in the recitals hereto.

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

“Patient Records” means the files, charts, records, x-rays, models, patient and billing records, patient lists, documentation and other data of the patients of Nowak PC or Sanitas at the premises located at 1123 Kensington Road NW, Calgary, AB.

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

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

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

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

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

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

“Purchaser’s Solicitors” means Coulter Dalton Wolanski LLP.

“Receiver” has the meaning set out in the recitals hereto.

“Receiver's Certificate” has the meaning set out in Section 6.1(e).

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

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

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

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

“Vendor’s Solicitors” means MLT Aikins LLP.

1.1 Interpretation Not Affected by Headings, etc.

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

1.2 General Construction

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

1.3 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have

similar meanings and the term “third party” means any other Person other than the Vendor, Receiver, or the Purchaser, or any Affiliates thereof.

1.4 Currency

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

1.5 Statutes

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

1.6 Schedules

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

SCHEDULES

<u>Schedule “A”</u>	-	Purchased Assets
<u>Schedule “B”</u>	-	Permitted Encumbrances
<u>Schedule “C”</u>	-	Assigned Contracts
<u>Schedule “D”</u>	-	Assumed Liabilities

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

1.7 Interpretation if Closing Does Not Occur

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

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Assets

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

2.2 Assumption of Assumed Liabilities

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

2.3 Assignment of Contracts

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

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

- (a) The purchase price payable by the Purchaser for the Purchased Assets shall be [REDACTED], subject to adjustment as provided in this Agreement (the "**Purchase Price**"). For certainty, the Purchase Price shall be exclusive of applicable Taxes.
- (b) The Purchase Price shall be adjusted to proportionally allocate between the Parties all Taxes, local improvement charges, utilities, pre-paid rent and interest in accordance with Section 3.6 of this Agreement.

- (c) The adjustments shall be for the Vendor's account as to both revenue and expenses up to 12:01 a.m. on the Closing Date, and thereafter for the Purchaser's account.
- (d) The Purchase Price shall be exclusive of the Cure Costs and the adjustment specified in Section 3.6 of this Agreement.

3.2 Satisfaction of Purchase Price

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

- (a) Deposit. The Parties acknowledge that the Purchaser has paid a deposit in the amount of [REDACTED] (the "**Deposit**") and shall be credited against the Purchase Price at Closing.
- (b) Cash Purchase Price. An amount equal to the remaining Purchase Price less the Deposit, plus any Transfer Taxes (the "**Cash Purchase Price**"), as adjusted pursuant to Section 3.6, shall be paid by the Purchaser to the Vendor via certified cheque, bank draft or wire transfer of immediately available funds at the Closing Time.
- (c) Cure Costs. The Cure Costs shall be paid by the Purchaser to the applicable counterparties at Closing.
- (d) Assumed Liabilities. An amount equal to the amount of the remaining Assumed Liabilities which the Purchaser shall assume on the Closing Date, and which shall be satisfied by the Purchaser becoming liable for and performing the Assumed Liabilities.

3.3 Deposit

- (a) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (b) If this Agreement is terminated:
 - (i) pursuant to Sections 6.1, 6.2 or 8.1(b), the Deposit shall be returned to the Purchaser; or
 - (ii) for any other reason, the Deposit shall be forfeited by the Purchaser and retained by the Vendor; and
 - (iii) in the event of termination of this Agreement under Section 8.1 pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any Claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.4 Allocation of the Purchase Price

The Vendor and the Purchaser agree to allocate the Purchase Price to the Purchased Assets held by the Vendor for tax purposes in a manner to be agreed to by the Parties, each acting reasonably, at least three

(3) days before Closing, and to report the sale and purchase of the Purchased Assets for all federal, provincial and local tax purposes in a manner consistent with such allocation.

