

Clerk's stamp:

COURT FILE NUMBER 2203 12557

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE Edmonton

PLAINTIFF **ROYAL BANK OF CANADA**

DEFENDANTS **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOON AHMAD, also known as FETOON AHMED**

DOCUMENT **BOOK OF RELEVANT PROCEEDINGS OF ROYAL BANK OF CANADA FOR APPLICATION FOR ADVICE AND DIRECTION SCHEDULED ON OCTOBER 23, 2023**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MILLER THOMSON LLP
Counsel to the Royal Bank of Canada
Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866

Lawyer's Name: Susy M. Trace

Lawyer's Email: strace@millerthomson.com

File No.: 0255685.4

**BOOK ELEVEN OF RELEVANT PROCEEDINGS RELIED ON BY ROYAL BANK OF CANADA
FOR HEARING ON OCTOBER 23, 2023**

Click or tap here to enter text.

BOOK 1

TAB 1	Application for the appointment of a Receiver over Faissal Mouhamad Professional Corporation, 52 Dental Corporation and Delta Dental Corp. filed by Royal Bank of Canada on August 19, 2022
TAB 2	Affidavit of Jocelyn Beriault filed August 23, 2022 Exhibits A to Exhibit Y

BOOK 2

TAB 2	Affidavit of Jocelyn Beriault filed August 23, 2022 Exhibit Z
-------	--

BOOK 3

TAB 2	Affidavit of Jocelyn Beriault filed August 23, 2022 Exhibit AA
-------	---

BOOK 4

TAB 2	Affidavit of Jocelyn Beriault filed August 23, 2022 Exhibits BB to OO
-------	--

BOOK 5

TAB 2	Affidavit of Jocelyn Beriault filed August 23, 2022 Exhibits PP to RR
TAB 3	Affidavit of Service of Nikki Ebbers sworn on August 30, 2022 and filed August 31, 2022
TAB 4	Supplemental Affidavit of Jocelyn Beriault filed September 9, 2022
TAB 5	Affidavit of Faissal Mouhamad sworn on August 23, 2022

BOOK 6

TAB 6	Affidavit of Faissal Mouhamad filed on September 8, 2022 (249 pages)
TAB 7	Supplemental Affidavit of Faissal Mouhamad filed on September 8, 2022 (two pages)
TAB 8	Written Submissions of the Defendant Faissal Mouhamad Professional Corporation filed September 8, 2023

Click or tap here to enter text.

BOOK 7

TAB 9	Affidavit of Fetoun Ahmad filed on September 8, 2022
-------	--

BOOK 8

TAB 10	Affidavit of Service of Samantha Hallett sworn on September 13, 2022 and filed on September 14, 2022
TAB 11	Receivership Order granted by Justice Mah on September 16, 2022 appointing a receiver and manager over Faissal Mouhamad Professional Corporation, 52 Dental Corporation, Delta Dental Corp., Michael Dave Management Ltd. and 52 Wellness Centre Inc. and filed September 16, 2022 (the " First Receivership Order ")
TAB 12	First Report of the Interim Receiver of Faissal Mouhamad Professional Corporation, Delta Dental Corp. and 52 Dental Corporation dated September 9, 2022 and filed September 23, 2022
TAB 13	Transcript of Proceeding – September 16, 2022
TAB 14	Affidavit of Service of the First Report of the Interim Receiver, filed September 23, 2022
TAB 15	Receivership Order for 985842 Alberta Ltd. – filed September 30, 2022
TAB 16	First Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp. Michael Dave Management Corporation, 52 Dental Corporation and 52 Wellness Centre Inc. dated September 29, 2022 and filed October 31, 2022
TAB 17	Affidavit of Service of the Receivers First Report – Filed September 27, 2023
TAB 18	Transcript of Proceeding – September 29, 2022
TAB 19	Order (Advice and Direction) granted September 29, 2022 filed September 30, 2022
TAB 20	Application (Approval of Sales Process, Contempt, Sealing, Approval of Fees and Activities) returnable on November 4, 2022 and filed October 31, 2022
TAB 21	Affidavit of Service of Clarice Scheck of the First Receivership Order sworn on October 6, 2022 and filed October 26, 2022.

BOOK 9

TAB 22	Second Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp. Michael Dave Management
--------	--

Click or tap here to enter text.

	Corporation, 52 Dental Corporation and 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated October 28, 2022 and filed October 31, 2022
TAB 23	Affidavit of Service of Application and Second Report of the Receiver, filed November 3, 2022
TAB 24	Third Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp. Michael Dave Management Corporation, 52 Dental Corporation and 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated January 3, 2022 and filed January 16, 2023

BOOK 10

TAB 25	Supplement to the Third Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp. Michael Dave Management Corporation, 52 Dental Corporation and 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated January 10, 2023 and filed January 16, 2023
TAB 26	Second Confidential Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp., Michael Dave Management Ltd., 52 Dental Corporation, 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated January 3, 2023 to Schedule 6

BOOK 11

TAB 26	Second Confidential Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp., Michael Dave Management Ltd., 52 Dental Corporation, 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated January 3, 2023 From Schedule 7
TAB 27	Transcript of Proceeding – January 11, 2023
TAB 28	Approval and Vesting Order – Delta Dental Corp. Assets – granted by Justice Mah January 11, 2023 and filed January 31, 2023
TAB 29	Approval and Vesting Order – 52 Dental Corporation Assets – granted by Justice Mah January 11, 2023 and filed January 31, 2023
TAB 30	Claims Procedure Order granted by Justice Mah February 14, 2023
TAB 31	Sixth Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp., Michael Dave Management Ltd., 52 Dental Corporation, 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated February 28, 2023
TAB 32	Proof of Claim of Royal Bank of Canada in respect of Faissal Mouhamad Professional Corporation dated April 6, 2023

Click or tap here to enter text.

TAB 33	Proof of Claim of Royal Bank of Canada in respect of Delta Dental Corp. dated April 6, 2023
TAB 34	Proof of Claim of Royal Bank of Canada in respect of 52 Dental Corporation dated April 6, 2023
TAB 35	Proof of Claim of Royal Bank of Canada in respect of Michael Dave Management Ltd. dated April 6, 2023

BOOK 12

TAB 36	Affidavit of Jocelyn Beriault sworn April 6, 2023 in support of Royal Bank of Canada Proof of Claims Exhibits A to Exhibit Z
--------	--

BOOK 13

TAB 36	Affidavit of Jocelyn Beriault sworn April 6, 2023 in support of Royal Bank of Canada Proof of Claims from Exhibit AA
TAB 37	Revised Proof of Claim of CWB National Leasing Inc. in respect of Faissal Mouhamad Professional Corporation dated March 24, 2023

BOOK 14

TAB 38	Affidavit of Emmanuel Tiku in support of Proof of Claim Submitted on Behalf of CWB National Leasing Inc. sworn April 12, 2023
TAB 39	Proof of Claim of Jovica Property Management Ltd., Solar Star Holdings Inc. & 1245233 Alberta Ltd. in respect of Michael Dave Management Ltd. dated April 10, 2023 (including Affidavit of Ellis Jovica sworn on April 10, 2023)
TAB 40	Proof of Claim of Jovica Property Management Ltd., Solar Star Holdings Inc. & 1245233 Alberta Ltd. in respect of Michael Dave Management Ltd. dated April 10, 2023 (including an Affidavit of Ellis Jovica sworn on April 10, 2023)
TAB 41	Proof of Claim submitted by Patterson Dental Canada Inc. in respect of 52 Dental Corporation on April 6, 2023
TAB 42	Affidavit of Claude Roberge affirmed on April 6, 2023 in support of Proof of Claim submitted by Patterson Dental Canada Inc.

BOOK 15

Click or tap here to enter text.

TAB 43	Additional documents submitted by Patterson Dental Canada Inc. in the Claims Process
TAB 44	Seventh Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp., Michael Dave Management Ltd., 52 Dental Corporation, 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated May 1, 2023 and filed May 2, 2023
TAB 45	Order Approving Receiver's Activities and Consolidation of the estates of Faissal Mouhamad Professional Corporation and Delta Dental Corp. granted by Justice Lema on May 8, 2023 and filed May 10, 2023
TAB 46	Eight Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp., Michael Dave Management Ltd., 52 Dental Corporation, 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated June 5, 2023 and filed June 5, 2023
TAB 47	Scheduling Order granted by Justice Little on June 13, 2023 and filed June 19, 2023
TAB 48	Ninth Report of the Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corp., Michael Dave Management Ltd., 52 Dental Corporation, 52 Wellness Centre Inc. and 985842 Alberta Ltd. dated July 10, 2023 and filed July 11, 2023

TAB 26

SCHEDULE 7

**52 Dental Corporation - in Receivership
Summary of Offers**

Offeror	Purchase price	Deposit(s)	Excluded Assets	Purchaser's conditions	Waiver date	Closing date
1283112 Alberta Inc.	\$ 250,000.00	\$	25,000.00 Cash, AR, contracts, permits and rights	No additional conditions	N/A	Noon MST, 7 days after SAVO, no later than December 30, 2022
NDC Group Inc. and V.Tran and T.Sivanantha Professional Corporation	\$ 800,000.00	\$	80,000.00 Cash, AR, contracts, permits and rights/ Must be confirmed as form of offer not amended	Acceptance of offer on the 52 Building	On or before closing	Noon MST, 7 days after SAVO, no later than December 30, 2022
Ghalib Hadi Professional Corporation	\$ 800,000.00	\$	80,000.00 Not specified. Did not use appropriate form of offer	1. Exclusive rights to phone number, websites, signage 2. If successful purchaser of 52 wellness is 1415265 Alberta, 7 days to negotiate a 10 year lease 3. If successful purchaser of 52 Wellness is another party, 14 days to negotiate a 10 year lease	Not specified. Did not use appropriate form of offer	One month (30 days) after SAVO identified as scheduled for January 6, 2023

SCHEDULE 8

Summary of Offers - Resubmitted 12_19_22

Offeror	Purchase price	Deposit(s)	Excluded Assets	Purchaser's conditions	Waiver date	Closing date
NDC Group Inc. and V.Tran and T.Sivanantha Professional Corporation	\$800,000 (Did not amend original offer)	\$	80,000.00 Cash, AR, contracts, permits and rights/ Must be confirmed as form of offer not amended	Acceptance of offer on the 52 Building	On or before closing	Noon MST, 7 days after SAVO, no later than December 30, 2022
Ghalib Hadi Professional Corporation	\$ 810,000.00	\$	81,000.00 Not specified. Did not use appropriate form of offer	1. Exclusive rights to phone number, websites, signage 2. If successful purchaser of 52 wellness is 1415265 Alberta, 7 days to negotiate a 10 year lease 3. If successful purchaser of 52 Wellness is another party, 14 days to negotiate a 10 year lease	Not specified. Did not use appropriate form of offer	One month (30 days) after SAVO identified as scheduled for January 6, 2023

SCHEDULE 9

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 20th day of December, 2022.

BETWEEN: **MNP LTD.**, in its capacity as court-appointed receiver and manager of **52 DENTAL CORPORATION**, and not in its personal or corporate capacity

(the "**Receiver**");

- and -

NDC GROUP INC. and V. Tran and T. Sivanantha Professional Corporation

(the "**Purchaser**");

WHEREAS:

- A. On September 16, 2022, the Court (as hereinafter defined) granted an order (the "**Receivership Order**") appointing MNP Ltd. as receiver and manager of the property, undertakings and assets of 52 Dental Corporation (the "**Debtor**").
- B. The Receiver wishes to sell to the Purchaser all of the right, title, and interest of the Debtor in and to the Purchased Assets (as hereinafter defined) subject to the terms and conditions of this Agreement.

IN CONSIDERATION of the premises and covenants, agreements, representations, warranties, and payments contained in this Agreement, the Receiver and the Purchaser agree as follows:

Article 1 INTERPRETATION

1.1 Definitions

The following terms have the following meanings:

- (a) "**Accounts Receivable**" means any and all (i) accounts receivable, notes receivable and other amounts receivable owed to the Debtor (whether current or non-current), together with all security or collateral therefor and any interest or unpaid financing charges accrued thereon, including all Claims pertaining to the collection of amounts payable, or that may become payable, to the Debtor, (ii) amounts receivable owing or payable to the Debtor from any Governmental Authority, and (iii) other amounts due to the Seller which have historically been classified as accounts receivable in the consolidated balance sheet of the Debtor;

- (b) "**Agreement**" means this asset purchase agreement, including all Schedules hereto, as it may be supplemented, amended, restated or replaced from time to time by written agreement of the Parties;
- (c) "**Allocation Statement**" has the meaning ascribed thereto in Section 2.5;
- (d) "**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (a) and (b), "**Law**") in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation;
- (e) "**Books and Records**" means all books, records, files and papers used or intended for use in connection with the ownership of the Purchased Assets, including title documentation, manuals, sales and advertising materials, patient records, patient information, and all other documents and data (technical or otherwise) relating to the Purchased Assets, and all copies and recordings of the foregoing;
- (f) "**Business Day**" any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Alberta or the federal laws of Canada applicable in the Province of Alberta, on which the principal commercial banks in the City of Calgary, Alberta are open for business;
- (g) "**Cash and Cash Equivalents**" means cash, bank balances, monies in possession of banks and other depositories, term or time deposits, marketable securities, short term investments, funds, bankers' acceptances, commercial paper, security entitlements, securities accounts and any other cash equivalents of, the Debtor;
- (h) "**Claim**" means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened;
- (i) "**Closing**" means the completion of the Transaction on the Closing Date at the Closing Time in accordance with this Agreement;
- (j) "**Closing Date**" means ~~later of thirty days after the granting of the Vesting Order, or February 28, 2023;~~ *February 10, 2023 or such other date as may be agreed in writing between the parties provided that on such date, the Vesting Order is not subject to any outstanding appeal or application for leave to appeal.*
- (k) "**Closing Time**" means 12:00 noon on the Closing Date;
- (l) "**Contracts**" means all contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which the Debtor is a party or by which the Debtor is bound or under which the Debtor has, or will have, any liability

or contingent liability (in each case, whether written or oral, express or implied), as same may be amended and/or restated, and including any and all related quotations, orders, proposals or tenders which remain open for acceptance, warranties and guarantees and documents ancillary thereto;

- (m) "**Court**" means the Court of King's Bench of Alberta;
- (n) "**Deposit**" has the meaning ascribed thereto in Section 2.4(a);
- (o) "**Encumbrances**" means any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order; (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta).
- (p) "**ETA**" means the *Excise Tax Act*, RSC, 1985, c E-15 and the regulations thereto;
- (q) "**Excluded Assets**" means:
 - (i) the Debtor's Cash and Cash Equivalents as of the Closing Date;
 - (ii) the Debtor's Accounts Receivable as of the Closing Date;
 - (iii) the Debtor's Contracts as of the Closing Date;
 - (iv) the Debtor's Permits as of the Closing Date; and
 - (v) the Debtor's rights under this Agreement;
- (r) "**Governmental Authority**" means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal, or local governmental authority, quasi-governmental authority, instrumentality, court, government, or self-regulatory organization, bureau, commission, tribunal, or organization or any regulatory, administrative, or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction with respect to the Debtor, the Purchased Assets, or any other matter that is the subject of this Agreement including the College of Dental Surgeons of Alberta;
- (s) "**GST**" means any goods and services tax imposed under Part IX of the ETA;
- (t) "**ITA**" means the *Income Tax Act* (Canada) RSC, 1985, c 1 (5th Supp.);
- (u) "**Legal Proceeding**" means any litigation, action, application, demand, suit, investigation, hearing, Claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar

proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review;

- (v) "**Party**" or "**Parties**" mean either the Receiver or the Purchaser, as appropriate in the context, or both;
- (w) "**Permits and Licences**" means all permits, consents, waivers, licences, sub-licences, certificates, approvals, authorizations, registrations, rights, privileges, certification, quotas and exemptions, or any item with a similar effect, issued or granted by any Governmental Authority for or related to the Purchased Assets;
- (x) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (y) "**Purchase Price**" has the meaning ascribed thereto in Section 2.3 hereof;
- (z) "**Purchased Assets**" means those assets listed in Schedule "A" hereto;
- (aa) "**Purchaser**" has the meaning ascribed thereto in the recitals hereto;
- (bb) "**Purchaser's Solicitors**" means Bryan & Company LLP;
- (cc) "**Receiver**" has the meaning ascribed thereto in the recitals hereto;
- (dd) "**Receiver's Solicitors**" means McMillan LLP;
- (ee) "**Receivership Order**" has the meaning ascribed thereto in the recitals hereto;
- (ff) "**Receivership Proceedings**" means the proceedings commenced pursuant to the issuance of the Receivership Order;
- (gg) "**Taxes**" means all transfer taxes, sales taxes, uses taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees and any other similar or like taxes and charges of any kind whatsoever imposed or charged by any Governmental Authority and any filing, registration, recording or transfer fees payable in connection with the sale, transfer or registration of the Purchased Assets, including GST;
- (hh) "**Transaction**" means the purchase and sale of all of the Debtor's right, title and interest, if any, in and to the Purchased Assets and all other transactions contemplated by this Agreement; and
- (ii) "**Vesting Order**" means an order of the Court made in the receivership proceeding substantially in the form attached as Schedule "B" hereto and otherwise in form and content satisfactory to the Purchaser and the Receiver, each acting reasonably, approving the entry into this Agreement by the Receiver and the consummation of the Transaction contemplated hereby, and vesting in the

Purchaser or its nominee(s) all right, title, and interest of the Debtor in and to the Purchased Assets.

1.2 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

Schedule "A"	Purchased Assets
Schedule "B"	Form of Vesting Order
Schedule "C"	Allocation Statement

1.3 Certain Rules of Interpretation

In this Agreement:

- (a) headings are inserted for convenience of reference only and will not affect the interpretation of this Agreement;
- (b) the division into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (c) the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this Agreement and not to any particular portion of this Agreement;
- (d) "**including**" or "**includes**" means "**including (or includes) but is not limited to**" and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
- (e) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and
- (f) words in the singular include the plural and vice-versa and words in one gender include all genders.

1.4 Business Day

If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

1.5 Currency and Payment

In this Agreement, unless specified otherwise, references to dollar amounts or "\$" are to Canadian dollars, and any payment is to be made by an official bank draft drawn on a Canadian chartered

bank, wire transfer or any other method (other than cash payment) that provides immediately available funds.

Article 2 PURCHASE AND SALE

2.1 Purchase and Sale of the Purchased Assets

Subject to the timely fulfillment or waiver of the conditions precedent set forth in Article 3 hereof, including the granting of the Vesting Order, and the terms and conditions of this Agreement, on the Closing Date, the Receiver agrees to sell, assign, and transfer to the Purchaser, and the Purchaser agrees to purchase from the Receiver, all right, title, and interest of the Debtor, if any, in and to the Purchased Assets. Such foregoing purchase shall be free and clear of all Encumbrances as provided for in the Vesting Order.

2.2 Excluded Assets

Notwithstanding anything to the contrary in Section 2.1 or elsewhere in this Agreement, the Purchased Assets shall not include the Excluded Assets, which shall remain the property of the Debtor and nothing herein shall be deemed to sell, transfer, assign or convey the Excluded Assets or any of the Debtor's right, title or interest therein or thereto.

2.3 Purchase Price

The amount payable by the Purchaser to the Receiver for the Purchased Assets will be Eight Hundred Thousand Dollars (**\$800,000.00**) (the "**Purchase Price**")

2.4 Payment of the Purchase Price

The Purchaser will pay the Purchase Price to the Receiver as follows:

- (a) the sum of **Eighty Thousand Dollars (\$80,000.00)**, representing 10% of the Purchase Price, will be paid by the Purchaser upon execution of this Agreement by wire transfer in accordance with wire instructions delivered by the Receiver as a deposit (the "**Deposit**") to be held by the Receiver in trust until the Closing and will be credited toward the Purchase Price upon Closing; and
- (b) the balance of the Purchase Price will be paid by the Purchaser at Closing by wire transfer in accordance with wire instructions delivered by the Receiver.

The Receiver agrees to cause the Deposit to be placed into a non-interest bearing account. The Purchaser acknowledges and agrees that the Deposit is non-refundable except as provided in Section 5.7(c).

2.5 Allocation of Purchase Price

The Purchase Price shall be allocated by the Receiver and the Purchaser among the Purchased Assets in accordance with the allocation statement attached as Schedule C (the "**Allocation Statement**"). The Purchaser and the Receiver shall: (a) report the purchase and sale of the Purchased Assets in any income tax returns relating to the Transaction in accordance with the

Allocation Statement; and (b) act in accordance with the Allocation Statement in the preparation, filing and audit of any Tax return.

2.6 Taxes

The Purchaser will pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial taxes eligible in connection with the purchase and sale of the Purchased Assets, including GST and any other provincial sales taxes and provide the Receiver with proof of payment of such taxes. Alternatively, where applicable, the Purchaser will have the option to furnish the Receiver with appropriate exemption certificates. The Purchaser agrees to indemnify and save the Receiver harmless from and against all Claims and demands for payment of all applicable taxes in connection with this Agreement and the Transaction, including penalties and interest and any liability or costs incurred as a result of any failure to pay those taxes when due.

2.7 As is, Where is.

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Receiver set forth in Section 4.1, it is entering into this Agreement, acquiring the Purchased Assets on an "**as is, where is**" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time and the sale of the Purchased Assets is made without legal warranty and at the risk of the Purchaser;
- (b) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets as it deemed appropriate, and based solely thereon, has determined to proceed with the Transaction;
- (c) except as expressly stated in Section 4.1, neither the Receiver nor its representatives have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Debtor's right, title or interest in or to the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;
- (d) all written and oral information obtained from the Receiver or its representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain "**data rooms**", management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets has been obtained for the convenience of the Purchaser only, and neither the Receiver nor its representatives have made any representation or warranty, express or implied,

statutory or otherwise as to the accuracy or completeness of any such information; and

- (e) any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Receiver or its representatives, or any other Person concerning the completeness or accuracy of such information or descriptions.

Notwithstanding anything to the contrary herein, the Purchaser hereby expressly acknowledges that if any consents of: (i) any Governmental Entities are required to effect the transfer of any of the Purchased Assets; or (ii) any lessees are required to effect the transfer of any of the leases or licences to be acquired by the Purchaser pursuant to this Agreement, then it is the sole responsibility of the Purchaser to obtain any such consents, and the granting of any such consents shall not be a condition precedent to the Purchaser's obligations under this Agreement, including the payment of the Purchase Price. At the request and cost of the Purchaser, both before and after the Closing Date, the Receiver will assist the Purchaser in its efforts to obtain any consents required of any Government Entities or lessees in order to complete the sale and transfer of the Purchased Assets pursuant to this Agreement.

Article 3 CONDITIONS

3.1 Conditions in Favour of the Purchaser

The obligations of the Purchaser under this Agreement are subject to the fulfillment of the following conditions precedent on or before the Closing Time:

- (a) each of the representations and warranties of the Receiver contained in this Agreement shall be true and correct as if restated on and as of the Closing Date;
- (b) no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- (c) the Receiver shall have delivered or caused to be delivered to the Purchaser all items referred to in Section 5.3; and
- (d) the obligations contained in this Agreement shall have been complied with by the Receiver in all material respects.

The foregoing conditions are for the exclusive benefit of the Purchaser and non-satisfaction or non-performance of any such condition may only be waived by the Purchaser, in its sole discretion, in whole or in part, at any time and from time to time. Any such waiver is only binding on the Purchaser if it is made in writing and delivered forthwith to the Receiver's Solicitors.

3.2 Conditions in Favour of the Receiver

The obligations of the Receiver under this Agreement are subject to the fulfillment of the following conditions precedent on or before the Closing Time:

- (a) each of the representations and warranties of the Purchaser contained in this Agreement shall be true and correct as if restated on and as of the Closing Date;
- (b) no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- (c) the Purchaser shall have delivered or caused to be delivered to the Receiver all items referred to in Section 5.2; and
- (d) the obligations contained in this Agreement shall have been complied with by the Purchaser in all material respects.

The foregoing conditions are for the exclusive benefit of the Receiver and non-satisfaction or non-performance of any such condition may only be waived by the Receiver, in its sole discretion, in whole or in part, at any time and from time to time. Any such waiver is only binding on the Receiver if it is made in writing and delivered forthwith to the Purchaser's Solicitors.

3.3 Mutual Conditions

The obligations of the Parties under this Agreement are subject to the following mutual conditions precedent or before the Closing Time:

- (a) a Vesting Order will have been made by the Court approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest of the Debtor, if any, in and to the Purchased Assets, free and clear of all Encumbrances, such order to be substantially in the form attached hereto as Schedule "B"; and
- (b) the Vesting Order will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the Transaction.

The Parties may agree to amend or waive any the foregoing conditions. Any amendment or waiver by the Parties must be in writing and delivered to the Purchaser's Solicitors and the Receiver's Solicitors.

3.4 Non-Satisfaction of Conditions

If any condition set out in this Article 3 is not satisfied or performed prior to the time specified therefor, a Party for whose benefit the condition is inserted may, in writing:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party, the Purchaser's Solicitors and the Receiver's Solicitors and without prejudice to any of its rights of termination in the event of non-fulfilment of any other conditions in whole or in part; or
- (b) elect to terminate this Agreement before Closing.

Article 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Receiver

The Receiver represents and warrants to the Purchaser as follows, with the intent that the Purchaser will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction contemplated by this Agreement:

- (a) subject to obtaining and pursuant to the Vesting Order, the Receiver has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;
- (b) the Receiver is not a non-resident of Canada within the meaning of section 116 of the *Income Tax Act*;
- (c) the Receiver has taken no act to encumber the Purchased Assets other than allowing the charges created pursuant to the Receivership Order to exist or arise in the ordinary course; and
- (d) to the best of the Receiver's knowledge, no actions or proceedings are pending and none have been threatened to restrain or prohibit the completion of the Transaction.

4.2 Representations and Warranties of the Purchaser

Each of NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation, as Purchaser, on a joint and several basis, represents and warrants to the Receiver as follows, with the intent that the Receiver will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction contemplated by this Agreement:

- (a) the Purchaser has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;
- (b) the Purchaser is a corporation duly incorporated, validly existing, and in good standing under the *Business Corporations Act (Alberta)*;
- (c) the execution and delivery of this Agreement and the completion of the transaction contemplated by this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement constitutes a legal, valid, and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (d) there is no Legal Proceeding in progress, pending against or threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder;

- (e) the Purchaser is not a "non-Canadian" within the meaning of the *Investment Canada Act*, RSC 1985, c 28 (1st Supp);
- (f) the Purchaser is or will be upon Closing registered under Part IX of the ETA, and shall provide its registration numbers to the Receiver at or prior to Closing; and
- (g) the Receiver will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser.

Article 5 CLOSING

5.1 Closing

Subject to the terms and conditions of this Agreement, and the satisfaction or the waiver of the conditions precedent contained herein, the purchase and sale of the Debtor's right, title and interest, if any, in and to the Purchased Assets will be completed at the Closing Time.

5.2 Purchaser's Deliveries on Closing

At the Closing Time, the Purchaser will deliver, or cause to be delivered to the Receiver:

- (a) payment of the balance of the Purchase Price;
- (b) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date with the same effect as though made on and as of the Closing Date;
- (c) a certificate dated as of the Closing Date confirming that each of the conditions precedent in favour of the Purchaser contained in this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (d) if necessary, payment or evidence of payment of applicable taxes or, if applicable, appropriate tax exemption certificates in accordance with Section 2.6; and
- (e) any other documentation as is referred to in this Agreement or as the Receiver may reasonably require to give effect to this Agreement or required by Applicable Law or any Governmental Authority.

5.3 Receiver's Deliveries on Closing

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

- (a) a receipt in respect of the payment of the Purchase Price;
- (b) a true copy of the filed Vesting Order;
- (c) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Receiver contained in this Agreement are true as of the

Closing Date with the same effect as though made on and as of the Closing Date;
and

- (d) a certificate dated as of the Closing Date confirming that each of the conditions precedent in favour of the Receiver contained in this Agreement have been fulfilled, performed or waived as of the Closing Date.

5.4 Possession of Assets

The Receiver will remain in possession of the Books and Records and the Purchased Assets until Closing. On Closing, the Purchaser will take possession of the Books and Records and the Purchased Assets where situate at Closing. The Purchaser acknowledges that the Receiver has no obligation to deliver physical possession of the Books and Records and the Purchased Assets to the Purchaser. In no event will the Books and Records be delivered or the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the Purchaser has satisfied all delivery conditions in Section 5.2

5.5 Access to Assets

The Purchaser may have reasonable access to the Purchased Assets during normal business hours prior to Closing for the purpose of enabling the Purchaser to conduct any inspections of the Purchased Assets as it deems appropriate. Those inspections will only be conducted in the presence of a representative of the Receiver if so required at the discretion of the Receiver. For greater certainty, all communications and approvals to obtain access shall go through the Receiver, in advance. The Purchaser agrees to indemnify and save the Receiver harmless from and against all Claims, demands, losses, damages, actions and costs incurred or arising from or in any way directly related to the inspection of the Purchased Assets.

5.6 Risk

The Purchased Assets will be at the Receiver's risk until the completion of the transaction contemplated herein on the Closing Date and thereafter at the Purchaser's risk. If, before the Closing, any of the Purchased Assets is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, then:

- (a) the Parties shall agree on an adjustment to the Purchase Price to account for such loss, damage, destruction, appropriation, expropriation or seizure; or
- (b) if such loss, damage, destruction, appropriation, expropriation or seizure is materially adverse to the Purchaser, as determined by the Purchaser, acting reasonably, then the Purchaser, at its sole discretion may terminate this Agreement.

5.7 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of the Receiver and the Purchaser; or
- (b) by either the Receiver or the Purchaser if the Closing has not occurred on or before January 31, 2023; provided, however, that a Party may not exercise such

termination right if they are in material breach of their obligations under this Agreement.

If either the Receiver or the Purchaser validly terminates this Agreement under the provisions of this Section 5.7 or Section 3.4 or Section 5.6:

- (a) all the obligations of the Receiver and the Purchaser under this Agreement will be at an end;
- (b) neither Party will have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other; and
- (c) the Deposit shall be forfeited to the Receiver unless the termination results from the Receiver not satisfying the conditions in Section 3.3 in which case the Deposit shall be refunded to the Purchaser upon termination of the Agreement.

5.8 Breach by the Purchaser

If the Purchaser fails to comply with its obligations under this Agreement, the Receiver may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, other than as provided in Section 5.7, the Deposit and any other payments made by the Purchaser will be forfeited to the Receiver on account of its liquidated damages, and the Purchased Assets may be resold by the Receiver. In addition, the Purchaser will pay to the Receiver, on demand, the deficiency, if any, arising upon such resale (after deducting the Deposit, the interest on the Deposit and the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

Article 6 GENERAL

6.1 Receiver's Liability

The Purchaser hereby expressly acknowledges and agrees that MNP Ltd. is acting only in its representative capacity as Court-appointed receiver and manager of the Debtor and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement.

6.2 Obligations to Survive

The obligations and covenants of the Parties set out in the following Sections of this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter: Section 2.6 Taxes, Section 2.7 As is, Where is, Section 6.3 Further Assurances and Section 6.5 Expenses.

6.3 Further Assurances

The Parties will execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

6.4 Notice

All notices required or permitted to be given under this Agreement will be in writing and delivered by courier or email as follows:

To the Receiver at:

MNP Ltd., in its capacity as receiver of
the property, assets and undertaking of
52 Dental Corporation
1500, 640 5 Avenue SW
Calgary, AB T2P 3G4

Attention: Vanessa Allen
Email: vanessa.allen@mnp.ca

With a copy to:

McMillan LLP
TD Canada Trust Tower, Suite 1700
421 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Adam Maerov and Mitchell Allison
Email: adam.maerov@mcmillan.ca; mitchell.allison@mcmillan.ca

To the Purchaser at:

Bryan & Company LLP
2900 Manulife Place, 10180 101 Street
Edmonton, AB T5J 3V5

Attention: Jordan T. Mertz
Email: jmertz@bryanco.com

With a copy to:

NDC Group Inc. o/a National Dental Care
1734 24A Street SW
Calgary, AB T3C 1J4

Attention: Viet Tran, Scott Newman, Andrew Ardell
Email: viet@nationaldental.ca; scott@nationaldental.ca; andrew@nationaldental.ca

6.5 Expenses

Each Party shall pay all of its own expenses (including taxes imposed on those expenses) incurred in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transaction, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

6.6 No Third Party Beneficiary

This Agreement is solely for the benefit of the Parties and no third party accrues any benefit, Claim or right of any kind pursuant to, under, by or through this Agreement.

6.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

6.8 Amendment

No amendment of this Agreement will be binding unless made in writing by both Parties.

6.9 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited, or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition, or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances.

6.10 Assignment

This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party hereto, which consent may be arbitrarily withheld, provided that the Purchaser may designate one or more nominees to take title in and to the Purchased Assets, or any part thereof, by giving the Receiver written notice of such assignment at least two clear Business Days prior to the date of the hearing of the application for the Vesting Order. This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No assignment shall relieve the assigning Party of any of its obligations hereunder.

6.11 Time of the Essence

Time will be of the essence of this Agreement.

6.12 Disclosure of Agreement

Each of the Parties agree that this Agreement shall be filed in the Receivership Proceedings with redactions as agreed upon between the Parties and the Court.

6.13 Applicable Law and Court Jurisdiction

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 the Parties hereby attorn to the jurisdiction of the Alberta Court of King's Bench, Judicial District of Calgary.

6.14 Counterparts

This Agreement may be signed in counterparts and each such counterpart will constitute an original document, and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by email or any other form of electronic transmission.

6.15 Strict Construction

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring either Party by virtue of authorship of any provision of this Agreement.

6.16 Joint and Several Liability

NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation, as Purchaser agree to be jointly and severally liable for the obligations and liabilities of the Purchaser under this Agreement and all closing documents to be delivered by the Purchaser pursuant to this Agreement.

[Remainder of page intentionally left blank]

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first written above.

MNP LTD., solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of **52 DENTAL CORPORATION**, and not in its personal or corporate capacity



Name:
Title:

NDC Group Inc.



Name: Viet Tran
Title: Director

V. Tran and T. Sivanantha Professional Corporation



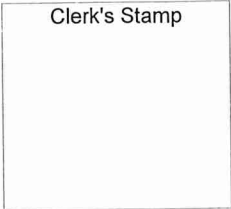
Name: Viet Tran
Title: Director

SCHEDULE "A"
PURCHASED ASSETS

1. Clinical equipment, as further set out in the attached listing
2. The Debtor's interest in any software, including Dentrix practice management software
3. Instruments and materials used for the provision of dental services
4. Leasehold improvements and cabinetry
5. Books and Records

SCHEDULE "B"
FORM OF VESTING ORDER

COURT FILE NUMBER 2203 12557
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA



DEFENDANT FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED

DOCUMENT **APPROVAL AND VESTING ORDER
(Sale by Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

McMillan LLP
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

**Attention: Adam Maerov/Kourtney Rylands/
Preet Saini**

Telephone: 403.531.4700
Fax: 403.531.4720
File No.: 293571

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: _____

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON THE APPLICATION by MNP Ltd., in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertakings, property and assets of 52 Dental Corporation (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation (collectively, the "Purchaser") or its nominee dated December 20, 2022 and appended to the [x] Report of the Receiver dated [Date] (the "Report"), and vesting in the Purchaser (or

its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated September 16, 2022 (the "**Receivership Order**"), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver and any other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

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

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

- (d) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"))

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

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing, the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior

to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

8. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
9. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
13. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is

in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

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

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

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

- (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at:
<https://mnpdebt.ca/en/corporate/corporate-engagements/fmpec>

and service on any other person is hereby dispensed with.

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

Justice of the Court of King's Bench of Alberta

Schedule "A"

Form of Receiver's Closing Certificate

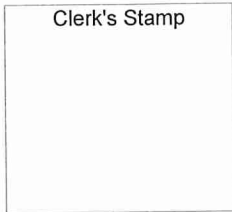
COURT FILE NUMBER 2203 12557

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED



DOCUMENT **RECEIVER'S CLOSING CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **McMillan LLP**
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

**Attention: Adam Maerov/Kourtney Rylands/
Preet Saini**

Telephone: 403.531.4700
Fax: 403.531.4720
File No.: 293571

RECITALS

- A. Pursuant to an Order of the Honourable Justice D.R. Mah of the Court of King's Bench of Alberta, Judicial District of Edmonton, Alberta (the "**Court**") dated September 16, 2022, MNP Ltd. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of 52 Dental Corporation (the "**Debtor**").

- B. Pursuant to an Order of the Court dated **[Date]**, the Court approved the agreement of purchase and sale made as of December 20, 2022 (the "**Sale Agreement**") between the Receiver and NDC

Group Inc. and V. Tran and T. Sivanantha Professional Corporation and/or nominee (collectively, the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

**MNP Ltd., in its capacity as Receiver
of the undertakings, property and
assets of 52 Dental Corporation, and
not in its personal capacity.**

Per; _____
Name:
Title:

SCHEDULE B

LIST OF ASSETS

1. Clinical equipment, as further set out in the attached listing
2. The Debtor's interest in any software, including Dentrix practice management software
3. Instruments and materials used for the provision of dental services
4. Leasehold improvements and cabinetry
5. Books and Records

SCHEDULE C

CLAIMS

None.

SCHEDULE D
PERMITTED ENCUMBRANCES

None.

SCHEDULE "C"
ALLOCATION STATEMENT

~~Note: To be agreed by Receiver and Purchaser prior to signing.~~

(VA)

Business - \$800,000.00

(VA)

✓

SCHEDULE 10

52nd Dental

3505 52nd Street Southeast
Calgary, Alberta

NKF Job No.: 22-0175422-1

Appraisal Report Prepared For:

MNP Ltd
Vanessa Allen
1500, 640 - 5th Avenue SW
Calgary, AB T2T 7W7

Prepared By:

Newmark
Valuation & Advisory
Suite 4310, 77 King Street West
Toronto, Ontario



October 13, 2022

Vanessa Allen
Senior Vice President
MNP Ltd, in its capacity as Receiver and Manager of Faissal Mouhamad Professional Corporation
1500, 640 - 5th Avenue SW
Calgary, AB T2T 7W7

RE: Appraisal of a mid-rise office property located at 3505 52nd Street SE within the Erin Woods neighbourhood in Calgary, Alberta prepared by Newmark Knight Frank Canada Ltd. (herein "Firm" or "NKF").

NKF Job No.: 22-0175422-1

Dear Ms. Allen

The subject site is located at 3505 52nd Street Southeast in the Erin Woods neighbourhood. The subject square footage reportedly is comprised of includes 13,931 of net rentable area. The complex is currently partially leased.

It has been reported that there are currently five tenants in place. Of these five tenants, for one of them we were not able to obtain a lease, and the other it is apparently not paying rent. We have treated these two tenancies as current vacancies.

We have also been asked to comment on a forced sale value. In our experience, forced sales, which do not involve a willing seller, attract discounts of between 10% and 20% of fair market value. We have applied this range to our current fair value estimate to arrive at a forced sale value.

Key Value Considerations

Strengths

- ❖ Located in Erin Woods along 52nd Street SE, a major north south arterial.
- ❖ Located in an established neighbourhood.
- ❖ Ready access to public transit.

Risk Factors

- ❖ Calgary office market continues to be impacted by both the lingering effects of the pandemic in terms of back to the office momentum and a volatile energy market with macro inflationary pressures.
- ❖ The subject suffers from considerable vacancy.
- ❖ Increasing interest rates will likely translate in to a requirement for higher yields over the very near term.
- ❖ Significant lease rollover exposure as 40% of the square footage expires in the next twelve months.

Based on the analysis contained in the following report, the opinion of value for the subject is:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	10/4/2022	\$1,950,000
Forced Sale Value Low	Leased Fee	10/4/2022	\$1,560,000
Forced Sale Value High	Leased Fee	10/4/2022	\$1,755,000

Compiled by NKF

Extraordinary Assumptions

An extraordinary assumption is defined in CUSPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. Very limited operating or tenancy information was available to the author of this report. We have assumed that the current tenancy as laid out in this report is true and correct. WE have assumed that the main floor dentist space will be vacated and re-occupied by a dental tenancy.
2. It has been reported that there are actually five tenants in place. Of these five tenants, for one of them we were not able to obtain a lease, and the other is reportedly not paying rent. We have treated these two tenancies as current vacancies.

The use of this extraordinary assumption might have affected assignment results.

Hypothetical Conditions

A hypothetical condition is defined in CUSPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.



- Very limited operating or tenancy information was available to the author of this report. We have assumed that the current tenancy as laid out in this report is true and correct. WE have assumed that the main floor dentist space will be vacated and re-occupied by a dental tenancy.
- 1.

2. It has been reported that there are actually five tenants in place. Of these five tenants, for one of them we were not able to obtain a lease, and the other is reportedly not paying rent. We have treated these two tenancies as current vacancies.

The use of this hypothetical condition might have affected assignment results.

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada.



Certification

We certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.
10. The use of this report is subject to the requirements of the Appraisal Institute of Canada relating to review by its duly authorized representatives.
11. As of the date of this report, Liam Brunner, AACI, P.App., MRICS has completed the continuing education program for Designated Members of the Appraisal Institute of Canada.
12. Liam Brunner, AACI, P.App., MRICS made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, "Newmark Knight Frank Canada Ltd.", "NKF Valuation & Advisory", "NKF, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.





Liam Brunner, AACI, P.App., MRICS
Senior Managing Director, Market Leader – Canada
(403) 680-4884
Liam.Brunner@nmrk.com



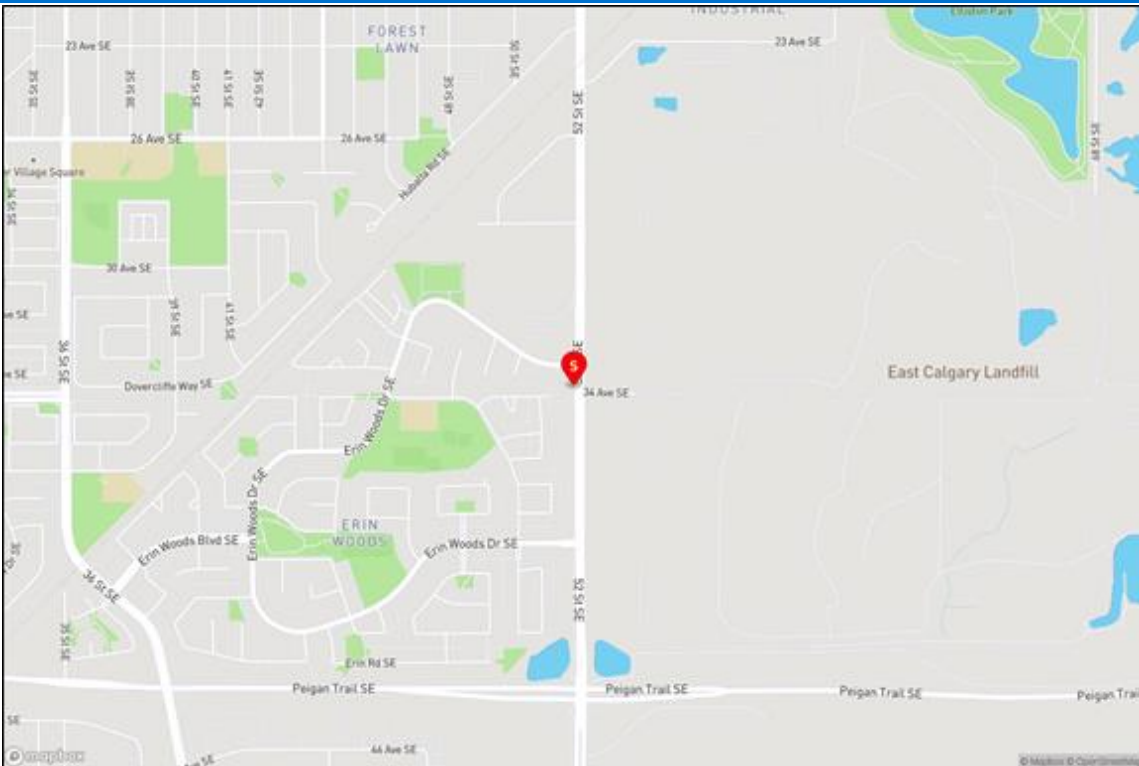
Table of Contents

Appraisal Transmittal and Certification		Sales Comparison Approach	95
Certification		Sales Comparison Approach Conclusion	99
Table of Contents		Reconciliation of Value	100
Subject Maps		Assumptions and Limiting Conditions	103
Subject Photographs		Addenda	
Executive Summary	11	A. Glossary of Terms	
Introduction	14	B. Comparable Data	
Economic Analysis	18	Improved Sales	
Highlights	21	C. Replacement Cost	
Greater Calgary Area	24	D. Précis Metro Report - Economy.Com, Inc.	
Office Market Overview	28		
National Office Overview	28		
Calgary Office Overview	35		
National Retail Overview	45		
Calgary Retail Overview	51		
Land and Site Analysis	61		
Zoning and Legal Restrictions	63		
Improvements Analysis	64		
Real Estate Taxes	66		
Highest and Best Use	67		
Appraisal Methodology	69		
Income Capitalization Approach	71		
Rent Roll / Tenant Overview	71		
Market Rent Analysis	73		
Operating Expense Analysis	81		
Direct Capitalization	83		
Direct Capitalization Summary	86		
Value Indication – Discounted Cash Flow			
Analysis	90		
Income Capitalization Approach Conclusion	94		





Aerial Photo



Location Map





South Elevation



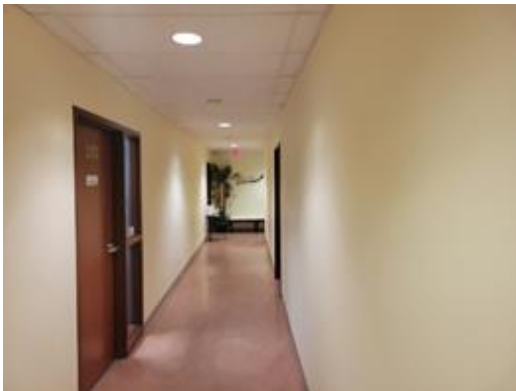
East Elevation



Street Scene Facing North



Street Scene Facing South



Typical Hallway



Vacant Medical Space Main Floor





Dental Treatment Room



Dental Waiting Room



Executive Summary

52nd Dental

Property Type:	Health Care-Specialty Hospital
Street Address:	3505 52nd Street Southeast
City, Province & Postal Code	Calgary, Alberta
Investment Class:	Class B
Latitude:	51.023494
Longitude:	-113.958703
Net Rentable Area (SF):	13,931
Year Built (Renovated):	2007 (None)
Current Occupancy:	68.5%
Land Area:	0.713 acres; 31,058 SF
Zoning:	DC 16Z99
Assessor's Parcel ID(s):	Plan 9910835 Lot 1 Block 39
Highest and Best Use - As Vacant:	A Commercial Use
Highest and Best Use - As Improved:	Likely Mixed Use Residential Use

Analysis Details

Valuation Date:	
Market Value "As Is"	October 4, 2022
Inspection Date and Date of Photos:	October 4, 2022
Report Date:	October 13, 2022
Report Type:	Appraisal Report
Client:	MNP Ltd
Intended Use:	Financial Reporting
Intended User:	MNP Ltd
Appraisal Premise:	As Is, Insurable Value
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 Months (6 Months)



Leasing Summary

Number of Current Tenants	3
Average Contract Rent/SF	\$17.85
Average Market Rent/SF	\$17.00

MLA Space Type Summary	Rentable SF	% Leased	% of Total Contract Rent	Contract Rent PSF	Market Rent PSF	Contract as % of Market
\$12.00 Office Space:	4,638	70.8%	24.0%	\$12.85	\$12.00	107.1%
\$20.00 Dental Space:	6,965	0.0%	56.0%	\$20.00	\$20.00	100.0%
\$18.00 Spa Space:	2,328	100.0%	20.0%	\$21.37	\$18.00	118.7%
Total	13,931	40.3%	100.0%	\$17.85	\$17.00	105.0%

Valuation Summary

Sales Comparison Approach		\$/SF	\$ Total
Number of Sales			5
Range of Sale Dates			Dec-19 to Mar-22
Adjusted Range of Comparables (\$/SF)			\$154.58 to \$205.74
Indicated Sales Comparison Approach Value	As Is	\$150.74	\$2,100,000

Income Capitalization Approach - Direct Capitalization Method

Capitalization Rate Indicators and Conclusion		\$/SF	\$ Total
---	--	-------	----------

Comparable Sales			6.32% - 8.94%
Concluded Going-In Capitalization Rate			8.25%

Stabilized Income Estimate

Potential Gross Income		\$29.94	\$417,075
Stabilized % Vacancy & Collection Loss		-7.50%	(\$31,281)
Net Other Income		\$0.00	\$0
Effective Gross Income		\$27.69	\$385,794
Operating Expenses		\$12.85	\$178,957
Operating Expense Ratio			46.4%
Net Operating Income		\$14.85	\$206,837
Capitalization Rate			8.25%
Indicated Direct Capitalization Value	As Is	\$145.36	\$2,025,000

Income Capitalization Approach - Discounted Cash Flow Method

	1	2	3	4	5
Analysis Year					
Potential Gross Revenue	\$103,007	\$392,989	\$417,075	\$420,564	\$424,123
Vacancy & Collection Loss	\$0	(\$24,340)	(\$31,281)	(\$31,542)	(\$31,809)
Effective Gross Income	\$103,007	\$368,649	\$385,794	\$389,022	\$392,314
Operating Expenses	\$165,054	\$175,257	\$178,957	\$182,447	\$186,006
Operating Expense Ratio	160.2%	47.5%	46.4%	46.9%	47.4%
Net Operating Income	(\$62,047)	\$193,392	\$206,837	\$206,575	\$206,308
Net Cash Flow	(\$108,891)	\$666	\$206,837	\$206,575	\$206,308
Year over Year Growth		100.61%	30946.54%	-0.13%	-0.13%
Terminal Capitalization Rate					8.25%
Discount Rate					9.25%
Indicated DCF Value		As Is		\$136.39	\$1,900,000
Indicated Income Capitalization Approach Value		As Is		\$139.98	\$1,950,000

Concluded Exposure Time	6 Months or Less
Concluded Marketing Time	6 Months or Less

Compiled by NKF



Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in CUSPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. Very limited operating or tenancy information was available to the author of this report. We have assumed that the current tenancy as laid out in this report is true and correct. WE have assumed that the main floor dentist space will be vacated and re-occupied by a dental tenancy.
2. It has been reported that there are actually five tenants in place. Of these five tenants, for one of them we were not able to obtain a lease, and the other is reportedly not paying rent. We have treated these two tenancies as current vacancies.

The use of this extraordinary assumption might have affected assignment results.

A hypothetical condition is defined in CUSPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. Very limited operating or tenancy information was available to the author of this report. We have assumed that the current tenancy as laid out in this report is true and correct. WE have assumed that the main floor dentist space will be vacated and re-occupied by a dental tenancy.
2. It has been reported that there are actually five tenants in place. Of these five tenants, for one of them we were not able to obtain a lease, and the other is reportedly not paying rent. We have treated these two tenancies as current vacancies.

The use of this hypothetical condition might have affected assignment results.

Compiled by NKF



Introduction

Definition of Value

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- ❖ Buyer and seller are typically motivated;
- ❖ Both parties are well informed or well advised, and acting in what they consider their own best interests;
- ❖ A reasonable time is allowed for exposure in the open market;
- ❖ Payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- ❖ The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

Interest Appraised

The appraisal is of the Leased Fee interest.

- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.



Intended Use and User

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- ❖ Foreclosure purposes.
- ❖ MNP Ltd, in its capacity as Receiver and Manager of Faissal Mouhamad Professional Corporation.

Appraisal Report

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under CUSPAP. This report incorporates enough information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the Leased Fee interest in the properties.

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Leased Fee	10/4/2022
<i>Compiled by NKF</i>		



Ownership History

The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale	
Previous Sales		
Sales in the Previous Three Years:	None	
Most Recent Reported Sale:	November 25, 2021	
Buyer:	52 Wellness Centre Inc	
Seller:	Undisclosed	
Purchase Price:	\$2,250,000	\$161.51 Per SF (Net Rentable Area)
Deed Information:	SPIN	

Compiled by NKF

Since the previous sale, interest rates have risen dramatically.