3.5 Section 167 Tax Election.

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

3.6 Adjustments

- (a) Adjustments for the Purchased Assets shall be made as of the Closing Date and the Purchase Price will be adjusted accordingly. Except as otherwise provided in this Agreement, the Vendor will be responsible for all expenses and will be entitled to all revenues accrued with respect to the Purchased Assets for the period ending on the day before the Closing Date and, for the period from and including the Closing Date, the Purchaser will be responsible for all expenses and will be entitled to all revenues accruing with respect to the Purchased Assets. All real property taxes and local improvement levies that are not being recovered under the Assigned Contracts, shall be adjusted as at the Closing Date for the calendar year of sale.
- (b) A Statement of Adjustments will be delivered to the Purchaser by the Vendor at least five (5) Business Days prior to the Closing Date and shall have annexed to it details of the calculations used to arrive at all debits and credits on the Statement of Adjustments. The Vendor will give the Purchaser and its representatives copies of all working papers and back-up materials requested by the Purchaser in writing, acting reasonably, in order to verify the Statement of Adjustments.

ARTICLE 4 COVENANTS

4.1 Closing Date

- (a) The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing.
- (b) Each of the Parties shall, as promptly as possible, make, or cause to be made, all filings and submissions, as applicable, required under any Applicable Law to effect the Closing.

4.2 Interim Period

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

4.3 Access During Interim Period

During the Interim Period, the Vendor shall, subject to any confidentiality, privacy or safety restrictions, give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Purchased Assets and to the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Purchased Assets as the

Purchaser reasonably deems necessary or desirable to further familiarize itself with the Purchased Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and which are included in the data room; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the Vendor's contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Vendor's operations and the Vendor shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

4.4 Assigned Contracts

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

4.5 Insurance Matters

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

4.6 Risk of Loss

The Purchased Assets shall be at the risk of the Vendor until Closing. If, between the date hereof and Closing, any of the Purchased Assets are destroyed, lost or materially damaged (each a "**Casualty**"), the Purchaser shall still complete the purchase of the Purchased Assets on an "as is, where is" basis without any adjustment to the Purchase Price payable hereunder and take an assignment from the Vendor of all insurance proceeds payable to the Vendor in respect of the Casualty. For greater certainty, in no event shall the aggregate total of the insurance proceeds assigned to the Purchaser in accordance with this Section and the fair market value of Purchased Assets exceed the Purchase Price.

4.7 Indemnity

The Purchaser hereby indemnifies the Vendor, including both the Receiver (in its personal and corporate capacity), Nowak PC, and Sanitas, and its and their respective representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any Transfer Taxes (including penalties and interest) which may be assessed against any of the Vendor, including, notwithstanding anything to the contrary in this Agreement, any Taxes which may be assessed against any of the Vendor in the event that any election made

pursuant to Section 3.5 is challenged by the relevant Tax authority as being inapplicable to the transactions under this Agreement, or as a result of the Purchaser's failure to file such elections within the prescribed time;

- (b) the Purchaser's access in accordance with Section 4.3;
- (c) the Purchaser's failure to pay when due and failure to perform and discharge the Assumed Liabilities in accordance with their terms.

ARTICLE 5 CLOSING ARRANGEMENTS

5.1 Closing

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

5.2 Vendor Closing Deliveries

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

- (a) the Purchased Assets, with delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;
- (b) a certified true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (c) a true copy of any Assignment Order, if applicable, in respect of any Assigned Contracts for which consents to assignment were required but not obtained;
- (d) a statement of adjustment for the Purchased Assets in accordance with Section 3.6;
- (e) the Bill of Sale, duly executed by the Vendor;
- (f) the Assignment and Assumption Agreement, duly executed by the Vendor;
- (g) the election referred to in Section 3.5 of this Agreement, if applicable;
- (h) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

5.3 Purchaser's Closing Deliveries

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

- (a) the Cash Purchase Price referred to in Section 3.2(b), including the payment of all Transfer Taxes (if any) required to be paid on Closing, which shall be made to the Receiver in trust;
- (b) the Bill of Sale, duly executed by the Purchaser;
- (c) the Assignment and Assumption Agreement, duly executed by the Purchaser;

- (d) the Cure Costs referred to in Section 3.2(c);
- (e) bring-down certificate executed by a senior officer of the Purchaser (without personal liability) dated as of the Closing Date, in form and substance satisfactory to the Vendor, acting reasonably, certifying that: (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date; and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects;
- (f) the election referred to in Section 3.5 of this Agreement, if applicable;
- (g) proof of insurance for the full value of the Purchased Assets; and,
- (h) proof of good standing of the Purchaser with the College of Dental Surgeons of Alberta;
- (i) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