Legal Description

Plan 9910835 Block 39 Lot 1

Scope of Work

Extent to Which the Property is Identified

- ❖ Physical characteristics
- ❖ Legal characteristics
- ❖ Economic characteristics

Extent to Which the Property is Inspected

NKF inspected the subject property on October 4, 2022 as per the defined scope of work. Liam Brunner, AACI, P.App., MRICS made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

- ❖ Exposure and marketing time;
- ❖ Neighborhood and land use trends;
- ❖ Demographic trends;
- ❖ Market trends relative to the subject property type;
- ❖ Zoning requirements and compliance;
- ❖ Real estate tax data;
- ❖ Relevant applicable comparable data; and
- ❖ Investment rates



- ❖ Physical characteristics of the site and applicable improvements;

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.



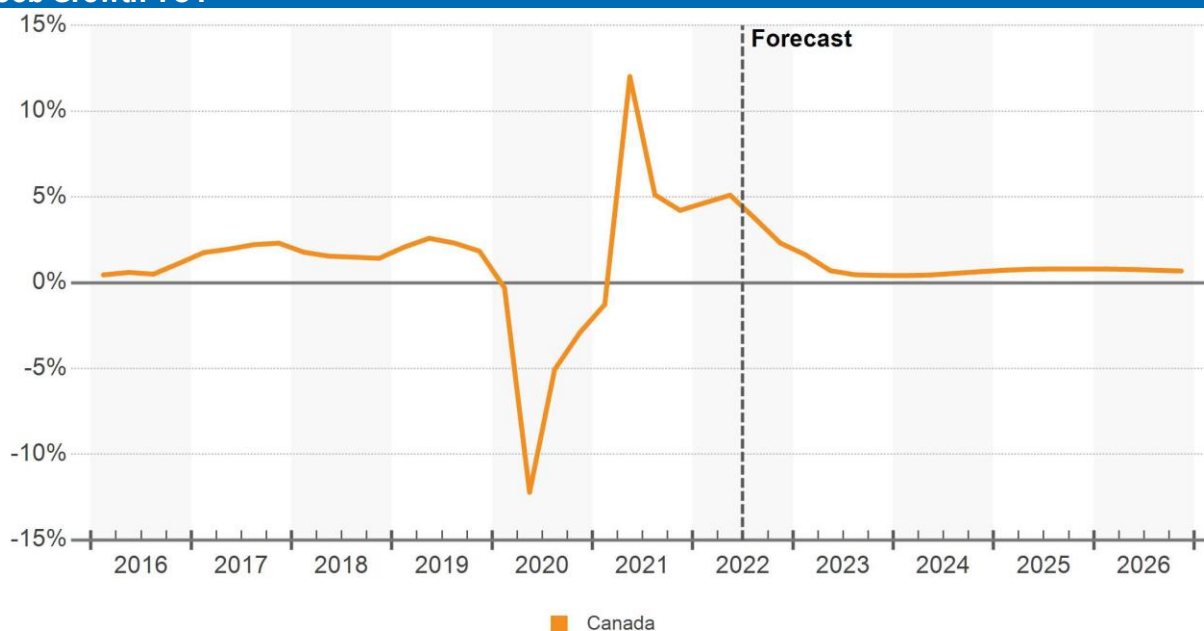
Economic Analysis

National Overview

The economic outlook has dimmed over the past quarter. Inflation is staying higher for longer than previously expected, which will weigh on purchasing power for consumers, and businesses. As a result, the higher interest rates required to fight inflation will further cool demand. Canada is already seeing substantial downgrades to economic growth, as interest-rate sensitive sectors such as housing bear the brunt of the markdowns. On balance, economic growth is expected to fall meaningfully below its long-run trend pace and unemployment rates are forecast to rise from their current low levels. A recession is not imminent, but with growth close to stall speed, there is a very thin margin for error if another shock hits the economy.

Higher rates are clearly needed to arrest the inflation fire burning out of control through much of the world, fanned by the knock-on effects of the war in Ukraine on commodity prices. The path of the conflict remains highly uncertain, but, several months in, it is clear that Russian energy will be constrained on international markets for quite some time, prolonging high energy prices. With all this uncertainty, monetary authorities at the Bank of Canada have their work cut out for them trying to reduce excess demand for goods and services as well as labour, without snuffing out the economy's light entirely.

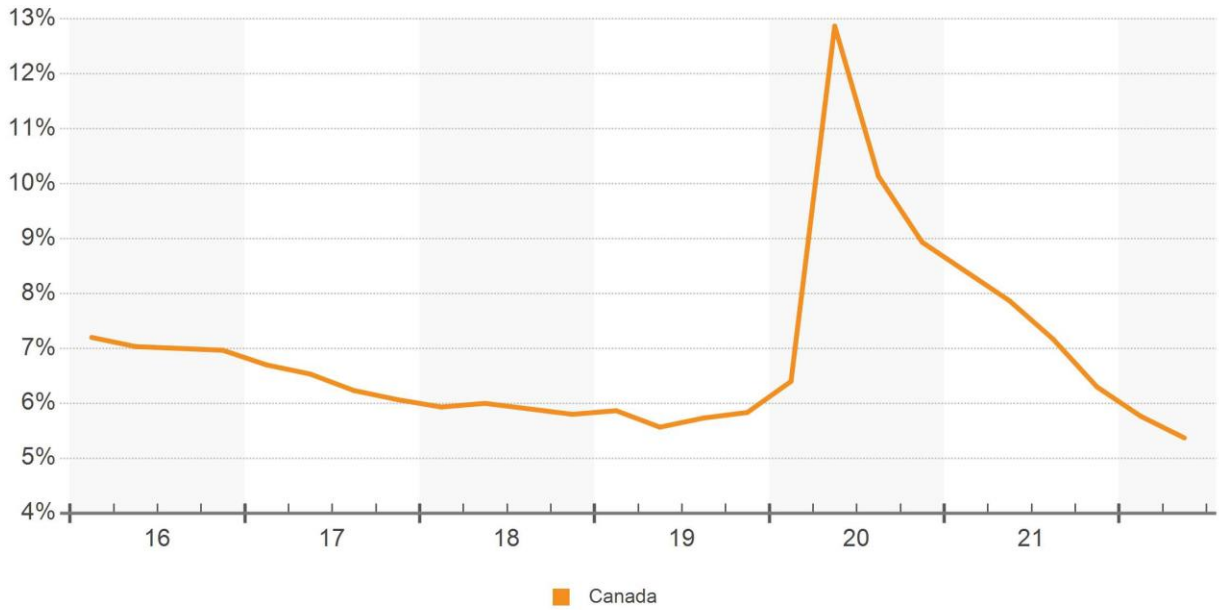
Job Growth YOY



Source: Oxford Economics

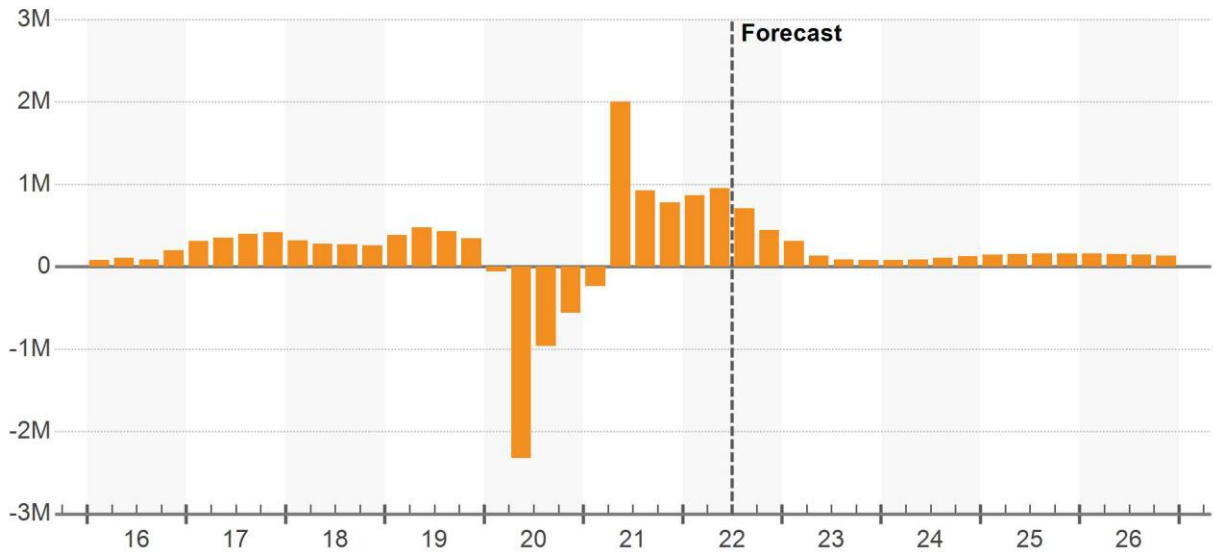


Unemployment Rate



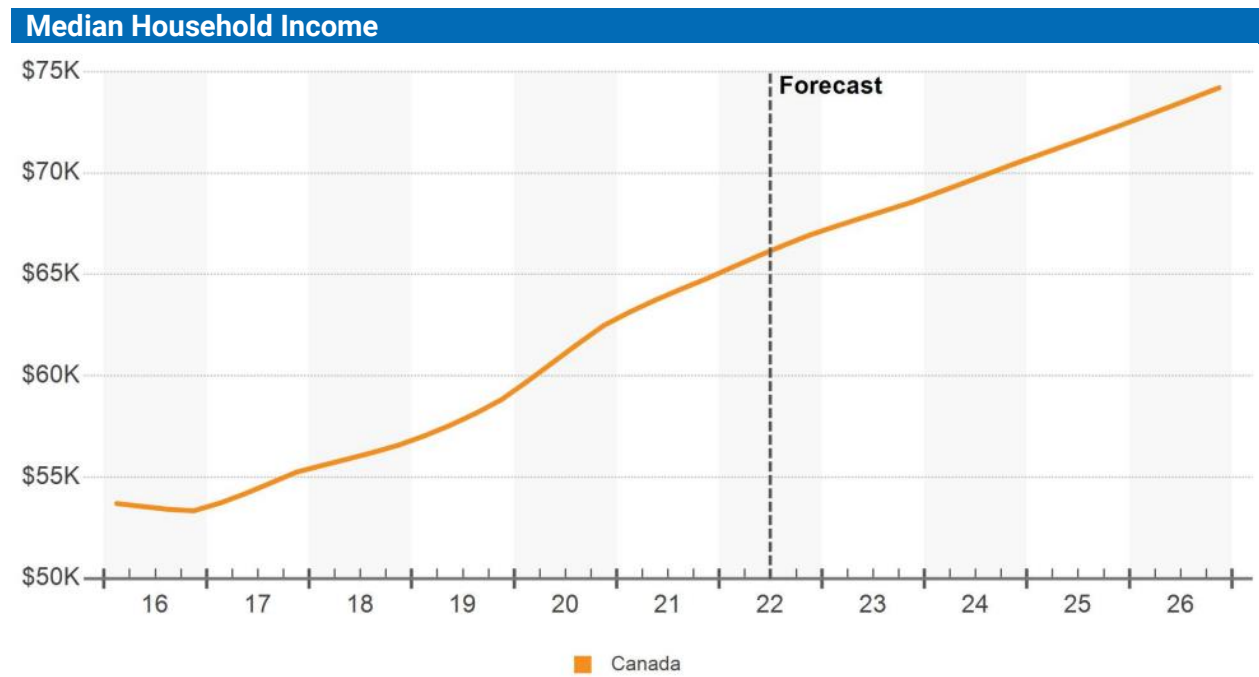
Source: Oxford Economics

Net Employment Change YOY

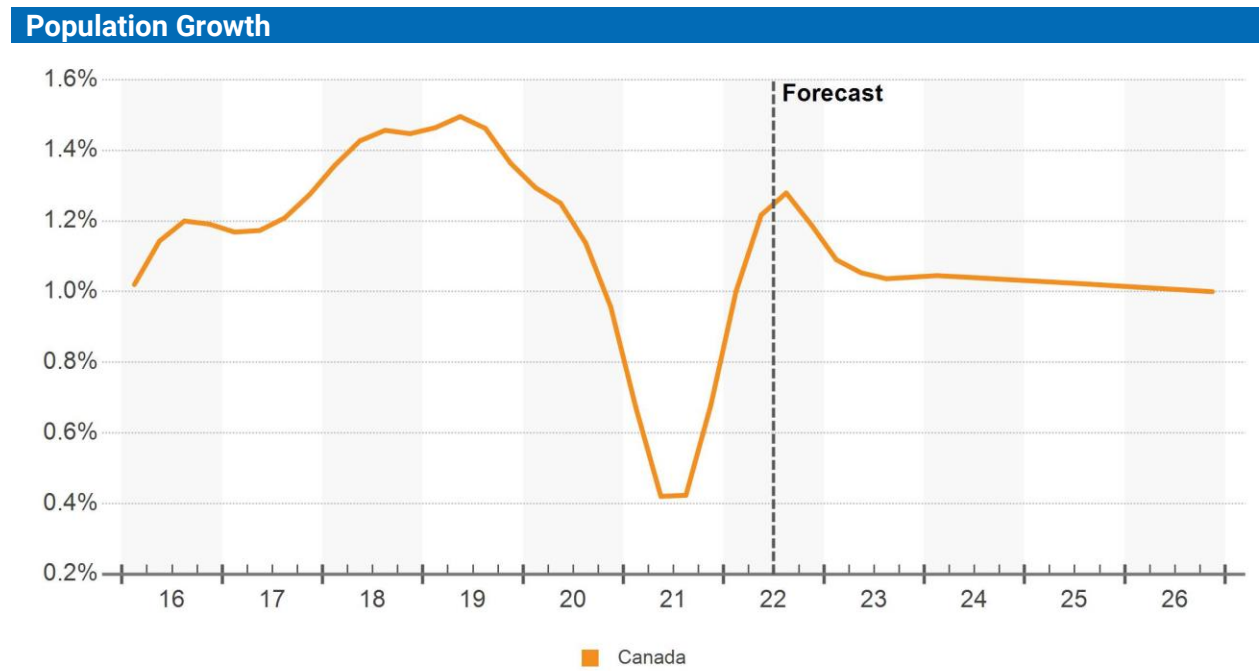


Source: Oxford Economics





Source: Oxford Economics



Source: Oxford Economics



Highlights

- CPI inflation lost a bit of steam in July, up 7.6% y/y from 8.1% the month before. Despite the cool down, the Bank of Canada is still likely to hike rates by at least 50pbs in September.
- Canada shed 31K jobs in July, on the back of job losses in the previous month as well. Despite weaker job growth, the unemployment rate has held steady at a record low of 4.9%.
- Canada's housing market continues to cool down rapidly, with sales falling 5.3% from the previous month in July. This marks the lowest level for home sales since May 2020.
- Retail sales rose modestly in June, up by 1.1% from the previous month. Much of the increase however was due to rising prices, with inflation adjusted sales only up 0.2% during that period.



Alberta Economic Overview

Alberta is likely to lead the way in terms of economic growth this year, as the steep climb in crude oil, natural gas and agricultural prices lift incomes in the province. In this vein, we've lifted near-term forecasts for both oil and natural gas in the June outlook due largely to the impact of growing sanctions on Russia. Although remaining higher for longer, prices for both commodities are still projected to pull back towards the end of 2022 and into 2023 on the back of slowing economic growth across advanced economies, some pickup in supply as well as a narrowing in the "fear premium" currently imbedded in markets.

Job growth in Alberta has been solid so far this year, bolstered by gains in the private sector. In fact, private sector hiring has been the strongest of any province year-to-date, supported by industries tied to re-openings, the professional, scientific, and technical services sector, and mining, oil, and gas.

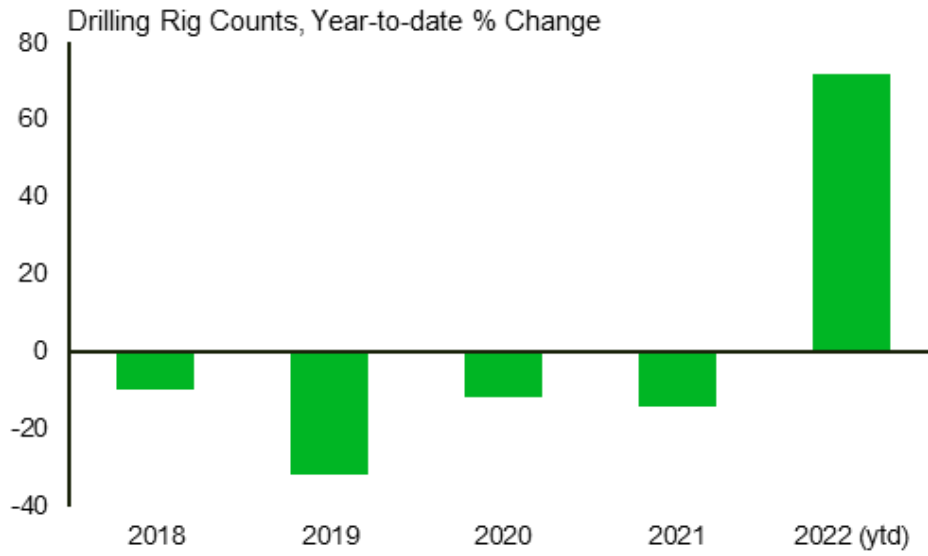
We're also anticipating a decent increase in oil and gas production this year, as producers move to benefit from the favorable price backdrop. So far, oil production growth has been modest. However, a sharp rise in rig counts in the second quarter may portend higher output moving forward. All told, we think oil production could expand by 200k barrels/day this year. Meanwhile, natural gas production has been strong so far this year and we expect further gains moving forward.

Notwithstanding these positives, there are some stiff headwinds that the province is facing. Perhaps most notably, households in the province are carrying a relatively large share of debt and will be strained by the steep rise in borrowing costs. Moreover, wage growth has been muted, as a consequence of past economic weakness.

It's been a long, challenging road back to surplus for Alberta and the modest spending plan laid out in their latest provincial budget indicates that fiscal prudence remains a key goal. As it stands, policymakers envision their \$3.2 billion FY 2021/22 deficit morphing into a mild surplus this fiscal year. However, there's a very good chance that Alberta's fiscal position will record an even larger positive swing from an upside revenue surprise this year, given the conservative assumptions on oil prices baked into the government's projections.



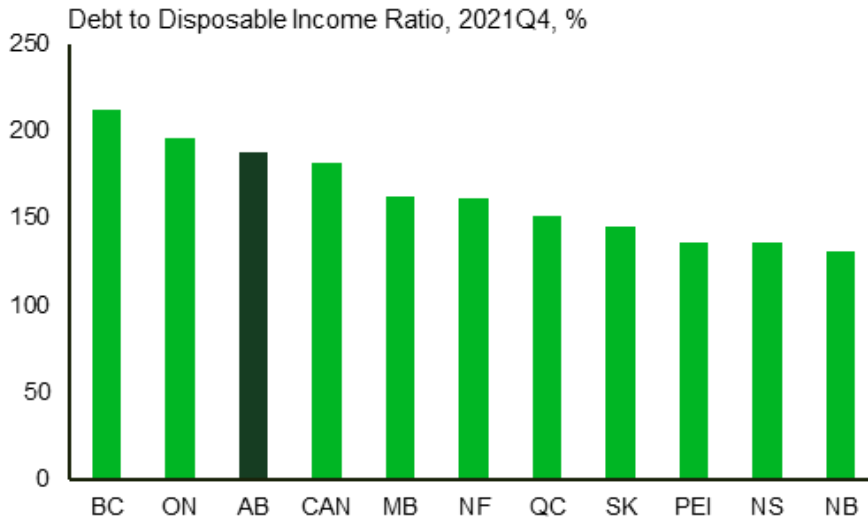
Alberta - Employment



Source: Baker Hughes, TD Economics.

Source: TD, Economics

Alberta – Income Rates



Source: Statistics Canada, TD Economics.

Source: TD, Economics



Greater Calgary Area

Spurred on by surging energy prices since the pandemic, Alberta's economy is on relatively solid ground after continued improvements in labour markets and overall business sentiment. However, rising interest rates and still elevated inflation across the world will bite into even the most solid local economies, including Alberta's, despite the still elevated price of oil, which has been trending downward since mid-2022 and is now at levels last seen just before the invasion of Ukraine.

Before the pandemic, the province was dealing with one of the highest unemployment rates in the country at 7.4% in February 2020, which had risen dramatically to 14.6% as of June 2020. However, the province has made tremendous progress on the labour front of late, with the unemployment rate at 5.0% as of July 2022, the lowest since early 2015. The private sector leads the way in job growth, year-to-date, led by re-openings related to the accommodation, food services and retail trade industries. Professional, scientific and technical services industries had among the lowest rates, while construction was near the top.

Oil and gas production is expected to increase throughout 2022 and 2023 due to a sharp rise in rig counts in the first half of 2022. Previous years each saw declines in rigs, however, a dramatic uptick in 2022 will lead to increased oil production, possibly climbing another 200,000 barrels a day, according to estimates by TD Economics.

The 1,150-kilometre Trans Mountain Pipeline is estimated to achieve 80% build-out by the end of 2022. It will provide a further boost to an Alberta economy that has already seen significant improvement from the surging price of Western Canadian Select. WCS started 2021 at \$32USD/barrel and finished 2021 at approximately \$65USD. Prices have since climbed over \$100 but are trending downward, ending August 2022 at about \$75USD per barrel.

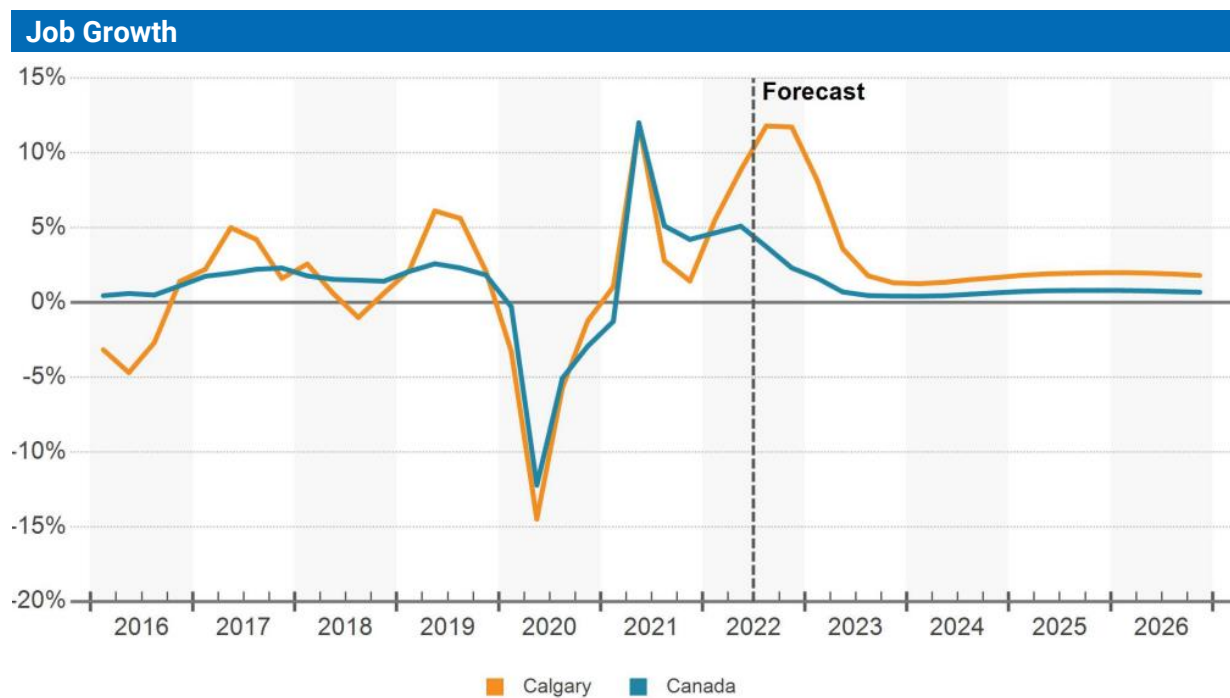
The cancellation of the Keystone XL pipeline has forced the province to weigh the prospects of its ailing oil and gas industry as the spotlight moves to a lower-carbon energy future. This was addressed in the budget for 2021 and again in 2022, with priorities identified to diversify the provincial economy, building around but also away from the fossil fuel sector. For instance, investment in rail lines continues as the government prioritizes developing Alberta into a logistics hub for goods, and several technology-related incubators have been funded to support the changes in the oil and gas sector and foster the growth of the tech industry as a whole.

The public sector has faced its own challenges, although those appeared to have eased somewhat in early 2021, resulting in global oil prices strengthening, lower unemployment, and increased exports. Major infrastructure projects, like Calgary's Green Line LRT project and the City of Edmonton's LRT expansion project, are challenging but will induce further economic activity. Undoubtedly, the recently installed mayors of both cities will continue to look for economic



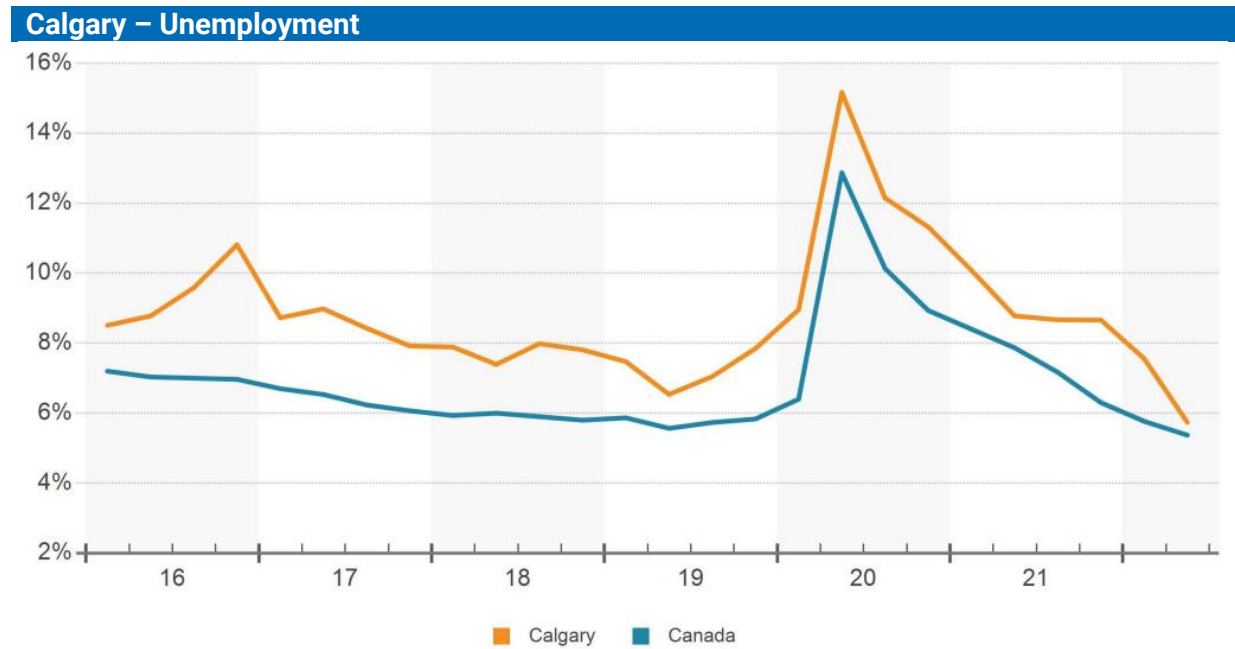
efficiencies without impacting the most vulnerable and those still affected by the financial challenges.

Looking ahead, the economy in Alberta is likely to lead the country in terms of growth, a result of the pandemic recovery and the surging oil prices after the oil price collapse. The climate-related policy will be an ongoing challenge for the energy sector in Alberta as the industry must reduce its impact while simultaneously supporting a case for additional pipelines. Significant investment will be required to meet emissions targets, which will be scrutinized as the world continues to shift toward more sustainable options, made possible by the growth in oil prices since the start of the pandemic.

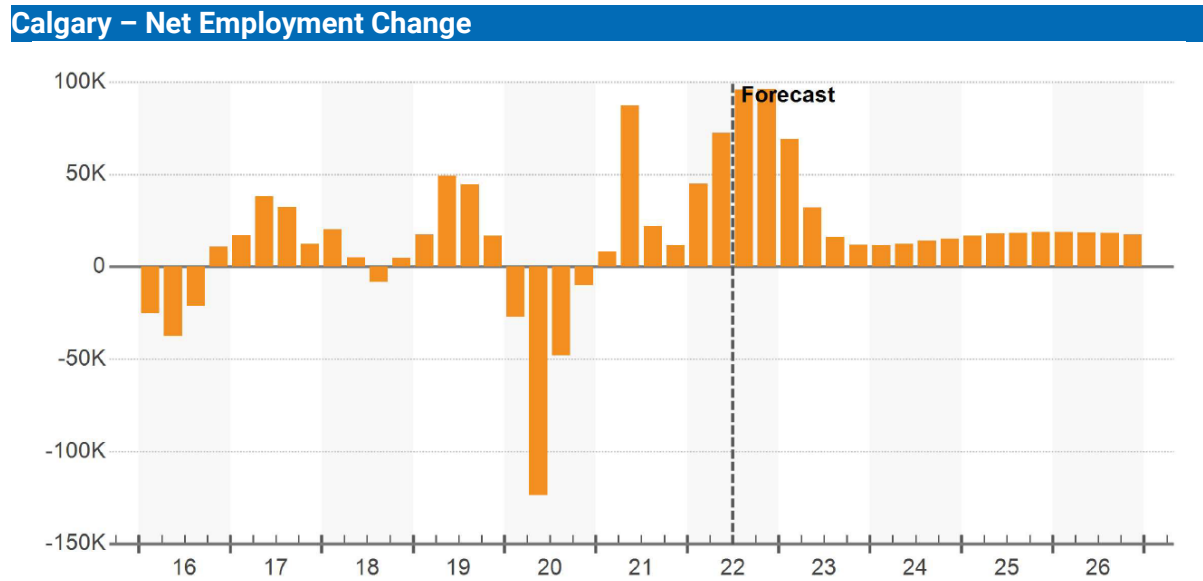


Source: Oxford Economics
 Compiled by Newmark





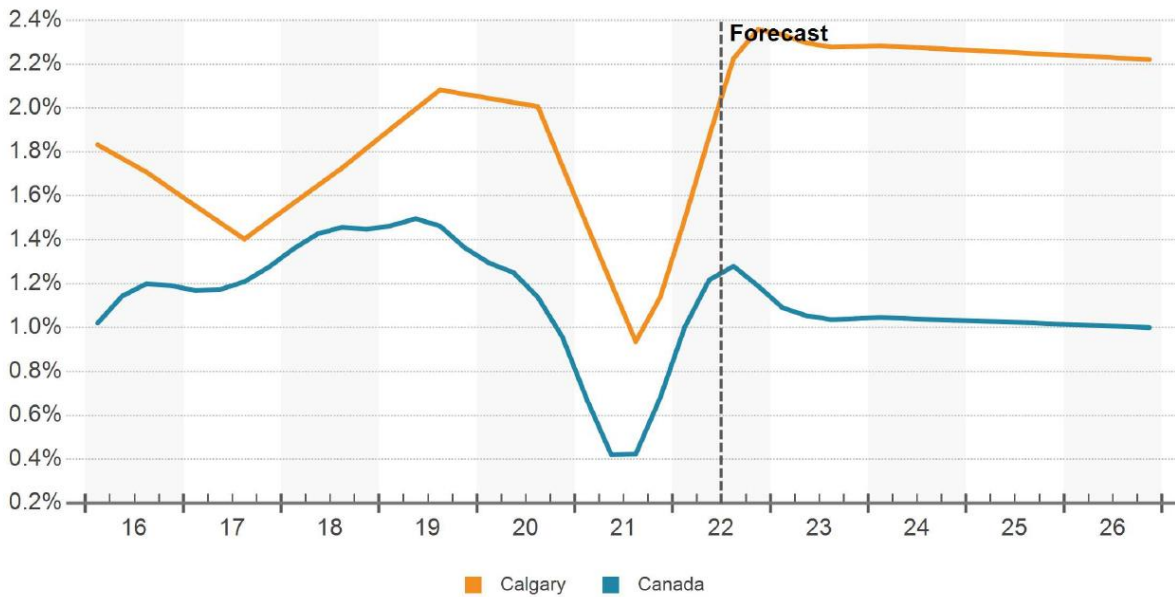
Source: CoStar
Compiled by Newmark



Source: CoStar
Compiled by Newmark



Calgary – Population Growth



Source: CoStar
Compiled by Newmark

Highlights

- Calgary's unemployment rate declined sharply in July, hitting 5%, down from 5.5% in June, and its lowest since Feb. 2015 and just shy of the national rate of 4.9%.
- Aspen Prop. and Hazel view Inv. acquired Millennium Tower, a 440K SF, downtown office building, from Oxford in mid-Aug 2022, estimated at \$325/SF.
- Calgary's Industrial leasing market continues to tighten. Vacancy rates are still trending downward, now at 2.6%, the lowest in 15 years.
- In Aug 2022, Panattoni and Manulife acquired over 120 acres from the City of Calgary for future distribution development in the Point Trotter area of the SE quadrant.



Office Market Overview

National Office Overview

With reopening's following the winter lockdowns due to the Omicron variant, the economy and many office workers are bracing for some sort of return to normalcy in the months ahead. While Covid 19 has not fully gone away, government officials across the country appear to be much more reluctant to impose any new restrictions on the economy. In fact, the narrative from policymakers suggests that the pandemic may be transitioning into an endemic stage where society will just have to learn to live with the virus.

With that has come plans for many businesses to begin returning their workers back to the office. To be sure there have been several "false starts" over the past few months, but pent-up demand, and the need to "just get on with it" suggest that this time will be for real.

Closely watched, Google mobility statistics, which we have been using as a real-time leading indicator of foot traffic at workplaces and transit stations, does appear to show some improvements in recent weeks. Mobility has increased at both locations, suggesting that people are indeed returning to workplaces and by association, using transit more frequently. But it is important to stress that mobility levels at both locations have also yet to get back to pre-pandemic levels from two years ago. While that may just be a matter of time, more permanent behavioral shifts and changing workplace practices may be occurring. These factors could indefinitely prevent a full return to pre-pandemic levels in the future.

Recent data confirms that businesses are continuing to reassess their space needs. For example, sublease space, while down 8% from its 2021 peak, continues to remain elevated as of Q2 2022 with just over 13 million square feet nationally. This remains well above both the pre-pandemic average and the five-year average. On a regional basis, sublease space continues to grow in large tenant markets such as Toronto and Montreal, although it is sharply ebbing in smaller tenant markets such as Vancouver.

Although the velocity of office demand, as measured by net absorption, is improving overall levels remain negative over the past twelve months as of Q2 2022. With the rate of new deliveries to the market also picking up, particularly in large markets such as Greater Toronto, the national vacancy rate has continued on an upward trend and was at 8.7% as of Q2 2022. This is well above its past



seven-year average and given the supply pipeline, is likely to continue increasing over the forecast horizon.

With market conditions swinging in favour of tenants., market rents have been decelerating compared to the past five years. While average office rent growth rates have improved from their pandemic nadir, they continue to remain below 2%, or well below the current rate of inflation. Rent growth has been particularly weak in lower-quality buildings with some instances of rental declines becoming evident. High-quality buildings on the other hand have held up comparatively better.

Although office market conditions continue to remain soft, the trend in investment activity has improved over the past year. Large trades such as Royal Bank Plaza have helped to drive the improvement and are a testament to the solid liquidity available for top-quality office towers in Canada.

Leasing

Canadian office leasing volumes remain well below their long-term averages heading into the summer of 2022. Although there has been some improvement since the nadir of the pandemic in 2020, the national leasing volume was just over 3 million square feet in Q2 2022, which is less than half the level averaged between 2015 and 2019. On a regional basis, leasing conditions appear to be comparatively stronger in West Coast cities such as Vancouver, while remaining depressed in larger markets such as Toronto and Montreal.

While Canadian companies and tenants aren't expressing a huge desire to take on new space, they remain content to still offload excess space. In Q2 2022, sublease space availability remained in the 12-14M square feet range still above its long-term average, but on the brighter side, down 8% from its Q2 2021 peak. The modest improvements are mainly due to a sharp reduction in sublease space in Vancouver, where smaller tenant sizes appear to be driving a less uniform approach to space utilization compared to large tenant markets in central Canada. For example in Canada's largest office market, Toronto, sublease activity continues to increase with about 7M sq ft of space (the equivalent of 10 large office buildings) available for sublease as of Q2 2022. Montreal, another large tenant market, also saw a 12% increase in sublease space during the quarter. Market surveys seem to suggest that larger firm sizes are more open to adopting hybrid work options and the continued increase in sublease availability in Toronto and Montreal may be a reflection of this situation.

With leasing volumes remaining weak, office net absorption across the country is barely managing to move into positive territory. In Q2 2022, we estimate that net absorption fell by just over 300,000 square feet as the number of tenants giving back space continued to outpace tenants taking on space. With net deliveries continuing to increase significantly, the national



office vacancy rate consequently increased to an estimated 8.7% in Q2 2022. This is well above the long-term average dating back from 2015.

Given our forecast for demand and supply fundamentals, our base case scenario suggests that overall office vacancy in Canada is likely to continue increasing and peak at 9.8% by 2024. This adjustment means that the scales have officially tipped firmly into the tenants' favour. And that's especially true in downtown cores. Moreover, we expect that conditions will likely remain that way until late 2025, all else equal.

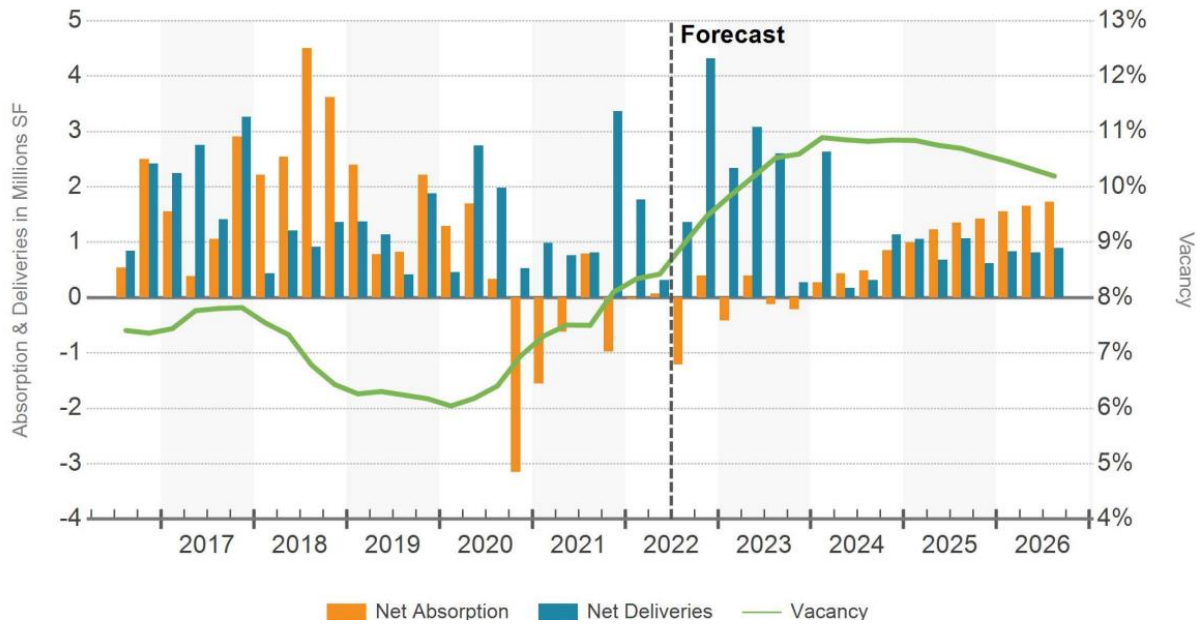
One caveat to this analysis is that the markets of Calgary and Edmonton have already been in the favour of tenants for years. While Covid has also been a challenge for these markets, the decimation of the key energy sector is really at the heart of the office market challenges in Alberta. Although oil prices have since rebounded due to the crisis in Ukraine, this has not had a material impact on office using demand in the province. Consequently, a significant portion of the office inventory, especially in Calgary will need to be removed in years to come in order for Alberta office markets to move into balance. This is especially true, should there also fail to be a new source of significant demand from another sector, whose footprint is as large as energy once was in that province.

While much of the discussion has been focused on urban/downtown office markets, it's interesting to point out that suburban office demand has performed comparatively better than its urban counterpart. Indeed, much of the negative absorption in major markets such as Toronto is concentrated in urban areas just outside of the CBD. This trend may be a reflection of the secular changes occurring in the way we work. Less dense suburban locations, along with home offices and co-working spaces may increasingly become part of a more distributed office model as employers look to increase the flexibility of how their employees can work. Meanwhile, CBD offices will continue to be flagship locations for company branding to the detriment of office properties outside of the core. Time will tell if this trend becomes more ingrained.

Along those lines, another trend that appears to be emerging is a flight to quality dynamic in which higher-quality 5-star office buildings outperform lower-quality buildings. For example, in Q2 2022 net absorption by the former was up by 600,000 square feet nationally, but down by nearly 3 million square feet for the latter category. This flight to quality dynamic might reflect tenant preference for modern, efficient, and flexible office space, given the changing nature of workplace models. To that end, we expect that much of the anticipated vacancies over the forecast period will be concentrated in older, less efficient, and lower-quality buildings.

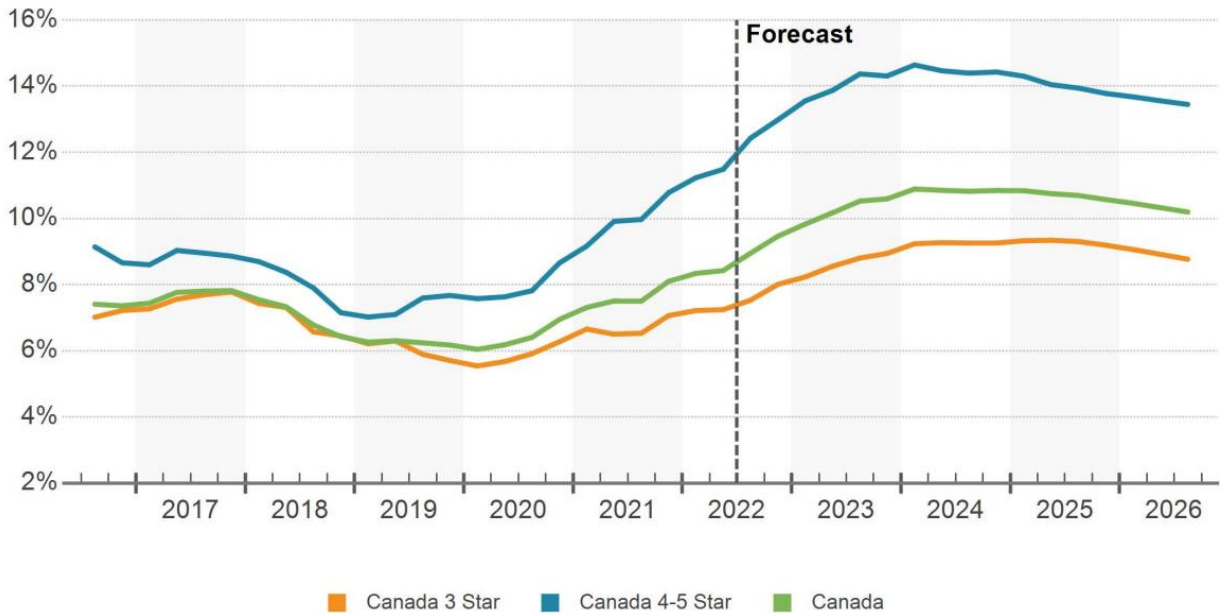
National Office – Net Absorption, Net Deliveries & Vacancy





Source: CoStar – National Office Market

National Office – Vacancy Rate



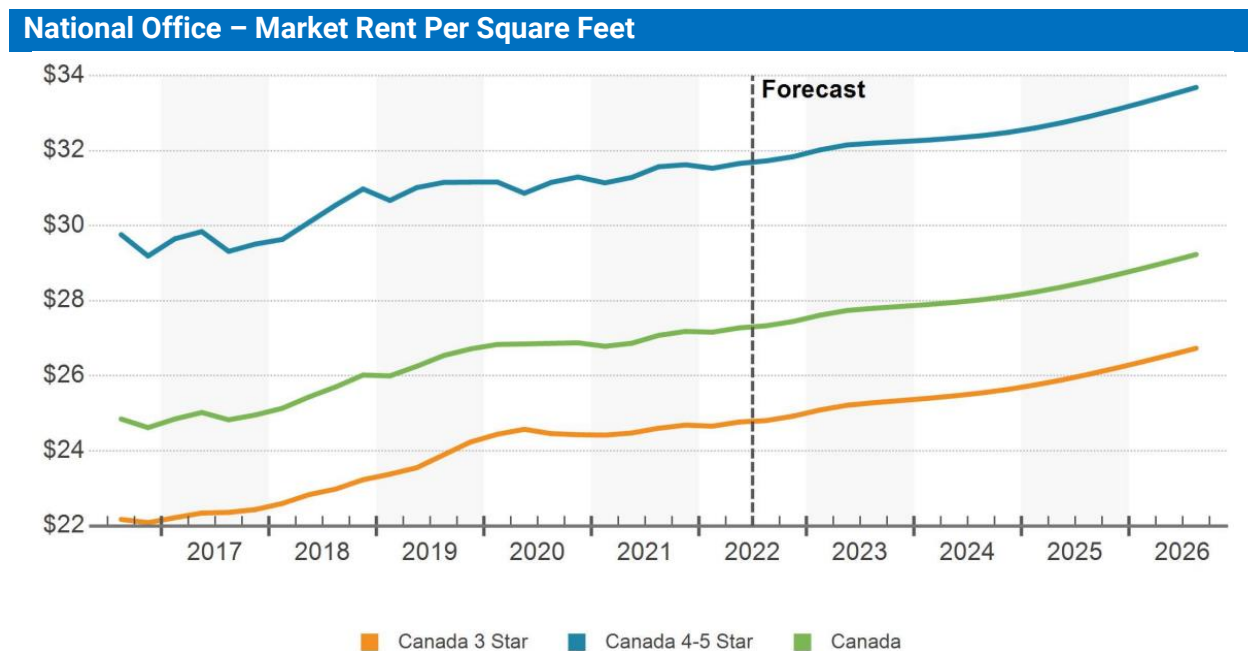
Source: CoStar – National Office Market



Rent

Outside of Alberta, landlords of major urban office buildings have refrained from significantly lowering lease rates. Typically, when market conditions become more uncertain, landlords will offer tenant inducements and increasing broker incentives and commissions to keep face rates as high as they can – this is exactly what we are seeing right now. However, it's likely that as market conditions continue to loosen, more instances of rent slippage will be coming in downtown Vancouver and Toronto. Lower rates will likely be concentrated in weaker quality buildings that cannot compete with newer generation buildings with modern amenities and superior HVAC and technological capabilities. And of course, the flexibility of space given new health guidelines post-pandemic will also be a key determining factor.

This “flight to quality” dynamic is visible in recent data. For example, rental rate growth among 4- and 5-star properties is outpacing lower-rated buildings by a widening margin. But with the national rate of inflation at a 30-year high of nearly 7%, office property rent growth, regardless of quality, is not keeping pace. With inflation unlikely to see a precipitous improvement in the near term and office markets continuing to loosen, this dynamic is likely to continue until at least 2024.



Construction

Office construction remains active in Canada's largest office markets with about 19 million square feet of space currently in the pipeline. More than 80% of this new space is concentrated in Toronto and Vancouver. To put the relative new supply into context, Toronto currently has about 5% of its inventory under construction while Vancouver has nearly double that at 8.3%.



Construction in both markets has been driven by low historical vacancy, rapidly rising lease rates, and solid demand from high-tech and financial services firms prior to the pandemic. Following a voracious new development cycle during the last decade and an extremely elevated vacancy rate, the supply pipeline remains muted in Calgary and Edmonton while Ottawa is experiencing only modest new development activity.

Both Toronto and Vancouver will see deliveries of these new towers ramp up over the next two years, with the former seeing the near-term completion of over 3 million square feet of space, while the smaller Vancouver market will see a similar total amount of new space come on-line. Reflecting the solid appetite for new space in these markets, collective pre-leasing for this new product remains high at 75%. This is thanks to a mix of existing tenants in these markets relocating or upgrading their premises to move into these new modern buildings as well as a handful of new tenants entering these markets and looking for flagship space.

For example, Microsoft recently announced that it will occupy approximately 400,000 square feet or about 20 floors of BGO's new B6 tower in Vancouver. Construction of this office tower began in 2019 with completion sometime in 2023. And in Toronto, Canada Goose recently noted that it is moving its head office to the recently completed 100 Queen's Quay East (LCBO) tower in Toronto's fast-growing downtown south or Waterfront district. Menkes delivered the 875K SF tower earlier this year with LCBO as the anchor tenant along with other major occupiers such as Richardson Wealth, Align Technology, and the Toronto Region Board of Trade.

Sales

Office has been significantly lagging since the onset of the pandemic. For example, back in 2018 and 2019, office led all property types with quarterly sales averaging just over \$2 billion. Since the pandemic began in Q1 2020, however, quarterly office sales volumes fell to an average of \$1 billion – well below other property types such as industrial and even retail. With fundamentals shifting and the work-from-home trend and its impact on long-term office demand yet to be fully understood by investors, the suppression of sales activity is completely understandable.

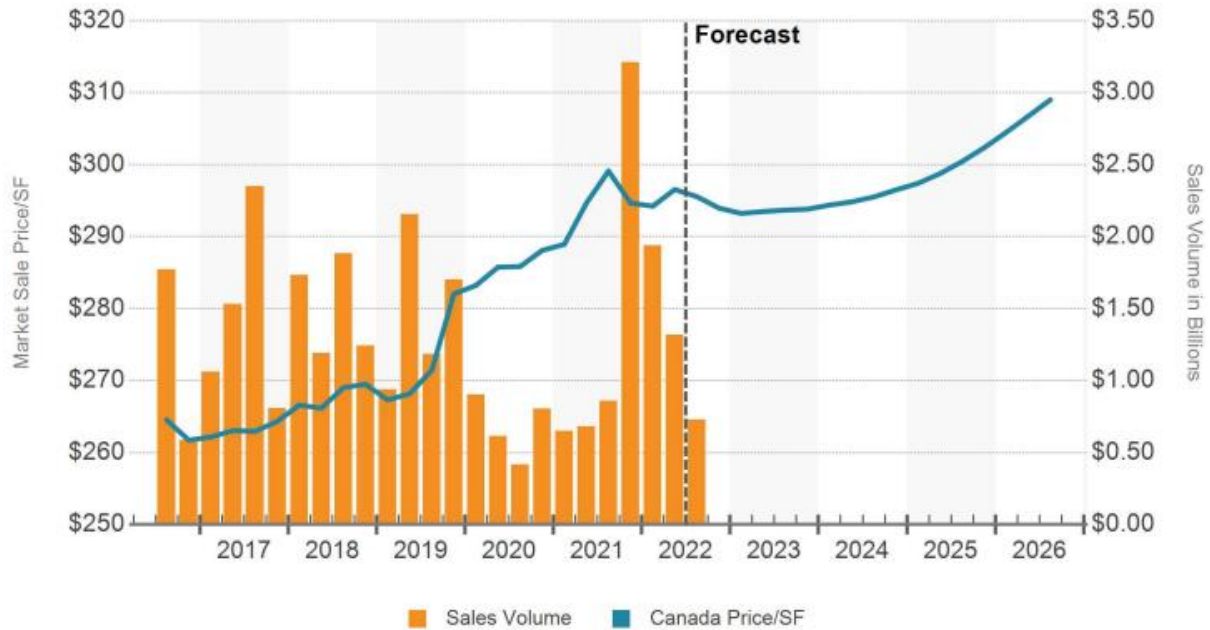
However, there are several underlying factors that have been at work in the office investment market. For one, few big downtown office portfolio deals traded since the pandemic given the high degree of uncertainty in the market. However, that all changed in late 2021 with the purchase of the Bow in Calgary, along with a suburban office park by Oak Street Real Estate Capital. The transaction was for \$1.2 billion or \$592 per square foot. The eye-popping valuation, both in terms of overall price and price per square foot, represents the single largest real estate transaction of 2021 in Canada.