5.4 Personal Information Privacy

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

ARTICLE 6 CONDITIONS OF CLOSING

6.1 Mutual Conditions of Closing

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

- (a) Approval and Vesting Order. The Court shall have pronounced the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) Assignment Order. The Court shall, if applicable, have pronounced the Assignment Order, which Assignment Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with

standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

- (c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority (other than the Court or other court with standing) or otherwise in effect that restrains or prohibits the completion of the Transaction.
- (d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority (other than the Court or other court with standing) to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (e) Receiver's Certificate. The Receiver shall have provided an executed certificate of the Receiver substantially in the form attached to the Approval and Vesting Order (the “**Receiver's Certificate**”) confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.

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

6.2 Purchaser's Conditions of Closing

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

- (a) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 5.2.
- (b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 7.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.

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

6.3 Vendor's Conditions of Closing

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

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

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

6.4 Efforts to Fulfill Conditions

The Parties acknowledge and agree that each shall proceed diligently and in good faith and use commercially reasonable efforts to satisfy the conditions set forth in Section 6.2 and 6.3 on or prior to the Closing Date, and shall provide the other Party with reasonable assistance in the satisfaction and compliance with the conditions that the other Party may reasonably request.

6.5 Receiver's Certificate

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

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of the Vendor

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

- (a) Authority. Subject to Court approval of this Agreement, it has the authority pursuant to the Appointment Order to sell the Purchased Assets to the Purchaser on the terms and conditions of this Agreement and to apply for the Approval and Vesting Order.

- (b) Residency. The Vendor is not a non resident of Canada within the meaning of section 116 of the *Income Tax Act* (Canada).

7.2 Representations and Warranties of the Purchaser

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

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the Province of Alberta as of the date hereof, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser, before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) Funding Available. The Purchaser has available sufficient funding to enable the Purchaser to consummate the purchase of the Purchased Assets on the terms set forth herein and otherwise to perform all of the Purchaser's obligations under this Agreement. For certainty, such funding shall not be conditional on either: (i) title to the Purchased Assets being transferred to the Purchaser or other third party prior to the Purchase Price being advanced to the Vendor and the Receiver's Certificate being issued; and (ii) security being registered against the Purchased Assets prior to Closing.
- (g) Excise Tax Act. The Purchaser is registered under Part IX of the *Excise Tax Act* (Canada) with registration number **88478 8183 RT0002** .
- (h) Residency. The Purchaser is not a non resident of Canada within the meaning of section 116 of the *Income Tax Act* (Canada).
- (i) Good Standing. The Purchaser is in good standing with the College of Dental Surgeons of Alberta, and neither the Purchaser nor the principal of the purchaser, Dr. Hans Herchen, has been found guilty of professional misconduct by the College of Dental Surgeons of Alberta, and to the Purchaser's knowledge, there are no charges, allegations or

investigations of professional misconduct underway, or to the Purchaser's knowledge, threatened or pending, against the Purchaser or Dr. Hans Herchen.

- (j) No Sanctions. None of the Purchaser, any of its subsidiaries or, to the knowledge of the Purchaser, any director, officer, agent, employee, Affiliate or representative of the Purchaser or any of its subsidiaries is, or is controlled or 50% or more owned by or is acting on behalf of, an individual or entity (a "**Sanctioned Person**") currently the subject of applicable economic sanctions including those administered or enforced by the government of Canada, the United States of America, or the United Kingdom (collectively, "**Sanctions**"). None of the Purchaser or any of its subsidiaries is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. To the Purchaser's knowledge, neither it nor any of its subsidiaries has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person. The Purchaser has procedures and policies in place designed to ensure compliance with Sanctions.

7.3 "As is, Where is"

(1) Except as contemplated in Section 7.1, the Purchaser acknowledges and agrees that it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an "as is, where is" basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets, Assumed Liabilities and all other relevant matters and has determined to proceed with the Transaction contemplated herein and will accept the same at the Closing Time in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.