With plenty of capital on the sidelines especially as mixed-asset investors ramp up their allocations to real estate in this era of very low-interest rates, we expect deal activity in the downtown office market to continue recovering over 2022. In fact, Royal Bank Plaza in Toronto –



one of the most iconic office plazas in the country – was recently placed under contract to a European buyer. The deal is valued at more than \$1.2 billion and was the single biggest driver of office sales volumes so far in 2022.

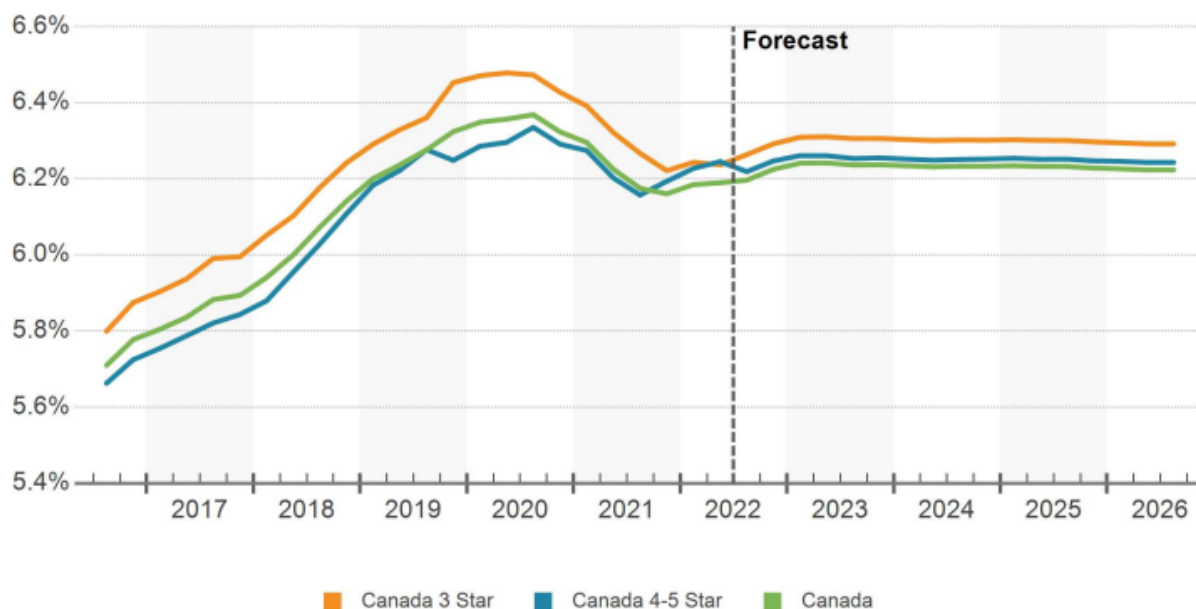
National Office– Sales Volume & Market Sale Price Per Square Feet



Source: CoStar – National Office Market



National Office – Cap Rate



Source: CoStar – National Office Market

Calgary Office Overview

Moving along with the ups and downs in the oil sector and further exasperated by the pandemic, the Calgary office market continues to distance itself from nearly all other North American markets in terms of availability, home to the highest rates of all major markets, ranging from 19.5% across the entire region for all office buildings, up to 27% to 30% for select regional and select downtown buildings, respectively. Despite the impressive rise in oil prices over the last year, availability rates have increased due to ongoing consolidation and newfound efficiencies in the oil and gas industry. However, leasing volumes have picked up, with 2022 quarterly leasing volume achieving, or flirting with, one million square feet leased per quarter after dropping to less than 500K square feet leased in the early days of the pandemic. The result, -210,000 square feet absorbed in the past 12 months.

Rental rates appear to have now bottomed out \$26.00 per square foot gross over the whole region with expectations that rates will improve slowly but consistently throughout 2022 and 2023. Rates have had a significant climb from their lows, the result of an influx of new space in 2017 and the oil price downturn. Losses as high as -10.8% have been recorded over the last five years, while in the previous three years, rates declined by -2.1%.



Head offices still play a significant role in the makeup of office tenants, particularly in the downtown core. Despite the market challenges in the last few years, the number of head offices has remained relatively steady; 115 were tallied by Calgary Economic Development in 2018, compared to 118 currently, 70% of which are in the oil and gas sector. While Calgary still has more head offices per capita than any other city in Canada, it has seen its lead diminish over the last two years due to takeovers such as Cenovus Energy taking over Husky and Whitecap Recourses taking over TORC Oil & Gas. In addition, Ovintiv announced its departure, in terms of head office space, at the end of 2019 and is now located in Denver.

The technology industry is the target of much courtship as the city, province, and some private stakeholders attempt to attract startups and long-standing tech companies to Calgary. Incubators supporting tech development in the oil and gas industry have been set up, as have incubators supporting a more comprehensive range of companies, such as those working in Property, Legal, Health, Analytics, and Human Resources, to name a few.

Investment activity had been exceptionally quiet over the past two years before a record-setting final quarter at the end of 2021. Since the pandemic started, quarterly investment volume has exceeded \$50 million four times, fueled by distress sales. 2021 closed out with the December sale of Western Canadian Place for \$475 million, representing a price of \$432 per square foot. In October, the same buyers, Oak Street Real Estate Capital, acquired The Bow for \$1.22 billion, representing a price per square foot of \$600. The Bow was part of a larger transaction involving the Bell Campus in Mississauga.

These valuations are two and three times greater than the current overall market price per square foot of \$210, which itself is far removed from the \$282 per square foot recorded just five years ago. Both transactions were complex and involved many future considerations affecting closing values. 2022 has already seen several downtown office buildings (Selkirk House, Canadian Centre, First Street Plaza) trade with valuations ranging from \$75 to \$105 per square foot.

Moving forward, the City of Calgary has identified a 10-year, \$1 billion plan for the downtown core, which includes incentives for landlords to convert empty office buildings to residential or other commercial space, among several infrastructure improvements that include pedestrian and cycle paths, green-space, and cultural expansion. As of Summer 2022, the city has received more than a dozen 'expressions of interest' from landlords to convert their vacant buildings and approved five projects that will remove 665,000 square feet of obsolete office space in favour of residential use.

Leasing

Leasing activity in the Calgary region picked up in mid-2021 and has since climbed nearly every successive quarter, closing Q2-22 at 1.1 million square feet leased across the region. Activity had dropped to under 500K square feet quarterly leased in Q2-20.



Over the year ending Q2-22, the market posted activity (new leases/renewals/sublets) ranging from 800,000 to 1.1 million square feet transacted per quarter. By comparison, the three-year pre-pandemic average was 1.3 million square feet. In fact, in the opening two quarters of 2022, leasing in Calgary was third in the nation, behind only Toronto and Montreal.

The improving levels of activity point to an overall improvement in office occupant sentiment in the Calgary market, which will see even more significant activity in 2022 after a 10% gain was recorded in 2021 relative to 2020. Activity in the first half of 2022 is the equivalent of 75% of 2021's total lease activity.

Vacancy remains elevated at 17.6% for the entire inventory, and over 22% when removing government, education, and owner/user buildings. The top six leases in the past year have all been sublets, with five taking place in the downtown submarket. Sublet availabilities now sit at 3.1 million square feet, down from the post-pandemic peak of 4.7 million square feet. Turn-key, ready-to-use space is becoming increasingly more popular as inflation persists, allowing tenants an opportunity to side-step increasing construction and outfitting costs associated with direct leases.

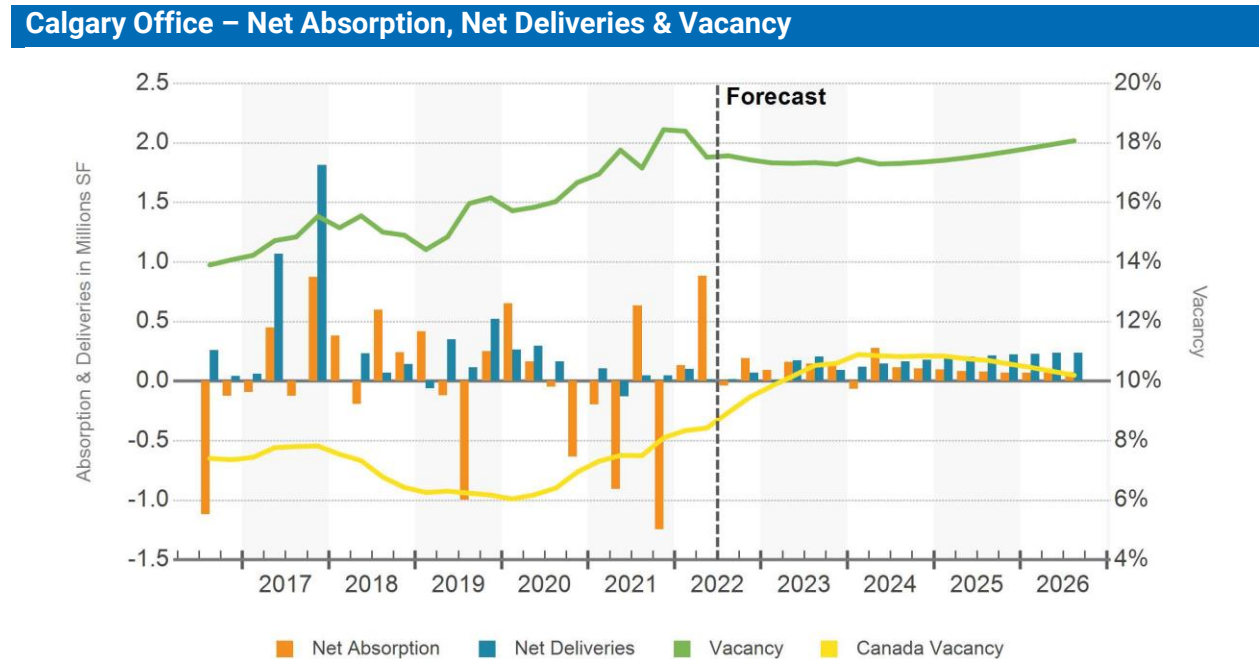
The local and provincial governments are working tirelessly to attract and foster new businesses, with a significant effort being made to attract tech tenants and to become less reliant on the traditional oil and gas sector. Success on this front was evident by several tech tenants committing to substantial leases in the last year, including Symend, Useful, Traffic Tech and WeWork. In November 2021, Amazon announced its plans to build a new cloud-computing hub in Calgary, working with Mount Royal University on a training program for hopeful employees. The three data centre plan has been the talk of the tech sector and is an indication of the draw the City of Calgary holds within the tech industry. Unfortunately, gains made by the tech sector in late 2020 and into 2021 have been offset by continued consolidation in the oil and gas sector. As a result, the tech sector will continue to be relied on to fill space. Despite the sudden recalibration by tech companies to reduce their expenses, the Calgary tech community has attracted a record level of venture capital in 2022, already well above 2021 levels.

Among large deals since the start of 2022 were 60,000 square feet at Bankers Hall West in two leases (Canadian Natural Resources Ltd. taking 40K of the 60K) and another 22,000 square feet in January. In addition, floors 21, 25 and 26 at First Tower (411 1st St. SE) were leased in July 2022, totaling 75,000 square feet, to three separate tenants. The building features a floor dedicated to tenant amenities, including collaboration and meeting space, a lounge, gym, and an outdoor patio.

Canadian Tire secured over 100,000 square feet via sublet at the Jacobs Engineering Building (205 Quarry Park Blvd. S.E.), representing the largest lease transaction over the past year. It is one of three leases outside the downtown core that make up the top ten list in terms of square



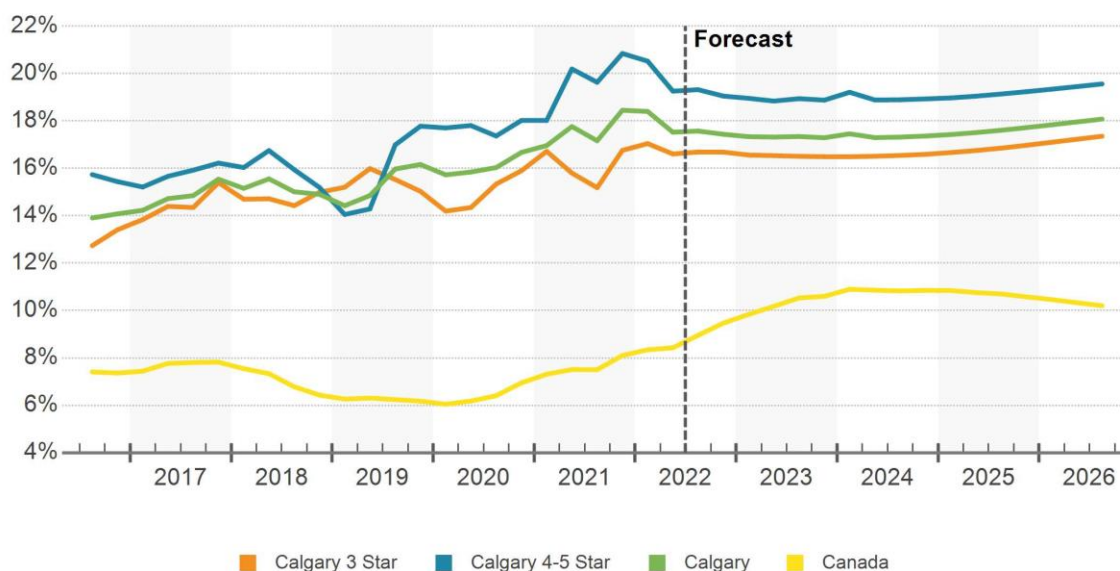
feet leased. The space is all on one floor, and the building is serviced by extensive parking, five stalls per 1,000 square feet. The space will allow Canadian Tire to provide a workspace that can be adapted easily to changing needs and provide plenty of parking for staff that prefer private commutes.



Source: CoStar Calgary Office Overview
 Compiled by Newmark



Calgary Office – Vacancy Rate



Source: CoStar Calgary Office Overview
Compiled by Newmark

Rent

Office rents in Calgary have continued to struggle since 2015. In fact, office rents declined by -10.8% over the past five years, or -4.3% on average per annum. Continued declines have hurt office valuations dramatically and, to some extent, have resulted in several buildings being sold below their replacement cost. Although rents were expected to start recovery in 2020, the ongoing pandemic has delayed those plans. As of 2022q3, the market is flirting with positive growth territory, up by 0.6% over the past 12 months to \$26.00 per square foot gross.

Office rents in the downtown core have also seen improvements toward positive rental rate growth. Throughout 2021 rates also flirted with post-positive growth achieving 0% rent growth by the end of the year and putting a stop to the still incrementally declining rental rates in the downtown core. The year ended at \$27/SF gross, with additional TMI expenses representing approximately 70% of the gross amount. TMI expenses in suburban markets typically only account for 50% of total gross rents. As a result, many firms have relocated to the downtown core to take advantage of quality spaces at similar rates they would be faced with in the suburban market.

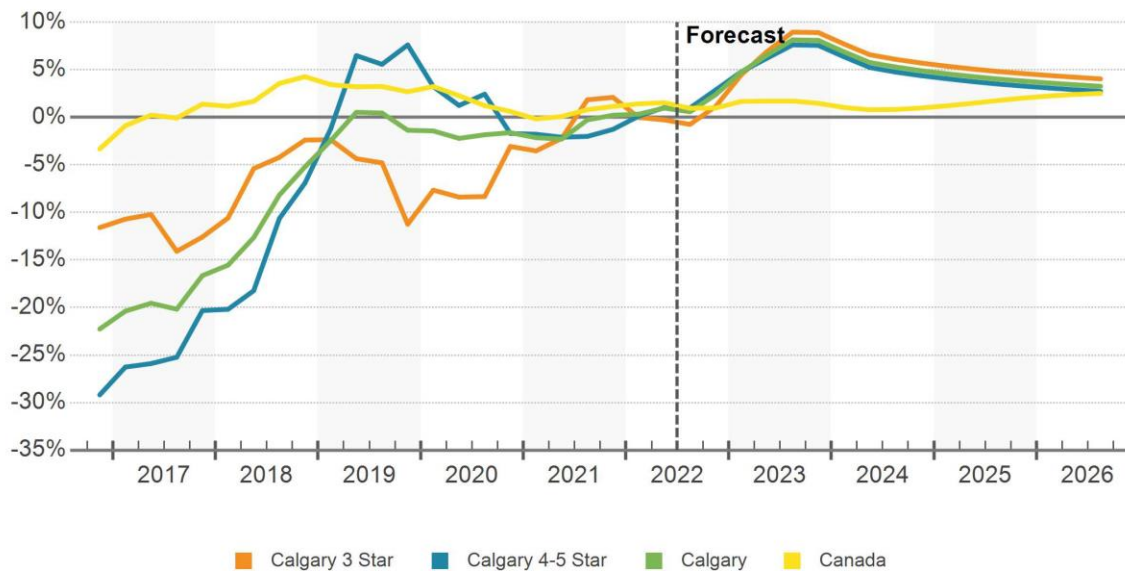
After drastic declines in rent over the past five years, office rents in Calgary have likely bottomed out. Going forward, it is expected that rents will return and stay in growth territory by the second



half of 2022; however, this will depend on the overall return to the office and Calgary's ability to continue to diversify its economy. For example, RBC and a UK tech firm each made significant announcements in July 2021 regarding Calgary being selected as an innovation hub, in the case of RBC, and as the top office outside of the UK market for the tech firm. Amazon made a similar announcement in November, meanwhile briefed.in, an independent record of tech startups and venture capital, indicated Calgary saw a 62% increase in tech investment deals in 2021 and a 220% increase in 'pre-seed' deals.

The City of Calgary hopes that these types of announcements, including several business incubators, will attract other groups to the region, thereby building on Calgary's continued growth towards being a top international technology hub.

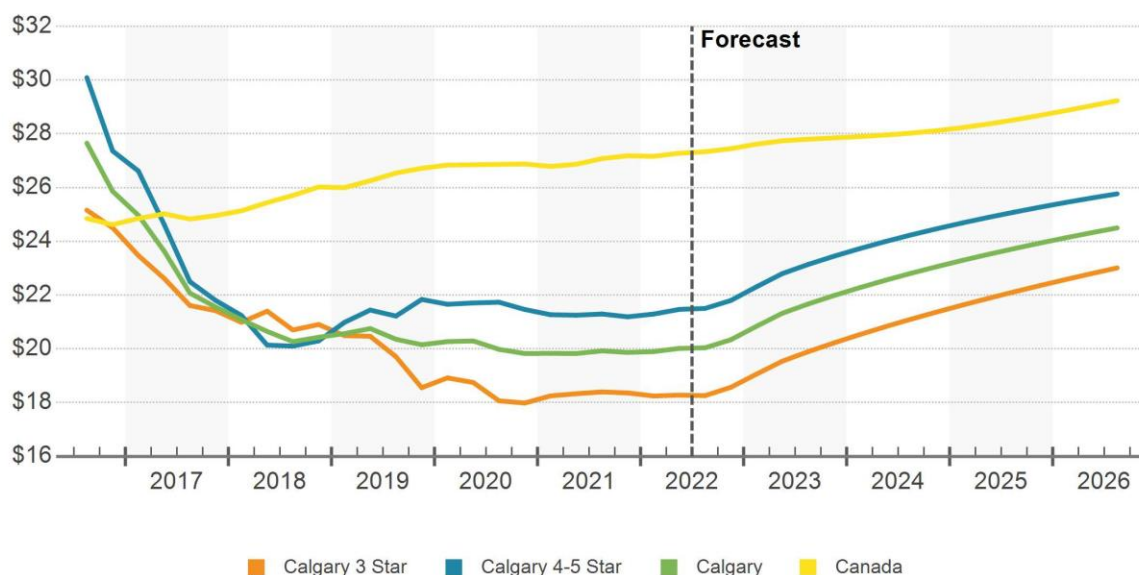
Calgary Office – Market Rent Growth (YOY)



Source: CoStar National Office Overview
 Compiled by Newmark



Calgary Office – Market Rent Per Square Feet (Gross)



Source: CoStar Calgary Office Overview
Compiled by Newmark

Construction

Calgary developers have long since pulled away from the delivery of large blocks of office space. With vacancy rates climbing dramatically over the course of the last six years, there has been little demand for new builds beyond the occasional owner/user building, usually located outside of the city centre.

The most recent influx of space came in 2017 when 3 million square feet were delivered. At the time sentiment in the market was that an uptick in demand would coincide with the deliveries, however shortly thereafter pricing for Western Canadian Select dropped from over \$50/barrel to approximately \$12/barrel in the span of six months in 2018, energy firms responded by conducting mass layoffs and eventually reducing the amount of office space that they occupied.

Currently, the most significant new office space currently under construction is in the Uxborough development by Western Securities. Phase one is expected to include an eight-story medical office building containing approximately 120,000 square feet of office space and serviced by a daycare and restaurant space. Completion is expected in early 2024.

Despite the weak demand for office space expected over the coming years, there are currently 35 projects that have been proposed to the respective planning department, however, the status of many of these projects is in question. In fact, the largest project currently in the pipeline, totaling 680,000 SF at Palliser East by Aspen Properties, has been put on hold for the foreseeable future.



Sales

Investment volumes in 2022 have been limited, for the most part, to suburban markets where free-standing and condo office properties continue to trade. To date, 2022 investment volumes amount to \$302 million. Heritage Square (8500 Macleod Trail SE) is a 300,000 square foot, high vacancy property sold in April for \$13 million, representing \$42 per square foot. The new landlord is now marketing space for lease, with no indications of a change of use. Alternatively, 11063 14th St. NE sold from Remington to Hexagon, the owner/user, for \$13.6M, representing over \$550 per square foot. The building is part of a larger campus constructed by Remington for Hexagon, the details of the attributed valuation for the recent transaction were treated confidentially.

Two downtown properties have been traded, including the sale of Selkirk House, a 220,000-square-foot building at 555 4th Ave SW. The property was exchanged between companies headquartered in Vancouver and sold for \$16.8 million, or \$75 per square foot. The other downtown transaction took place at 8334th Ave. SW (Canadian Centre) in March 2022, for \$12 million, or \$77 per square foot. The building has subsequently been approved for extensive renovations and change of use, from office to multifamily.

A notable sale is rumoured to be closing that will add significantly to the overall investment numbers. Millennium Tower at 440 2nd Ave., SW, is expected to close in the coming weeks. The 20-year-old, five-star, 435,000 square foot building has an assessed value of \$65.6 million and is expected to achieve well above that at closing. Aspen Properties and Hazelview Investments have acted together as the buyers, acquiring the property from Oxford Properties Group.

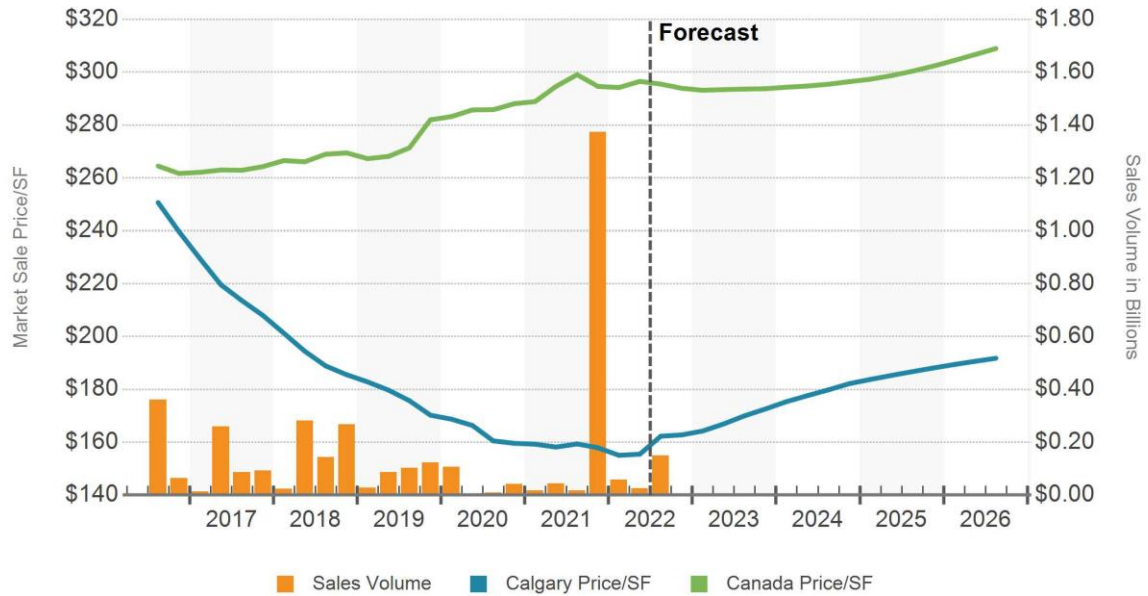
At the beginning of August 2021, a major announcement was made regarding the sale of The Bow, Calgary's premier office tower. H&R REIT has agreed to sell the property to Oak Street Real Estate Capital and Deutsche Bank and retain a 15% stake in the Ovintiv (formerly Encana) rent proceeds, valued at \$206 million over the remaining term, according to recent reports. The cap rate for the property has been estimated at 8% based on 2021 income and a closing price registered at land titles on October 7th, at \$1.2B, representing a price per square foot of \$593. H&R REIT maintains confidence that the market will improve and has negotiated the right to buy back the property at the end of the head lease in 2038. The Bow is a 2M SF tower constructed in 2012, the second tallest building in Calgary. It currently has at least 500,000 SF of space available for sublet. In all, the purchasers acquired four buildings, three of which are located in Mississauga, for a total consideration of \$1.47 billion, or \$465/SF.

Also, in early December, it was announced that Oak Street Real Estate had acted again, acquiring the 1.1 million square foot Western Canadian Place for \$475 million from BCIMC. The property comprises two buildings and is predominantly 'occupied' by Husky, who has an existing lease until 2033. Oak Street, and their partner in this transaction Deutsche Bank, are betting on the eventual return of the office leasing market in downtown Calgary and can now count two of the premier Calgary office properties as their own.



Overall, average market prices have been on a drastic decline since the beginning of 2015, dropping from \$350/SF to a current rate of \$210/SF. In the past year alone, average market prices have dropped by a further 2% but are forecasted to have bottomed out with expected growth by the end of 2023. As a result of declining interest and higher risk, modelled office cap rates in Calgary have surged from an average of 6.6% at the beginning of 2015 to a current and all-time high of 9.5%.

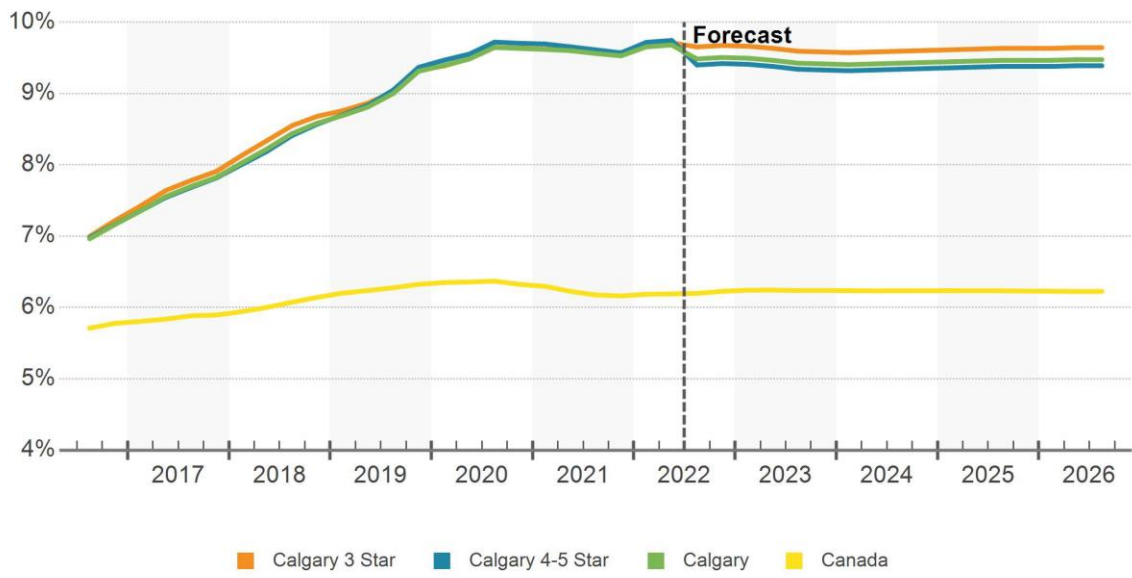
Calgary Office – Sales Volume & Market Sale Price Per Square Feet



Source: CoStar Calgary Office Overview
 Compiled by Newmark



Calgary Office – Market Cap Rate



Source: CoStar Calgary Office Overview
Compiled by Newmark



National Retail Overview

The retail landscape has been significantly affected by the pandemic over the last two years. Spending activity has been choppy, directly impacted by various lockdowns and restriction across the country.

However, with the economy reopening's following the winter lockdowns due to the Omicron variant, consumers appear eager to get back into stores. Google mobility statistics, which we have been using as a real time leading indicator of foot traffic at grocery and other retail stores, does appear to confirm greater activity. A solid improvement at these locations has occurred since April. In fact, mobility at grocery stores was about 10% above pre-pandemic levels as of mid June while it was about 5% over pre-pandemic levels at other retail and recreation establishments. This also marks a major turning point for the latter category as the level of foot-traffic at retail establishments has not been able to achieve this level in more than two years. Given the recent rhetoric from policy officials, it appears that future lockdowns in the retail sector are unlikely. This is obviously good news for retailers and retail property owners alike.

With the economy opening up and foot traffic starting to return, core retail sales (which excludes spending on autos and gas) have indeed picked through the spring of 2022. Looking under the hood by store type, activity remained steady at non-discretionary categories such as food and beverages. Activity also remained strong in some housing-related categories, just as they have done so throughout the pandemic. Even better news is that some discretionary categories such as clothing and shoes have begun to show steady improvements in-line with the increase at retail store foot traffic.

From a real estate perspective, leasing demand in retail has experienced a noticeable improvement with the twelve-month rate of net absorption up by 5.7 million square feet. The increase in retail leasing activity has been evident across all property types and most notable in enclosed malls, which suffered the weakest demand through the pandemic. Given limited new supply in the pipeline, retail vacancy across the country is now beginning to trend lower. In tandem with this situation, retail rent growth has picked up materially. While some of this improvement reflects tighter market conditions, it also reflects the positive effects inflation is having on percentage rents which is a prevalent lease type at a number retail property types.

While operating fundamentals at retail properties are improving, investment activity for this asset class is accelerating with the 12 month trend in transaction volumes at its highest level in our records as of Q1 2022. The increase in absolute volumes largely reflects investor interest in neighbourhood and community centres, which has a high concentration of non-discretionary retail categories in it. But the uptick in activity also reflects opportunistic strategies by investors



to redevelop and “reinvent” the retail asset class, where possible by converting excess density to other higher and better uses like residential.

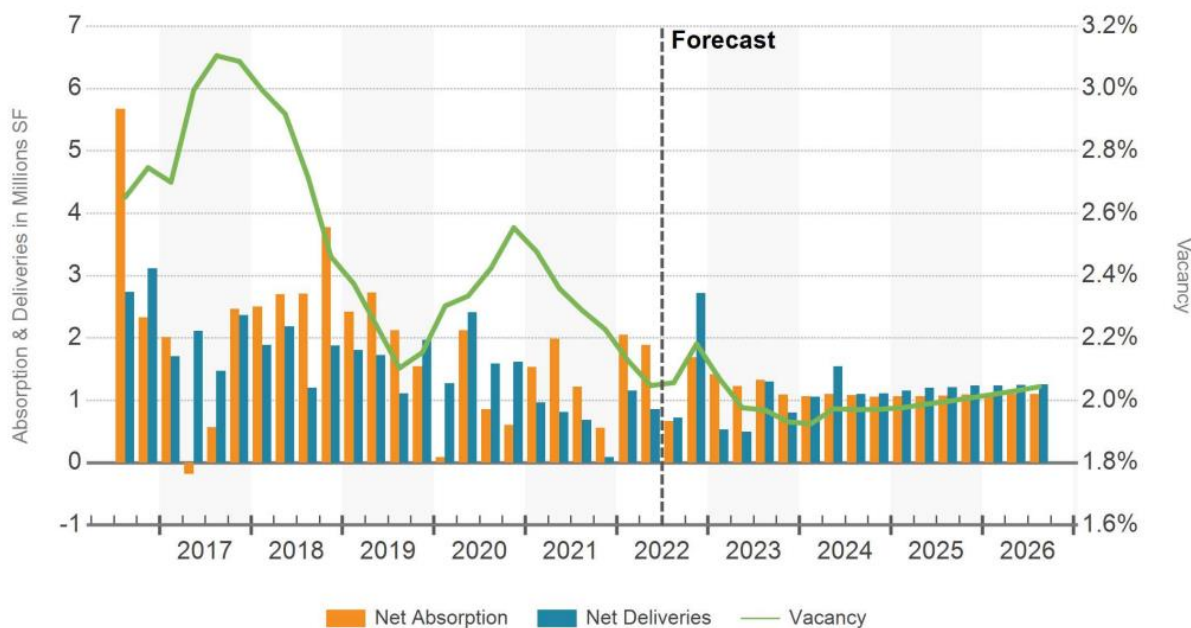
Leasing

Net absorption at neighbourhood and strip centres continues to hold up reasonably well thru the pandemic and continued to do so over the first half of 2022. The resilience of some of these retail property types aligns with the fact that many of these centres are dominated by non-discretionary store types such as grocery stores and pharmacies. If anything rings true, its that as long as there are rooftops and condo elevators, people will need these types of stores.

The good news is that leasing demand is now also improving at other enclosed centres such as malls (along with some streetfront retail). These property types suffered the worst during the pandemic given forced closures and the demise of many retailers including mid-level brands that could not compete with e-commerce alternatives.

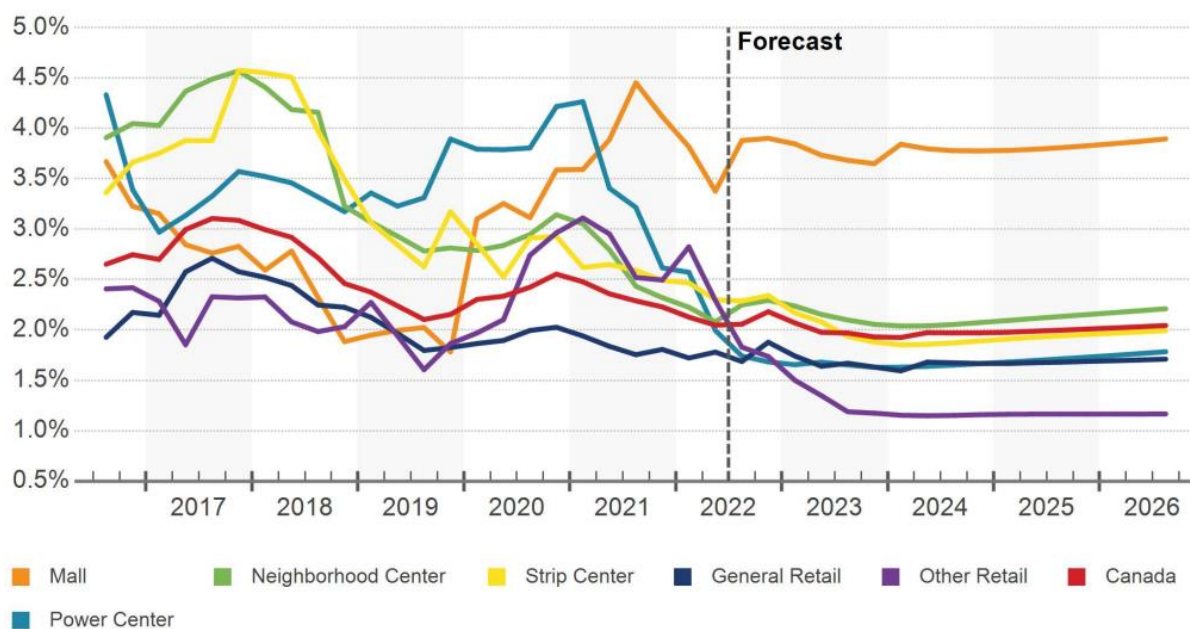
However as of Q2 2022, the twelve month rate of net absorption at malls was up by over 602,000 square feet the highest levels since 2019. Also seeing positive leasing volumes are power centres and strips. Tenant types in grocery, pharmacy, and home hardware have continued drive the bulk of leasing demand in the first half of 2022, however activity by cinemas and fashion tenants have also become evident in 2022. While it may be still slow going in terms of leasing space in the highly competitive mid market fashion categories, demand for FF&B and other experiential space should return solidly over the remainder of 2022 particularly at retail properties with good locations and demographics surrounding them.

National Retail – Net Absorption, Net Deliveries & Vacancy



Source: CoStar – National Retail Market

National Retail – Vacancy Rate



Source: CoStar – National Retail Market

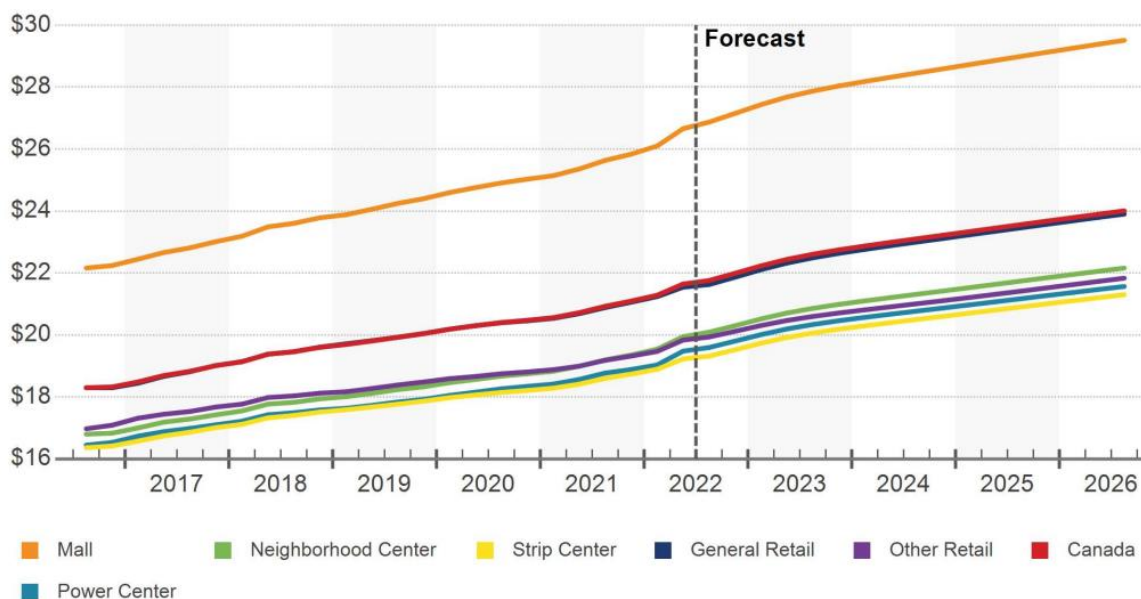
Rent

With demand for space improving again and new retail supply limited to mixed-use developments, the outlook for overall retail fundamentals is certainly brighter going forward. In turn, average same store retail rents have noticeably improved. But we caution readers that there is a lot going on beneath the surface of retail rents and leasing deals. Terms are getting shorter, there is more flexibility that landlords are building into retail leases and incidents of percentage rent deals, that is the rent is contingent on in-store and sometimes online sales by the retail tenant, is continuing to increase just as it did before the pandemic.

Many tenants who are in percentage rent deals are seeing their sales levels bloated by rising consumer prices. By extension landlords and investors of some retail properties are experiencing some hedging of inflation thanks to these percentage rent deals. Given current inflation trends, we continue to see healthier prospects for retail rent growth, particularly at malls and power centres over the next 12-24 months.



National Retail – Market Rent Per Square Feet



Source: CoStar – National Retail Market

Construction

Canadian retail landlords are facing similar challenges to their American counterparts to “right-size” retail properties to align with the rapid evolution of consumer spending trends. To accomplish this, retail landlords and investors are increasingly attempting to redevelop or intensify existing retail sites by adding office and or multifamily buildings. The general strategy is to create a live-work-play dynamic or mixed-use setting to capture more foot traffic to their retail properties.

This trend also reflects how retailers are seeking to optimize their space needs and channel-mixes given changing consumer shopping habits. Increasingly, retail is becoming an essential part of “mixed use” development, where the lines between office, residential and retail get blurred. Said differently, the days of developing standalone retail centres are largely over which in part, is why retail new construction starts are well below historical averages with only 703,000 square feet of new space breaking ground in Q2 2022. This is the lowest second quarter figure we have on record.

Sales

Retail sales volume as Q1 2022 were estimated at just over \$2.0 billion taking the twelve month pace of retail investment activity to highest levels in our records. Much of the momentum in retail investment activity may be more about the large wall of pent-up capital, particularly for opportunistic redevelopment strategies, as opposed to strictly being driven by the in-place operating fundamentals of this property type.

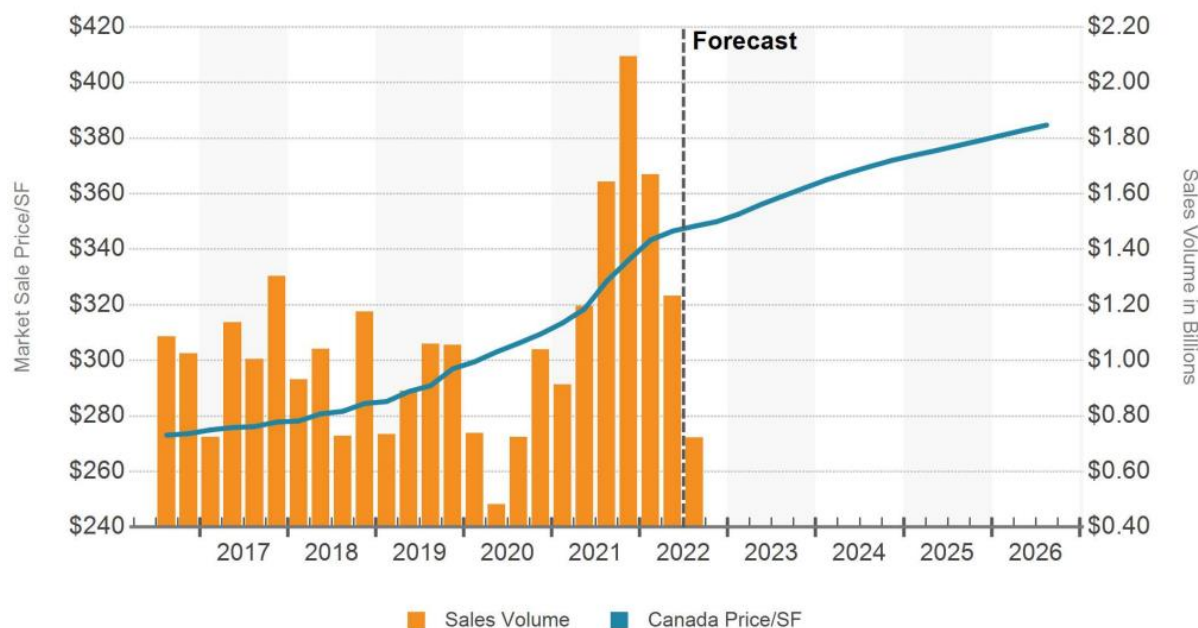


While many retail investment transactions have continued to be de facto “land plays” involving car dealerships or street front retail, the biggest deals over the past six months involved major portfolio deals. For example, PATH retail that was part of the \$1 billion landmark transaction for Royal Bank Plaza significantly boosted retail investment volumes in Q1.

Nevertheless, most retail deals continue to involve “bread and butter” retail trades of neighbourhood and strip centres. For example, 1635 Lawrence Ave a neighbourhood centre consisting of store front retail and some office sold for \$452 per sq ft in April 2021.

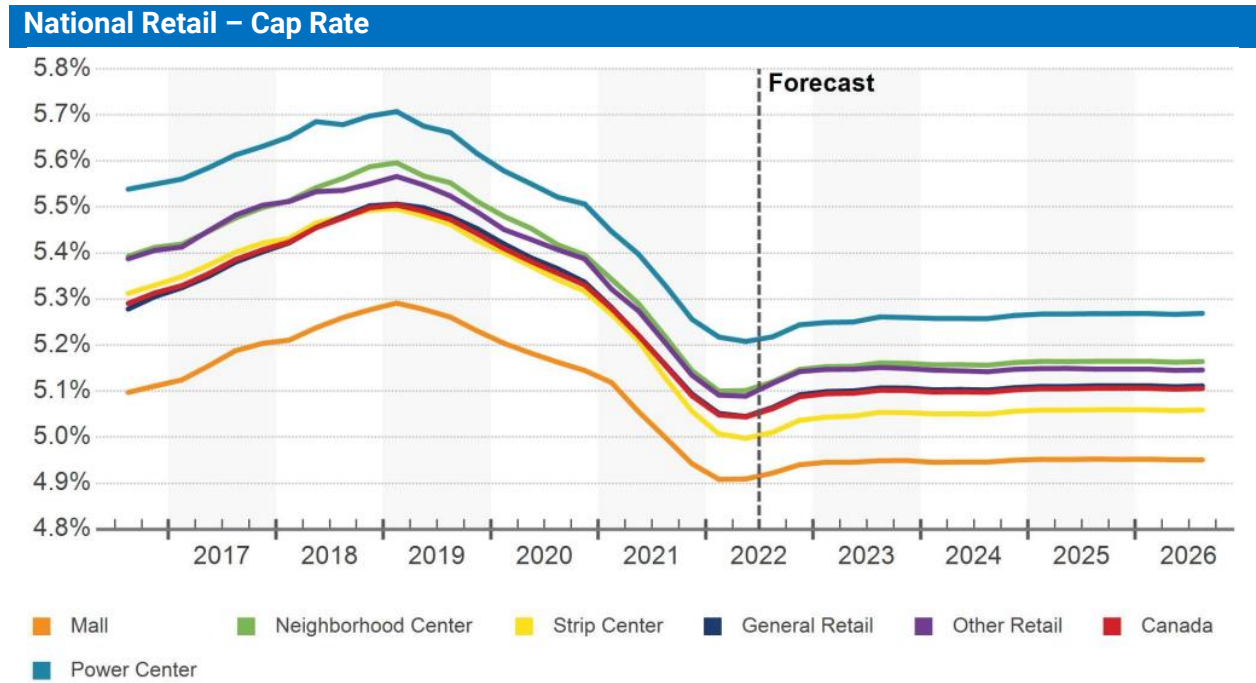
Retail pricing and cap rates remain in a period of flux given underlying shifts in fundamentals. While retail buyers and sellers are in price discovery mode, we are seeing signs of average cap rates adjusting modestly higher in some retail segments. Time will tell whether these adjustments, whether due to fundamentals or changes in capital market conditions due to rising interest rates, are enough to induce a noticeable shift in retail investment sales activity. But for now, we have not seen signs of any material shift.

National Retail – Sales Volume & Market Sale Price Per Square Feet



Source: CoStar – National Retail Market





Source: CoStar – National Retail Market



Calgary Retail Overview

The Calgary market offers retailers space in many different formats, from enclosed shopping centres, power centres, strip malls and traditional street-front retail, including a growing number of spaces in the podiums of new, high-density developments and large open-air malls with a 'shop-where-you-live' design guideline. Major brands have long been attracted to the Calgary area market due in part to its continued top rank amongst the provinces for personal income per capita, its affordability, particularly in housing, and the lack of provincial sales tax.

Adapting its business to the changing world landscape is not new to retailers of Alberta and disproportionately the City of Calgary. From the oil downturn in early 2015 and the resulting job losses to the volatility in 2018, the result of market share competition and oversupply. Each affected employment significantly, ultimately leading to stagnating growth in the retail sector. Over the last year, Western Canadian Select crude prices doubled before settling into still-stubbornly high values as of mid-2022. This has not translated to significant job growth but has assisted the 10% growth in retail sales in Calgary as of April 2022, compared to a year earlier.

Leasing activity in 2022 is on pace to post one of its best years and may match 2021's volume, resulting in a significant uptick in new construction projects scheduled to complete throughout the balance of 2022. 2021 saw 1.86 million square feet leased/renewed/sublet, a record level and more than double the activity recorded in 2020. New space that has come to market has been clustered in the southern part of the city, including the 'Township' development and another cluster in the northeast at 'Trinity Hills'. Of the one million square feet delivered in 2021, 85% had been absorbed at launch.

Rental rates had just reached positive growth at the start of 2020, and performed admirably throughout the pandemic, never dipping below 0% year-over-year growth, maintaining a level of approximately \$28.00 per square foot, on average, across the region. As of mid-2022, modelled rates have shown more significant improvement, climbing by 3.5% when compared to a year earlier. Rental rate growth is expected to gain more momentum throughout the balance of 2022 and potentially throughout 2023.

Property valuations saw their most significant gains throughout 2021, compared to the previous five years. Currently, the market price per square foot sits at \$400, a near 5% gain from a year earlier. The average values had hovered at or above the \$390 mark since 2016 but climbed over \$400 as of q3 2021 and are expected to remain above the threshold going forward.

The outlook for the retail market in Calgary remains positive. A successful Stampede in 2022 will have helped ailing retailers; meanwhile, retail trade numbers indicate peak performance as of April 2022. Headwinds from climbing inflation, interest rates, and the somewhat softening of oil prices are present, however.



The City of Calgary has unveiled a massive investment program, \$1 billion in total, designed to attract residents to move to the downtown core. Large swaths of vacant office space have now been approved for conversion to residential from office uses and will drive further activity in the urban retail market starting in mid-2024.

Leasing

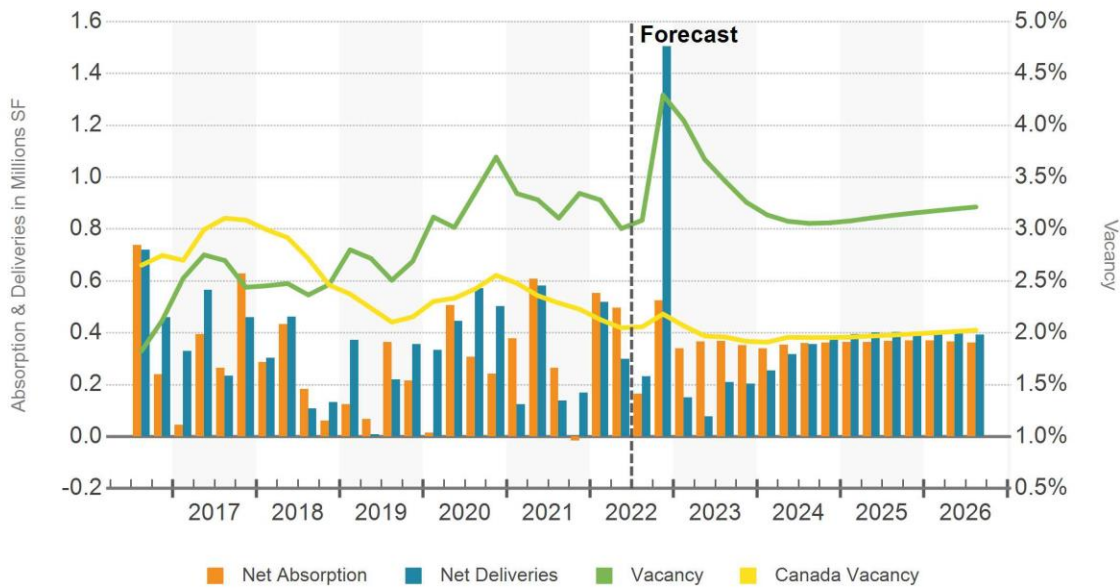
Over the last year, leasing activity has taken place primarily in the sub-5,000-square foot space, with the average deal size sitting at approximately 3,000 square feet. Grocers, restaurants, car dealerships, and specialty service providers, especially those in health fields (sports/massage therapy and optometrists, for example), make up most of the tenant types taking space within the year.