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

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

(4) Any documents, materials and information provided by the Vendor or Receiver to the Purchaser with respect to the Purchased Assets or Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have

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

(5) The Purchaser acknowledges that the Patient Records (if any) forming part of the Purchased Assets may be subject to unalienable or personal non-financial rights (“**Patients’ Information Rights**”) that a patient, or a patient’s guardian at law, may hold by virtue of applicable law, to obtain copies of, or access to, or claim other rights in, certain information that is included in a part of his or her own, or his or her dependent’s Patient Records, and the Purchaser’s purchase of the Patient Records (if any) forming part of the Purchased Assets may be subject to such Patients’ Information Rights on the Closing Date. The Parties acknowledge that the custody and control of all of the Patient Records (if any) forming part of the Purchased Assets are hereby transferred to the Purchaser in accordance with Applicable Law at the Closing Time on the Closing Date, including the *Health Information Act* (Alberta) and the *Personal Information Protection and Electronic Documents Act* (Canada). As a result of the transfer of the custody and control of the Patient Records (if any) to the Purchaser, it is hereby acknowledged that the Purchaser will be the custodian of the Patient Records (if any) pursuant to the *Health Information Act* (Alberta) from and after the Closing Date.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated prior to the Closing Date:

- (a) by the Vendor upon written notice to the Purchaser if:
 - (i) the Closing has not occurred by the Outside Date; or
 - (ii) the Purchaser has breached its obligations under this Agreement and has not cured such breach within two (2) Business Days of receiving notice thereof from Vendor;

provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Vendor; or
- (b) by the Purchaser upon written notice to the Vendor if: (i) the Closing has not occurred by the Outside Date; or (ii) the Vendor has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from Purchaser; provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Purchaser.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for

the provisions of Sections 4.7 (Indemnity), 5.4 (Personal Information Privacy), 9.3 (Public Announcements) and 9.9 (Governing Law).

ARTICLE 9 GENERAL

9.1 Access to Books and Records

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

9.2 Preservation of Patient Records

The Purchaser agrees that it will maintain and preserve, and retain in good order and in accordance with Applicable Law, all Patient Records delivered by the Vendor to the Purchaser for the longest period of time required by (i) Applicable Law, (ii) by the College of Dental Surgeons of Alberta, or any successor body, or (iii) Governmental Authority, and will permit the principal of the Vendor and the principal's authorized representatives, upon written request to the Purchaser, reasonable supervised access to all such Patient Records on reasonable notice in connection with the affairs of the Principal or the Vendor relating to legal, regulatory, accounting or tax purposes, or any matters of professional accountability in accordance with all Applicable Laws; provided that all copying charges shall be at the Vendor's expense.

9.3 Notice

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

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

H. R. Herchen Professional Corporation

c/o 101, 4209 99 Street NW
Edmonton, AB T6E 5V7
Attention: Melany Ring
Email: mel@dentalchoice.ca

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

Coulter Dalton Wolanski LLP

101, 4209 99 Street NW
Edmonton, AB T6E 5V7
Attention: David Yesdresyski
Email: dby@cdwlaw.ca

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

BDO Canada Limited
110, 5800 – 2nd Street SW
Calgary, AB T2H 0H2
Attention: Kevin Meyler
Email: kmeyler@bdo.ca

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

MLT Aikins LLP
2100, 222 3rd Ave SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara / Natasha Hepp
Email: rzahara@mltaikins.com / nhepp@mltaikins.com

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

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

9.4 Public Announcements

The Receiver shall be entitled to disclose this Agreement to the Court and parties in interest in the Receivership Proceedings, other than any information which the Purchaser advises the Receiver in writing as being confidential, and this Agreement may be posted on the Receiver's website maintained in connection with the Receivership Proceedings at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/sanitas>. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Vendor or any of its Affiliates under Applicable Laws or stock exchange rules, the Parties shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

9.5 Time

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

9.6 Survival

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

9.7 Benefit of Agreement

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

9.8 Entire Agreement

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

9.9 Paramountcy

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

9.10 Governing Law

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 and each of the Parties irrevocably attorn to the exclusive jurisdiction of the Court in the Receivership Proceedings, and any appellate courts of the Province of Alberta therefrom.