September through December 2021 saw several notable leases, with the majority of the top transactions in the past year closing during this four-month window. Real Canadian Superstore, Winners, CarStar, Fitness Group, Lincoln and Hyundai all secured new space during this time, ranging from 20,000 to 40,000 square feet, except Superstore, which secured 86,000 feet at One Properties' Bow River Shopping Centre. One Properties then added Edo Japan, Wayback Burgers, BarBurrito, Subway, and a larger 20,000 square foot tenant to the centre, the name of which remains withheld. Construction at the first phase of the Bow River Shopping Centre is expected to complete in Fall 2022.

By mid-2020, market lease rates across all retail building types were achieving quarterly year-over-year growth, culminating in 0.5% to 3.5% improvements for each building type by year's end. At the end of 2021, rental rate growth climbed between 2.6% to 2.9%, depending on the building type - current rental rate projections for the 2022 year-end call for an aggregated increase in the 4.5% range. The trajectory is expected to continue after that throughout 2023.

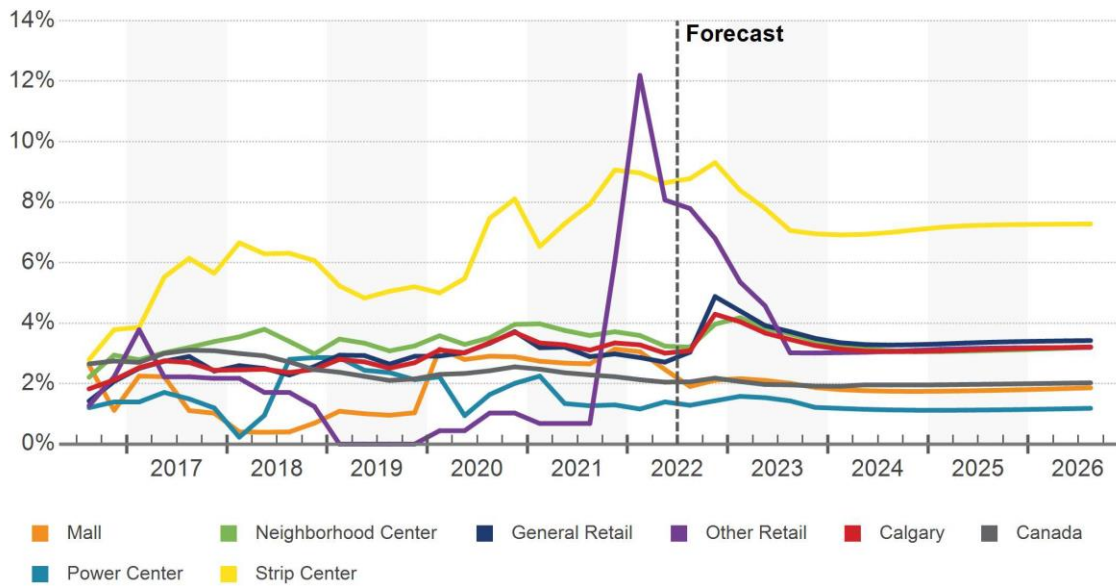


Calgary Retail – Net Absorption, Net Deliveries & Vacancy



Source: CoStar Calgary Retail Overview
Compiled by Newmark

Calgary Retail – Vacancy Rate



Source: CoStar Calgary Retail Overview
Compiled by Newmark



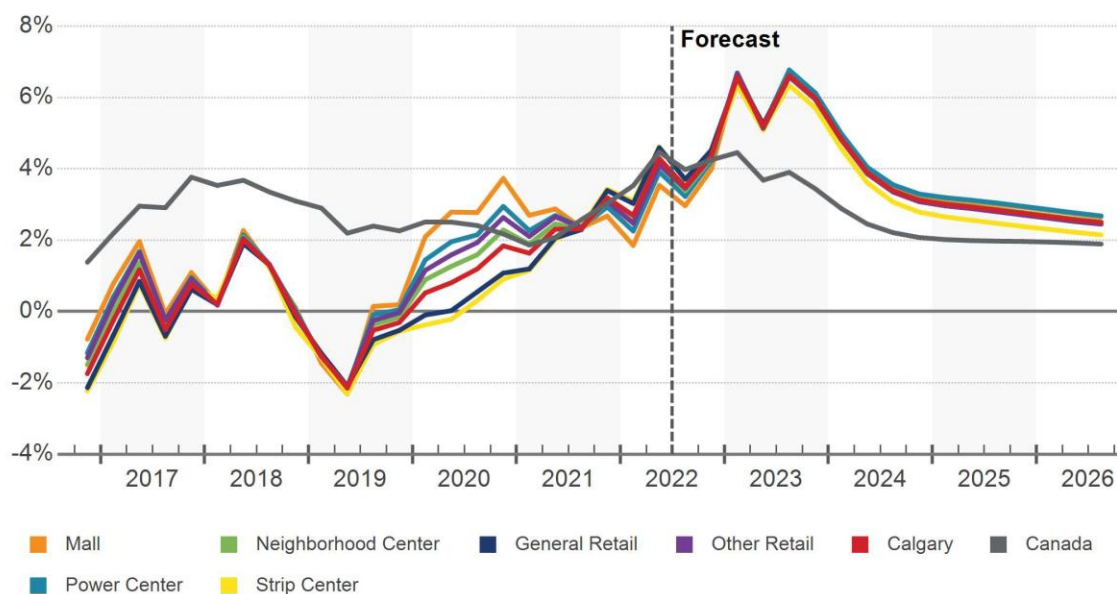
Rent

Rents rate growth continues to climb from the 0% mark last recorded at the beginning of 2021 and currently is recording 3.5% growth, relative to a year ago. Rents plateaued throughout 2020 recording year-over-year rent growth of 0.8%.

Relative to other major markets in Canada, Calgary's rental rates remain well below average, at \$28.00/SF. This marks a dramatic change since early 2016 when Calgary led the nation at nearly \$27.50/SF, a position now held by Vancouver at \$34, followed by Toronto at \$32. The Edmonton market, the most reasonable comparison, sits at \$21/SF.

In spring 2020, predictions were that the retail market would suffer dramatically with mass bankruptcies and closure. However, what has happened isn't nearly as severe as was expected, tenants have remained in place for the most part, and rental rates suffered only slightly. Landlords are taking greater care in considering tenants and have, for the most part, maintained asking rates with only marginal decreases related to pandemic conditions, most of which concessions have now been pulled back. Additionally, landlords showed additional flexibility in terms of lease inducements and even rents based on a percentage of sales.

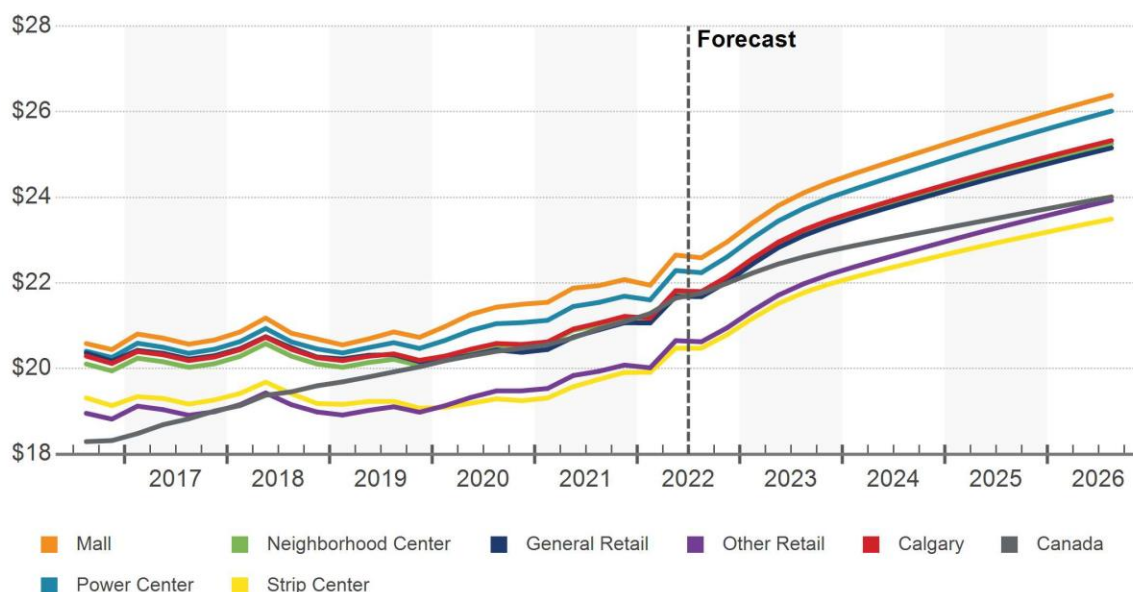
Calgary Retail – Market Rent Growth (YOY)



Source: CoStar Calgary Retail Overview
Compiled by Newmark



Calgary Retail – Market Rent Per Square Feet (Gross)



Source: CoStar National Retail Overview
Compiled by Newmark

Construction

Currently, the overall square feet of retail projects under construction across the greater Calgary market sits at 2.1 million square feet. The market has already seen 1.1 million square feet delivered in the past 12 months, setting 2022 up for its most prolific amount of new space added in a year, potentially exceeding two million square feet.

Projects currently under construction are mostly under 60,000 SF and are primarily dotted around the outside of the city, serving the suburban markets. One Properties is responsible for the largest ongoing construction project at Bow River Shopping Centre (Sarcee Trail SW & Trans-Canada Hwy.). In all, 158,000 square feet of retail space is underway with the development having already secured Real Canadian Superstore, Dollarama, Pet Value, and others. Current availabilities range from 1,100 SF to 9,500 SF. The development's opening is slated for completion in late 2022.

Projects in the pipeline but not yet approved or under construction include Shape's Highstreet Calgary. The project is proposed as a mixed-use open-air regional shopping centre containing 650,000 SF of retail space and up to 1,000 residential residences. Bingham Crossing is also proposed, in two phases. Located in Springbank, Anthem and Rencor are proposing a total of 391,000 SF of shopping centre space. The project is being marketed as an open-air gathering place with high-quality shops, dining, services, and amenities in a village-like atmosphere. Both



developments are offering a full range of services and amenities that will draw in shoppers with a wide range of requirements.

Sales

Retail sales volumes are already well on their way to matching 2021's volumes (\$238 million), having reached \$204 million. In addition, volume in the year's second quarter exceeded \$100 million, the first time over the threshold since 2019, a first since Q1-2019.

Starting mid-2018, investment volumes declined dramatically from the regular quarterly performance that had ranged from \$80 million to \$100 million, with the occasional quarter exceeding \$120 million. Over the last five years, top buyers and sellers have been institutional investors, with several parties appearing on both the buy and sell-side lists. Recently, institutional investors appear more on the "sell" list, while private investors, including those in the 'user' category, dominate the "buy" list. Additionally, a growing number of Ontario and British Columbia investors have been active purchasers in the past year.

Overall, 2021 investment volumes rebounded from a record low in 2020 (\$156 million) to \$238 million, just shy of 2019's total investment levels. The market is progressing in returning to pre-pandemic investment volumes but has more ground to make up to achieve the \$300 to \$400 million posted annually between 2016 and 2018. Over the trailing 12 months, investment volume totals \$307 million.

Some of the most significant retail transactions in the last six months have included portfolios of various sizes containing neighbourhood centre and community centre properties and several car dealership transactions. However, the largest transaction of the past year closed in December in Airdrie. RealStream acquired Towerlane Centre, a multi-tenant, multi-building property along Main Street South, one of the primary shopping districts in Airdrie. The property traded for \$71.2 million, representing a price per square foot of \$285. First Capital REIT was the vendor and had managed to maintain strong occupancy throughout the pandemic, 95% occupied at the time of sale.

Strathallen Capital has led the way in total acquisitions in the Calgary retail market in 2022. The Toronto-based investor acquired Temple Crossing at 5401 Temple Dr. NE in early April for \$23.7 million, representing a price per square foot of \$237. The building contains tenants such as No Frills, Dollarama, Subway, and a number of local retailers. Additionally, the retail complex has above-grade office space that is home to government tenants, among others. Strathallen also acquired Woodbine Square, located at 2525-2555 Woodbine Dr. SW. The shopping centre contains 98,000 square feet, anchored by Safeway, and was acquired for \$31.68 million, representing a price per square foot of \$322. At the time of sale, the buildings had a little vacancy, while counting tenants such as Pizza Hut, Scotiabank, and Shoppers Drug Mart were on its list. BC-based buyer, Ampri Group, rounds out some of the top activity in 2022-to-date with the acquisition of London Town Square at 3545 32nd Ave NE. Choice Properties REIT sold the

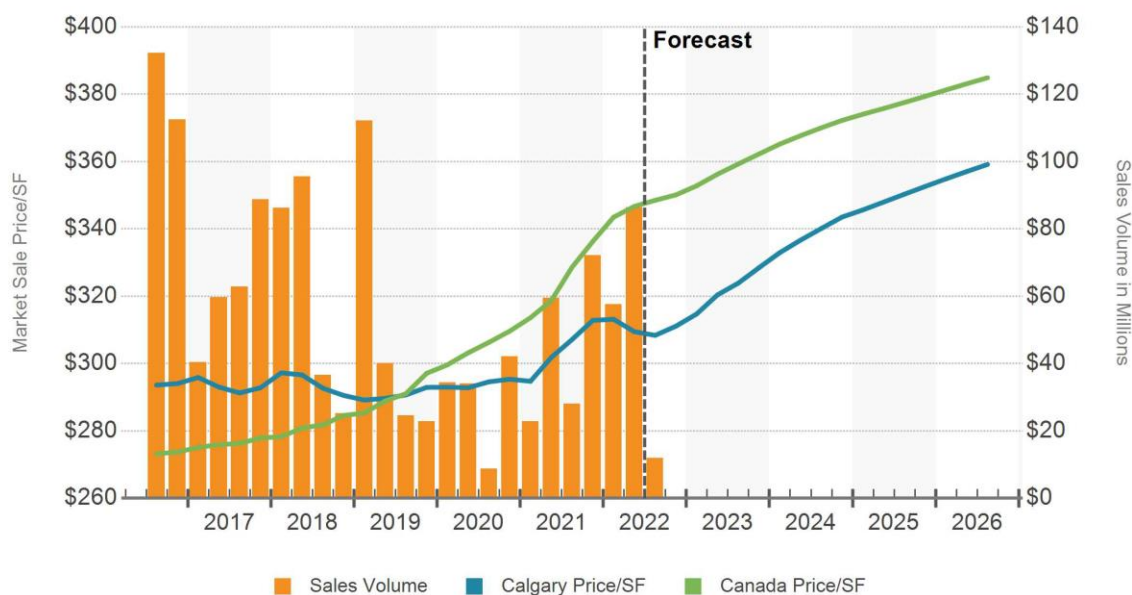


property, which contains 120,000 square feet of leasable area, for \$36 million, representing a price per square foot of \$300. The property was 90% leased at the time of sale, anchored by London Drugs and other tenants, including Starbucks, Joeys, UPS, and TD Bank.

The sentiment in the Calgary retail investment market remains relatively positive given the performance of the overall retail market throughout the past year. As the area emerged from the second stage of Covid recovery and into the third stage (July 1), investor and consumer sentiment peaked. However, in mid-August, as case counts climbed significantly and restrictions were re-introduced, that sentiment had been kept in check. Omicron's arrival further dampened sentiment; however the lifecycle of this variant was quick, and the province has now resumed its removal of most restrictions, particularly the venue capacity limits, vaccine passports, and the work-from-home order.

The pandemic ups and downs of the past 2.5 years have equipped retailers and consumers alike with the knowledge and tools to navigate the retail environment without reinstalling restrictions, barring the arrival of a more aggressive unknown variant. As a result, it is expected that 2022 will return to normal, even if that includes some manageable degree of pandemic restrictions. The market will not experience the same level of impact seen in past waves.

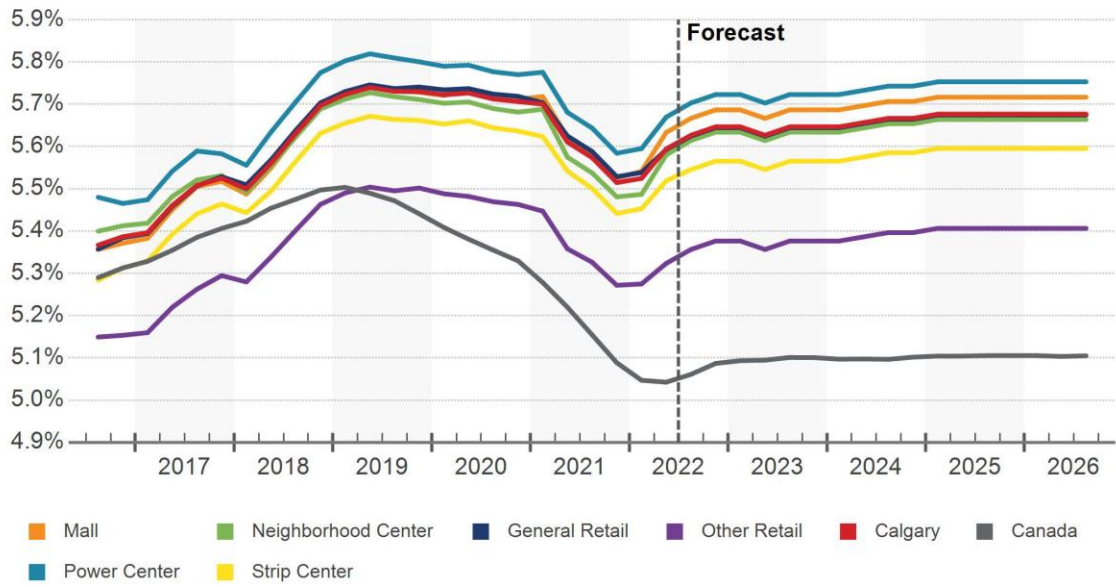
Calgary Retail – Sales Volume & Market Sale Price Per Square Feet



Source: CoStar Calgary Retail Overview
Compiled by Newmark



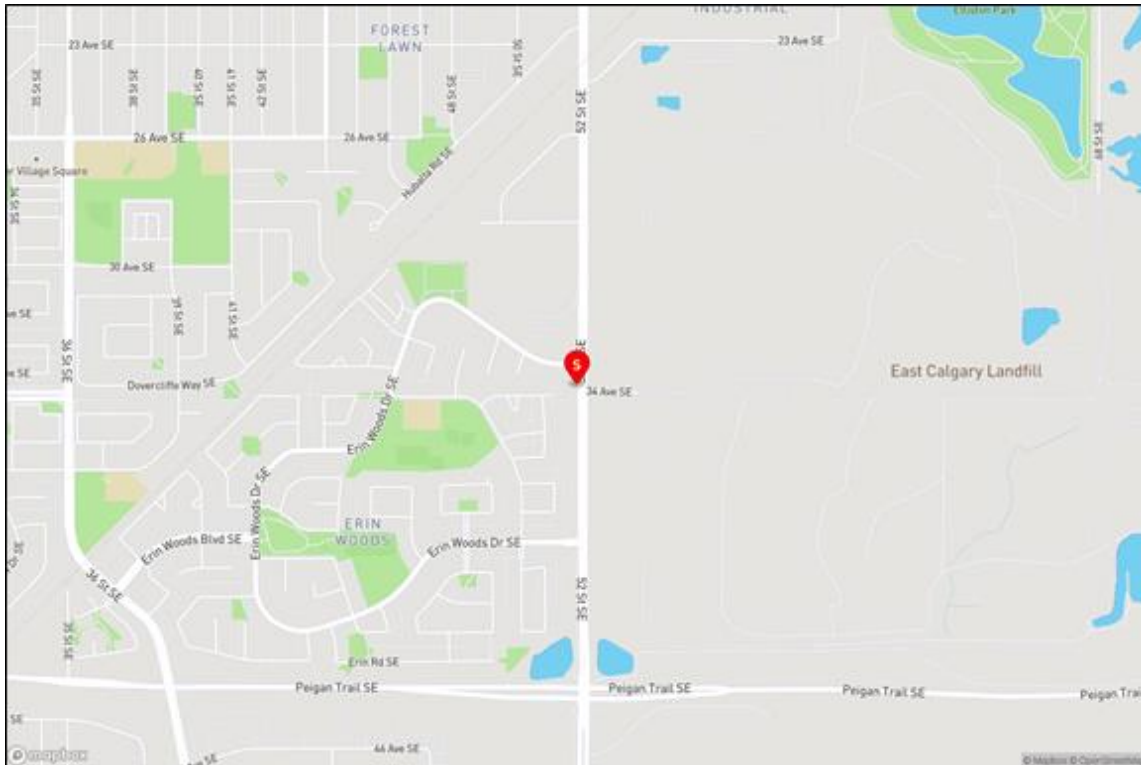
Calgary Retail – Market Cap Rate



Source: CoStar Calgary Retail Overview
 Compiled by Newmark



Erin Woods - Neighbourhood Analysis



Area Map

The subject is located in a residential neighbourhood known as Erin Woods in southeast quadrant of Calgary, Alberta. The neighbourhood is bounded on the south by Peigan Trail, on the north and west by the Canadian National Railway tracks and on the east by the 52 Street E.

Boundaries

The subject is situated in the suburban region of Calgary, Alberta. The subject's immediate trade area is generally delineated as follows:

North	Canadian National Railway tracks
South	Peigan Trail
East	52 Street E
West	Canadian National Railway tracks

Land Use

Land uses in the surrounding area consist of retail uses to the north and residential uses to the west and south.

Amenities and Schools

- ❖ There is an average availability of amenities and schools within the immediate area of the subject property.

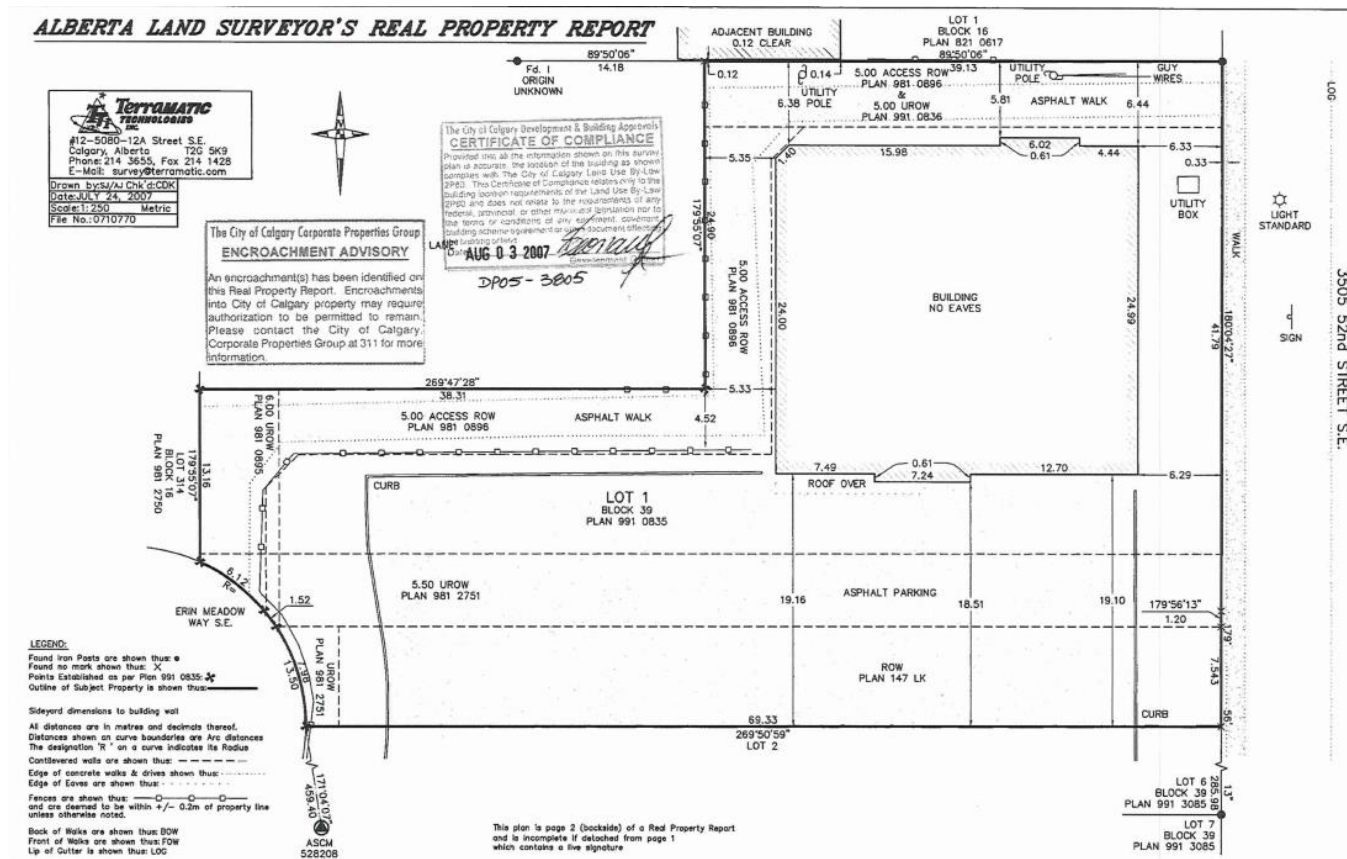


Public Transit

- ❖ No C-Train Station within walking distance. Calgary Transit bus service is available on the 52 Street SE within 1-minute walking distance.



Land and Site Analysis



Site Plan



Land Description

Total Land Area	0.7130 Acres; 31,058 SF
Source of Land Area	SPIN

Site Characteristics

Primary Street Frontage	52 Street SE (137 FF)
Traffic Control at Entry	Turn Lane
Traffic Flow	High
Accessibility Rating	Average
Visibility Rating	Above Average
Shape	Regular
Corner	Yes
Topography	Level
Site Vegetation	Perimeter Landscaping

Utilities

Utility Services	Cable TV, Electricity, Gas, Sewer, Water
------------------	--

Compiled by NKF

Easements, Encroachments and Restrictions

We were provided a title policy prepared by SPIN on October 6, 2022. Based upon a review of the title report, there are identified exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Environmental Issues

No environmental issues were observed or reported. NKF is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

An environmental report was requested but not available in conjunction with this appraisal.