9.11 Assignment

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

9.12 Further Assurances

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

9.13 Counterparts

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

executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

9.14 Severability

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

9.15 Receiver's Capacity

In addition to all of the protections granted to the Receiver under the Receivership Order or any other order of the Court in these Receivership Proceedings, the Purchaser acknowledges and agrees that the Receiver, acting in its capacity as court-appointed receiver and not in its corporate or personal capacity, will have no Liability to the Purchaser in connection with this Agreement or the Transaction contemplated herein.

9.16 Electronic Signatures

Each Party agrees that the electronic signatures, whether digital or encrypted, of the Parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

[Signature Page Follows]

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

**BDO CANADA LIMITED, IN ITS
CAPACITY AS COURT-APPOINTED
RECEIVER OF MALGORZATA NOWAK
PROFESSIONAL CORPORATION
(OPERATING AS SANITAS DENTAL
HEALTH) and SANITAS LIMITED AND
NOT IN ITS PERSONAL OR CORPORATE
CAPACITY**

Per:



Name: Kevin Meyler

Title: Senior Vice President

**H. R. HERCHEN PROFESSIONAL
CORPORATION**

Per:

Name:

Title:

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


**BDO CANADA LIMITED, IN ITS
CAPACITY AS COURT-APPOINTED
RECEIVER OF MALGORZATA NOWAK
PROFESSIONAL CORPORATION
(OPERATING AS SANITAS DENTAL
HEALTH) and SANITAS LIMITED AND
NOT IN ITS PERSONAL OR CORPORATE
CAPACITY**

Per: _____

Name: _____

Title: _____

**H. R. HERCHEN PROFESSIONAL
CORPORATION**

Per: 565E3FDEFC5C4FB...

Name: Dr. Hans Herchen

Title: CEO

SCHEDULE “A”**PURCHASED ASSETS**

Dental Operatory #1	Adec Dental Chair, Model 511 (SN 20A511-B13247)
	Adec Dr.’s Delivery Unit, Chair Mounted, Model 532 (SN-20C532-B18104)
	Assistant’s Delivery Package, Cabinet mounted, with isolate 3 (S/N-933C129A)
	Adec Dental Light, Cabinet mounted, Model: 574L (S/N-191574L-A14628)
	Belmont X- Ray unit, not mounted, Model: Photo IIs 505H (S/N-EA19G0066) shared with Op #2
	Apron (Grey)
	IBM Thinkcenter CPU, Benq Monitor with keyboard and mouse
	12 O’clock Dr.’s Cabinet
	Center Island storage housing with sink
	3m ESPE Curing Light, Model: Elipar DeepcureS (S/N-93312019606)
	Mouthwatch Intra Oral Camera (S/N-21052800)
	Dentist stool (Blue)
	Assistant’s stool (Blue)
	Air Doctor Air Purifier
	Pentamix 3
	Danville Prepstart
Dental Operatory #2	Adec Dental Chair, Model: 511 (S/N-20A511-B13253)
	Adec Dr.’s Delivery Unit, Chair mounted, Model: 532 (S/N-20C532-B18096)
	Assistant’s Delivery Package, Cabinet mounted, with isolate 3, Model: 572L (S/N-A1575L-A17308)
	Adec Dental Light, Cabinet mounted
	Belmont X- Ray unit, not mounted, Model: Photo IIs 505H (S/N-EA19G0066) shared with Op #1
	IBM Thinkcenter CPU, Benq Monitor with keyboard and mouse
	12 O’clock Dr.’s Cabinet
	3m ESPE Curing Light, Model: Elipar DeepcureS (S/N-9331120A602)
	Mouthwatch Intra Oral Camera (S/N-21051128)
	Dentist stool (Blue)
	Assistant’s stool (Blue)
Dental Operatory #3	Pelton & Crane Dental Chair, Model: SP17 (S/N-1015323)
	Pelton & Crane Dr.’s Delivery Unit, Chair mounted, Model: Set12 (S/N-3306648)
	Pelton & Crane Assistant’s Delivery Package
	Pelton & Crane Dental Light, Chair mounted
	Belmont PhotoxIIs X- Ray unit, Cabinet mounted, Model: 505H (S/N-EH19K0081) Shared with Op #4
	Apron (Grey)
	IBM Thinkcenter CPU, Benq Monitor with keyboard and mouse
	12 O’clock Dr.’s Cabinet
	Center Island storage housing with sink
	Mouthwatch Intra Oral Camera (S/N-21050946)
	Dentist stool (Grey)
	Assistant’s stool (Grey)
	Air Doctor Air Purifier
Dental Operatory #4	Pelton & Crane Dental Chair, Model: SP17 (S/N-1015322)
	Pelton & Crane Dr.’s Delivery Unit, Chair mounted, Model: Set12 (S/N-3306649)

	Pelton & Crane Assistant's Delivery Package, Chair mounted
	Pelton & Crane Dental Light, Chair mounted
	Belmont PhotoxIIs X- Ray unit, Cabinet mounted, Model: 505H (S/N-EH19K0081) Shared with Op #3
	IBM Thinkcenter CPU, Benq Monitor with keyboard and mouse
	12 O'clock Dr.'s Cabinet
	Center Island storage housing with sink
	Assistant's stool (Grey)
	Zoom whitening (S/N-50985)
Sterilization	Midmark MII Ultraclave Units, steam sterilizer
	G4 Hydrim SciCan
	Statim
Lab	Sta Vac Former
	Whipmix Vibrator
	Danby mini fridge
X-Ray	Carestream Pan, Model: CS8100
	Lenovo CPU, Benq Monitor with keyboard and mouse, wall mounted
Waiting Room	Waiting room chairs
	Coat rack
Reception	Custom office desks
	IBM Thinkcenter CPU, Asus Monitor with keyboard and mouse
	IMB Thinkcenter CPU, Asus with keyboard and mouse
	HP Printer, Model: Officejet Pro 9015
	Pioneer office stereo
Staff Room	Danby mini fridge
	Panasonic microwave oven
	Table with 3 chairs
Mechanical	Compressor, Model: Ramvac (S/N-0320310139)
	Dental ez vacuum system, Model: MC202FS (S/N-AK15292)
	Solmetex Amalgam Separator, Model: Hg5 (S/N-XC109947)
	Maytag stackable washer and dryer
Other	Cleardent Software
	Patient Records

SCHEDULE "B"

PERMITTED ENCUMBRANCES

Nil.

SCHEDULE “C”

ASSIGNED CONTRACTS

1. Lease dated March 20, 2020 between Sable Developments – Kensington Gate Corp., as landlord, and Malgorzata Nowak, as tenant, as amended by a Lease Amending Agreement dated November 13, 2020 between Sable Gate Corp., as successor to Sable Developments – Kensington Gate Corp. (“Landlord”), and Malgorzata Nowak and Sanitas Limited, as tenants (“Tenants”), as revived by a Lease Revival Agreement dated March 25, 2024 between Landlord, Vendor, and BDO Canada Limited, solely in its capacity as trustee of the estate of Malgorzata Nowak and not in its personal or corporate capacity, for lease of the premises municipally described as 1123 Kensington Road NW, Calgary, Alberta.

SCHEDULE “D”
ASSUMED LIABILITIES

Nil.

APPENDIX B

In the Matter of the Receivership of
Malgorzata Nowak Professional Corporation and Sanitas Limited
Interim Schedule of Receipts and Disbursements
For the Period of January 11, 2024 to July 12, 2024

Receipts:

Advance from secured creditor	\$	100,000
Garnishee funds from Court		25,594
Interest		657
	\$	<u>126,251</u>

Disbursements:

Occupation rent and settlement of pre-filing amounts	\$	82,059
Insurance		18,348
Landlord legal costs		8,088
GST paid		4,172
Utilities		1,379
OSB fees		75
	\$	<u>114,121</u>

Funds on hand

\$ 12,130