Conclusion

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.



Zoning and Legal Restrictions

Zoning Summary

Category	Description
Zoning Jurisdiction	City of Calgary
Zoning Designation	DC 16Z99
Description	Direct Control District
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely

Compiled by NKF

This DC designation is for the permitted and discretionary uses of the C-2 General Commercial District..

Conclusion

The current use of the subject building appears to conform to zoning. It should be noted that we are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.



Improvements Analysis

The subject is comprised of 13,931 of net rentable area. The site is developed with a two-storey office building. The subject also includes approximately 25 parking spaces.

Improvements Description	
Component Structures	
Improvements (Structures)	Primary Use
General Improvement Type	Health Care
Use Description	Specialty Hospital
No. Buildings	1
Rentable SF	13,931
% Occupied	40.30%
Construction Status	Existing, Stabilized Operations
Construction Class	B
Quality	Good
Current Condition	Good
Age/Life Depreciation Analysis	
Year Built	2007
Year Renovated	None
Actual Age (Yrs.)	15
Floor Area Analysis	
Number of Stories	2
Est. Ground Floor Area (GBA)	6,966
Attributed Site Area (SF)	31,058
Site Coverage	22.4%
Floor Area Ratio (FAR)	0.449
Unit Density (Units/Acre)	0.0
Land to Building Ratio	2.229
Parking Type	Surface
Construction Details	
Foundation	Reinforced Concrete
Basement	Concrete
Structural Frame	Steel
Exterior Walls	Brick and Stucco
Windows	Aluminum Frame
Roof	Built up Tar and Gravel Roof



Engineering & Mechanical	Specialty Hospital
HVAC	Roof Mounted Units
Electrical	Assumed adequate
Plumbing	Assumed adequate
Utility Meters	Individually metered
Rest Rooms	Available
Improvement Features and Amenities	Specialty Hospital
Site Features	On-site Parking, Bus Line

Compiled by NKF

Functional Utility

The improvements represent average quality health care-specialty hospital building. The improvements are functional.

Deferred Maintenance

Our observation of the interior and exterior of the property indicated no significant items of deferred maintenance, nor was any reported to us.

Environmental Assessment

We requested but were not provided a Phase I Environmental Assessment. We did not observe any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. However, it is noted that we did not search for such materials and are not qualified to detect such materials. The existence of said hazardous materials (if any) may influence the value of the property. Therefore, for the purpose of this appraisal, we have specifically assumed that the property is not affected by any hazardous materials that may be present on or in the improvements. We strongly recommend that a qualified environmental engineering firm be retained by the Client prior to making a business decision.

Building Improvements Conclusions

The improvements are of good quality construction and are in good condition.



Real Estate Taxes

Property assessment is a value placed on a property for municipal and provincial taxation purposes. The City of Calgary assesses each property annually to distribute fair and equitable taxation. The estimated value of each property comes from the measurement, analysis and interpretation of the real estate market and is governed by the Municipal Government Act.

The property assessment was obtained from the City of Calgary public report. Based on the assessment results, an estimated 2022 tax rate is summarized below:

Taxes and Assessments		
Tax Year 2022	Taxes and Assessments	
Tax ID	Taxes	Total
Plan 9910835 Lot 1 Block 39	\$51,546	\$2,190,000
	\$51,546	\$2,190,000

Compiled by NKF



Highest and Best Use

As If Vacant

Legally Permissible

The site is zoned DC 16Z99. Permitted uses may include retail, personal service uses, professional office and automotive uses. To our knowledge, there are no other legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Please see the legally permissible uses related discussions in the land description and analysis and zoning sections.

Physically Possible

The subject site contains 0.713 acres total land area and are adequately served by utilities, regular shape and size, adequate access, etc., to be separately developable site. The subject site would support a site layout for any of the legally probable uses, which include commercial and other similar uses.

There are no known physical reasons why the subject site would not support any of these legally probable developments.

Given prevailing land use patterns in the area, only a commercial use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses versus the cost to create the uses. As discussed in the Market Analysis section of this report:

- ❖ The subject's immediate market area continues to show depressed rents and increasing market vacancy rates
- ❖ There have been no new office developments in close proximity to the subject property.

It appears that at current rental rates, and those likely achieved in the near future, development with an office development is not feasible.

Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider.



Highest and Best Use Conclusion – As If Vacant

Based on the preceding analysis and upon information and analysis contained in the area, neighborhood, and market analyses, the highest and best use as vacant would be as a holding use. Enough demand does not exist for development to occur in the near term. Our analysis of the subject and market yields the conclusion that the most likely buyer, as if vacant, would be a developer.

As Improved

Legally Permissible

The existing health care improvements appear to be legally conforming with zoning.

Physically Possible

The current improvements conform to the physical characteristics of the site, are in average/good condition and do not show any sign of material functional or physical obsolescence. Therefore, the existing likely mixed use residential uses of the properties are reasonably probable and appropriate.

Financially Feasible

Financial feasibility focuses on positive and excess returns from the improved property. In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation of the use. This is demonstrated in the income capitalization approach by the fact that positive income streams can be generated.

Maximally Productive

The existing health care improvements are legally permissible, physically possible, and financially feasible. The concluded value as though improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Conversion of the subject's improvements to an alternative use would not be financially feasible. Further, the value of the properties as improved exceeds the underlying land values implying that removal of the improvements and redevelopment of the site is not supported.

Highest and Best Use – As Improved

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use.

Considering the size and characteristics of the properties, the likely buyer is a local investor.



Appraisal Methodology

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value

Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by NKF

The subject property is an investment property and the most likely purchaser would be an investor. Consequently, we have used the Income Approach as the primary method of valuation in estimating the market value of the subject property. The Direct Comparison Approach is provided for support.



We did not use the Cost Approach, which does not typically reflect the motive and actions of buyers and sellers of this type of property. The exclusion of this approach is not considered to impact the reliability of the appraisal.



Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach assumes that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets. In this analysis, we utilized both methods.

Rentable Area Summary

Occupancy Summary							
Type of Space (MLA Name)	Rentable		Leased		Vacant		Year 1 Potential
	Area (SF)	% Total	(SF)	% Leased	(SF)	% Vacant	Base Rent PSF
\$12.00 Office	4,638	33.3%	3,286	70.8%	1,352	29.2%	\$13.20
\$20.00 Dental	6,965	50.0%	0	0.0%	6,965	100.0%	\$0.00
\$18.00 Spa	2,328	16.7%	2,328	100.0%	0	0.0%	\$21.37
Total	13,931	100.0%	5,614	40.3%	8,317	59.7%	\$16.59

Compiled by NKF

Rent Roll / Tenant Overview

A summary rent roll for the property is shown following, based on our review of the limited documents provided.

Rent Roll														
Suite Number	Tenant	Rentable Area (SF)	Lease Term		Option End	Rem. Mos.	Annualized In-Place Rent*		Rent Escalations		Year 1 Contract Rent*		Year 1 Market Rent	
			Start	End			\$ Total	\$ PSF	% CAG	Input Method	\$ Total	\$ PSF	\$ Total	\$ PSF
0	Legislative Assembly	1,822	Jun-19	May-23		7	\$25,501	\$14.00	0.00%	None	\$23,983	\$13.17	\$21,858	\$12.00
0	Eden Spa	2,328	Nov-18	Oct-23		12	\$49,758	\$21.37	0.00%	None	\$49,758	\$21.37	\$41,911	\$18.00
0	Dentist	6,965	Nov-23	Oct-28		0	\$139,300	\$20.00			\$139,300	\$20.00	\$139,300	\$20.00
0	New Tenants	1,352	Feb-24	Jan-29		0	\$16,224	\$12.00			\$16,224	\$12.00	\$16,224	\$12.00
0	Mclvor Urban Developments	1,464	Feb-20	Jan-23		3	\$24,786	\$16.93	0.00%	None	\$19,372	\$13.23	\$17,568	\$12.00
Total (Average)		13,931					\$255,568	\$18.35			\$248,637	\$17.85	\$236,861	\$17.00
Occupied Space		5,614				8	\$100,044	\$17.82			\$93,113	\$16.59	\$81,337	\$14.49
Vacant Space		8,317					\$155,524	\$18.70			\$155,524	\$18.70	\$155,524	\$18.70

* Annualized In-Place Rent represents Potential Base Rent plus CPI Increases for Month 1 annualized. Vacant space is shown at market.

* Year 1 Contract Rent includes Potential Base Rent, CPI Increases, Step Rent and projected Market Rent for leases escalating or expiring during Year 1.

Compiled by NKF

- ❖ As of the effective valuation date, the subject's commercial space is 40% leased and occupied.



- ❖ There is a total of 3 tenants, and contract rents range from \$12.00 to \$21.37 per square foot.
- ❖ The recent trend has been declining contract rental rates.
- ❖ Tenant spaces range from 1,352 to 6,965 square feet (Dentist).
- ❖ The average remaining lease term for all contract lease terms is 8 months, with existing leases ranging from 0 to 12 months.

Occupancy Status

- ❖ The property is well below stabilized occupancy levels.

Tenancy Analysis

- ❖ Overall, the credit quality of the tenancies appears to be average to the typical quality of the subjects' property class.



Expense Structure

- ❖ The leases in the property are reportedly of a fully net structure whereby tenants are responsible for paying all recoverable expenses on a pro rata basis.

Market Rent Analysis

In estimating market rent for the subject property, we considered data and opinions from the following:

- ❖ actual recent leases from comparable buildings
- ❖ asking rents from competitive properties
- ❖ recent leasing in the subject
- ❖ opinions of market rent derived from our interviews of leasing brokers active in the local market.



Comparable Rentals Summary											
7 Yr Space	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8	Comparable 9	Comparable 10
Property Name	52nd Dental	Deerfoot 17	Deerfoot 17	Glendeer Professional	Atrium Square	502-544 42 Avenue SE	7407 - 7427 44 Street SE				
Address	3505 52nd Street Southeast	2710 17 Avenue SE	2710 17 Avenue SE	901 64 Avenue SE	4014 Macleod Trail S	502-544 42 Avenue SE	7407 - 7427 44 Street SE				
City, State	Calgary, AB	Calgary, AB	Calgary, AB	Calgary, AB	Calgary, AB	Calgary, AB	Calgary, AB				
Submarket	Valuation Health Care	Valuation Office	Valuation Office	Valuation Office	Valuation Office	Valuation Office	Valuation Office				
Rentable Area (SF)	13,931 SF	71,136 SF	71,136 SF	57,349 SF	45,825 SF		16,064 SF				
Year Built (Renovated)	2007	1981	1981	2023	1978	2000	1983				
Number of Stories	2	7	7	2	3	1	1				
Condition	Good	Average	Average	Good	Average	Average	Average				
Investment Grade	Class B	Class C	Class C	Class A	Class B	Class B	Class C				
Rental Survey Information											
Survey Date		Oct-22	Oct-22	Oct-22	Oct-22	Oct-22	Apr-22				
Occupancy at Survey	#N/A	98%	98%	30%	75%	100%	100%				
Lease Details											
Lease Status		Asking Rent	Signed Lease	Asking Rent	Signed Lease	Signed Lease	Signed Lease				
Term (Mos.)		60	60	120	60	60	36				
Lease Size (SF)		1,465	2,715	12,112	1,007	3,410	1,534				
Tenant Name		Undisclosed	Altitude Communications	Undisclosed	Undisclosed	Allsold.ca Inc.	Undisclosed				
Full Building Lease		No	No	No	No	No	No				
Suite/Space Number		P 1st/ Suite 151	Suite 440	P 2nd/ Suite 9	2nd Floor/ Suite 206	0	7413				
Rates and Measures											
Base Rental Rate		\$10.00	\$8.00	\$18.00	\$12.00	\$12.00	\$20.00				
Lease Reimbursement Method		Triple Net	Net	Net	Triple Net	Net	Triple Net				

Compiled by NKF



Office Rental Survey Comparable 1
Deerfoot 17

Location Information

Location	2710 17 Avenue SE Calgary, AB
Market	Valuation Properties
Submarket	Valuation Office
County	Division No. 6
APN	071042196



Physical Property Summary

Property Type	Office (Mid Rise)
Gross Building Area	71,136 SF
Rentable Area	71,136 SF
No. of Stories	7
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1981
Construction	Masonry
Condition	Average
Parking	Surface & Covered
Investment Class	Class C

Lease Availability Details

Survey Date	Oct-2022
Overall Occupancy at Survey	97.9%
Company	CoStar

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
10/6/22 - 60 Mos.	Undisclosed	Asking Rent: 1,465	\$10.00	Triple Net	None	No Free Rent; No TI
Lease Comments: Tenant signed a lease for 1,465 of office space at a rental rate of \$10 with an additional TMI of \$15.03.						
8/1/22 - 60 Mos.	Altitude Communications	Signed Lease: 2,715	\$8.00	Net	None	No Free Rent; No TI
Lease Comments: Altitude Communications signed a lease for 2,715 square feet of office space at a rental rate of \$8.						

Comments



Office Rental Survey Comparable 2
Glendeer Professional Building

Location Information

Location	901 64 Avenue SE Calgary, AB
Market	Valuation Properties
Submarket	Valuation Office
County	Division No. 6



Physical Property Summary

Property Type	Office (Medical/Hospital Campus)
Gross Building Area	57,349 SF
Rentable Area	57,349 SF
No. of Stories	2
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2023
Construction	Concrete
Condition	Good
Parking	Surface
Investment Class	Class A

Lease Availability Details

Survey Date	Oct-2022
Overall Occupancy at Survey	29.60%
Company	CoStar

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
3/1/23 - 120 Mos.	Undisclosed	Asking Rent: 12,112	\$18.00	Net	None	No Free Rent; No TI



Office Rental Survey Comparable 3
Atrium Square

Location Information

Location	4014 Macleod Trail S Calgary, AB
Market	Valuation Properties
Submarket	Valuation Office
County	Division No. 6



Physical Property Summary

Property Type	Office (Low Rise)
No. of Stories	3
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1978
Construction	Masonry
Condition	Average
Parking	Covered
Investment Class	Class B

Lease Availability Details

Survey Date	Oct-2022
Overall Occupancy at Survey	74.50%
Company	Blackstone Commercial Rea

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
9/1/22 - 60 Mos.	Undisclosed	Signed Lease: 1,007	\$12.00	Triple Net	None	No Free Rent; No TI

Lease Comments: Tenant signed a lease for 1,007 square feet of office space at a rental rate of \$12 with an additional TMI of \$14.82.

Comments



Office Rental Survey Comparable 4
502-544 42 Avenue SE

Location Information

Location	502-544 42 Avenue SE Calgary, AB
Market	Valuation Properties
Submarket	Valuation Office
County	Division No. 6



Physical Property Summary

Property Type	Office (Low Rise)
Gross Building Area	17,387 SF
Rentable Area	17,387 SF
No. of Stories	1
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2000
Construction	Masonry
Condition	Average
Parking	Surface
Investment Class	Class B

Lease Availability Details

Survey Date	Oct-2022
Overall Occupancy at Survey	100.00%
Company	Manchester Properties Inc.

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
8/1/22 - 60 Mos.	Allsold.ca Inc.	Signed Lease: 3,410	\$12.00	Net	None	No Free Rent; No TI

Lease Comments: Allsold.ca Inc. signed a lease for 3,410 square feet of office space at a rental rate of \$12.

Comments



Office Rental Survey Comparable 5
7407 - 7427 44 Street SE

Location Information

Location	7407 - 7427 44 Street SE
	Calgary, AB
Market	Valuation Properties
Submarket	Valuation Office
County	Division No. 6



Physical Property Summary

Property Type	Office (Low Rise)
Gross Building Area	16,064 SF
Rentable Area	16,064 SF
No. of Stories	1
Max Ceiling Height (Feet)	18
Year Built (Renovated)	1983
Construction	Masonry
Condition	Average
Parking	Surface Parking
Investment Class	Class C
Elevators	0

Lease Availability Details

Survey Date	Apr-2022
Overall Occupancy at Survey	100.00%
Leasing Agent	Primary Leasing
Company	CoStar

Lease Summary

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
5/1/22 - 36 Mos.	Undisclosed	Signed Lease: 1,534	\$12.00	Triple Net	None	No Free Rent; No TI

Lease Comments: Tenant signed a lease for 1,534 square feet of office space at a rental rate of \$12.



Analysis of Market Rent

In the chart preceding we present several comparables considered to be generally competitive with the subject.

Our analysis of signed and asking lease rates leases to date indicates that comparable rental rates for the subject retail space range from \$8.00 - \$24.00 per square foot for office space. The high end of the range typically represents smaller bays with asking rates in established well located professional buildings. The low end of the range, conversely, is typically represented by larger bays and more poorly located and antiquated developments.

The subject reportedly consists of 13,931 square feet of office space. The dental component consists of 6,965 square feet, of which some is minimally finished. We have estimated market rent for the building at \$12.00 per square foot. We typically see a premium for dental space and we have estimated it to be \$20.00 per square foot. Given the finishing in the Eden Spa space we have estimated it to be \$20.00 per square foot.

Market Rent Assumptions

Based on the foregoing we have modeled market leasing assumptions (MLAs) for each building as follows:

Occupancy Summary							
Type of Space (MLA Name)	Rentable Area (SF)	% Total	Leased (SF)	% Leased	Vacant (SF)	% Vacant	Year 1 Potential Base Rent PSF
\$12.00 Office	4,638	33.3%	3,286	70.8%	1,352	29.2%	\$13.20
\$20.00 Dental	6,965	50.0%	0	0.0%	6,965	100.0%	\$0.00
\$18.00 Spa	2,328	16.7%	2,328	100.0%	0	0.0%	\$21.37
Total	13,931	100.0%	5,614	40.3%	8,317	59.7%	\$16.59

Compiled by NKF

The main floor dental unit is modelled at \$20.00 per square foot while upper floor office is modeled at \$12.00. The spa is the exception it is modeled at \$18.00 per square foot. We have modeled that lease up will occur between 12 and 24 months and have entered all vacant spaces leasing up in month 18. The dentist space is modeled to lease up 12 months from the effective date.

Market Rent Growth Rate

The concluded rent growth assumptions have been developed based on conversations with other brokers and leasing managers, owners, developers, and investment managers who specialize in health care properties throughout the area. Rents have been flat in the past four years, and growth is expected slowly, but steadily, to occur over the holding period. All considered, we have projected an initial rent growth assumption of 3.00%, in year 1, and 2% thereafter.



DCF Leasing Assumptions

Newmark has assumed a tenant retention rate of 75% upon expiry. Given the state of the current market we are modelling all vacant upper floor units to lease up at \$12.00 per square foot with a \$10.00 per square foot allowance. The main floor is being modeled at \$20.00 per square foot with a \$20.00 allowance.

Gross Income Estimate

Potential Gross Rent

Figures presented below reflect the 12-month period following the effective date of the appraisal.

Potential Gross Rent						
MLA Category	Rentable SF	Potential Rent At Contract* Annual	Potential Rent At Contract* \$/SF/Yr	Potential Rent At Market Annual	Potential Rent At Market \$/SF/Yr	Contract as % of Market
\$12.00 Office Space:	4,638	\$59,579	\$12.85	\$55,650	\$12.00	107.1%
\$20.00 Dental Space:	6,965	\$139,300	\$20.00	\$139,300	\$20.00	100.0%
\$18.00 Spa Space:	2,328	\$49,758	\$21.37	\$41,911	\$18.00	118.7%
Total	13,931	\$248,637	\$17.85	\$236,861	\$17.00	105.0%

* Contract rent for leased space plus market rent for vacant space

Compiled by NKF

Miscellaneous Revenue

No budgeted amounts were shown for this category.

Vacancy & Collection Loss Allowance

The vacancy estimate for the subject was developed in review of the overall market and the current vacancy at the property. We have elected to use an overall long-term rate of 7.5%.

Operating Expense Analysis

Real Estate Taxes

Property taxes were based on actual taxes.

Insurance

Insurance expense includes property and casualty insurance for the subject. No budget was provided we have incorporated a market amount in the operating cost category.

Utilities

No budget was provided we have incorporated a market amount in the operating cost category.

Repairs and Maintenance

No budget was provided we have incorporated a market amount in the operating cost category.



Cleaning and Janitorial

No budget was provided we have incorporated a market amount in the operating cost category.

General and Administrative

No budget was provided we have incorporated a market amount in the operating cost category.







Management

No budget was provided we have incorporated a market amount in the operating cost category.



Direct Capitalization

Comparable Sales

Comparable Sales Summary						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
						
Property Name	52nd Dental	7015 Macleod Trail SW, Calgary	Railway Corporate Centre	Stampede Station	1000 Centre Street North	Campana Place
Address	3505 52nd Street	7015 Macleod Trail SE	6807 & 6835 Railway	1331 Macleod Trail S	1000 Centre Street N	609 14 Street NW
City, State	Calgary, AB	Calgary, AB	Calgary, 0	Calgary, 0	Calgary, AB	Calgary, AB
Land Size	0.71 Acres	0.74 Acres	9.11 Acres	1.67 Acres	0.43 Acres	0.43 Acres
Rentable Area (SF)	13,931 SF	134,293 SF	135,304 SF	161,672 SF	54,785 SF	53,233 SF
Year Built (Renovated)	2007	1977	2007	2008	1981 (2016)	1981
Occupancy/Owner Occ.	100%	95%	92%	74%	100%	0%
Construction	Wood frame Structure and	Masonry	Concrete	Steel	Steel	Brick
Condition	Good	Average	Good	Good	Good	Good
Buyer	--	Simplex Investment Corporation	Ayrshire	Crestpoint Real Estate Investments LTD.	Certus Developments Inc	Noble Grounds Inc.
Seller	--	Artis Real Estate Investment Trust	Barings bank (Chicago)	Artis REIT	Cantre 1000 Capital Corp	Artis REIT
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Fee Simple
Competitive Class	Class B	Class B	Class A	Not Applicable	Class B	Class B
Transaction Status	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Dec-19	Dec-19	Feb-20	Nov-21	Mar-22
Price	--	\$27,600,000	\$27,500,000	\$29,696,152	\$6,430,000	\$4,157,390
Operating Status at Sale	--	Stabilized Operations	Sub-stabilized	Sub-stabilized	Stabilized Operations	Stabilized Operations
Price per SF	--	\$205.52	\$208.46	\$205.91	\$117.37	\$78.10
NOI/SF	\$14.85	\$13.36	\$17.42	\$13.01	\$10.49	\$5.47
Cap Rate	--	6.50%	8.36%	6.32%	8.94%	7.00%

Compiled by NKF





Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five



Analysis of Improved Comparable Data

Comparable One

Sale Comparable One represents the December 2019 sale of a 134,293 square foot medical/hospital campus property located at 7015 Macleod Trail SE, Calgary, AB. The 134,293 SF office property located at 7015 Macleod Trail Southwest sold in December 2019 for \$27,600,000. The property transferred from ARTIS Real Estate Investment Trust to Simplex Investment Corporation. At the time of sale, the stabilized occupancy at 95% and a cap rate for the trade at 6.5%. This transaction represents a superior location.

Comparable Two

Sale Comparable Two represents the December 2019 sale of a 135,304 square foot low rise property located at 6807 & 6835 Railway Street SE, Calgary, AB. There was concern that Desjardins would vacate or downsize. They occupy approximately 30% of the building. This property sold at an 8.36% stabilized capitalization rate. The property was 8% vacant at the time of sale and the only major credit worthy tenant in place was Desjardins Financial. This tenant occupied approximately 30% of the building and there was considerable uncertainty as to whether the tenant would downsize or vacate. It would appear that the purchaser based his price on the presumption of the tenant subsequently vacating.

Comparable Three

Sale Comparable Three represents the February 2020 sale of a 161,672 square foot general purpose property located at 1331 Macleod Trail S, Calgary, AB. Part of 2 property portfolio sale including Trans Alta Building located at 110 - 12th Avenue SE, Calgary, AB. Total purchase price reported at \$89,000,000. Property was 72.40% occupied at time of sale and average rents in place were \$13.70 per square foot. the reported cap rate based on income in place as 5.40% suggesting an allocated price of \$29.7m . We have adjusted the sale price for lost TIs \$1,338m, lost rent and recoveries 18 months \$917K and \$1.03m and leasing commissions \$335k. Property last sold in 2011 for \$90m. The building has a large tenant vacating in the near term. A rate below the reported cap rate is warranted for the subject.

Comparable Four

Sale Comparable Four represents the November 2021 sale of a 54,785 square foot other property located at 1000 Centre Street N, Calgary, AB. The Land use Designation is DC which is a Direct Control. The property was sold for \$6,430,000 representing price per acre \$14,953,328. The reported cap rate at the time of sale was 8.90%. The vendor in this transaction was Centre 1000 Capital Corp and Certus Developments Inc was the buyer. This building has an odd configuration which seemed to suggest that leasing up would be problematic.



Comparable Five

Sale Comparable Five represents the March 2022 sale of a 53,233 square foot mid rise property located at 609 14 Street NW, Calgary, AB. This property is a mid-rise office building comprised of 53,233 square feet with 4 storeys and 90 parking spaces. This transaction sold as part of a two property portfolio. On March 30th, 2022, Noble Grounds Inc. acquired two office buildings located at 301 and 609 14th St NW. The properties total 112,405 SF and transferred from Artis REIT for a total consideration of \$9,100,000 or approximately \$80.96 per SF. Both properties are zoned Commercial - Corridor 2 (C-COR2). The properties were approximately 60% occupied at the time of sale and had a cap rate of around 7%. 609 14th St NW transacted for \$4,157,390 at \$78/sqft. A cap rate above indicated here is warranted due to the fact that this was part of a larger portfolio.

Capitalization Rate Conclusion

Positive Attributes

- ❖ Located in well-established employment area with considerable amenities and access to major roadways and restaurants.
- ❖ We have modeled an 18 month lease up period mitigating leasing risk

Negative Attributes

- ❖ Macro-economic conditions currently more uncertain since most transactions have occurred. Rising interest rates since then have pushed up required yields.
- ❖ High inflationary macro-economy.
- ❖ Substantial vacancy to lease up over time
- ❖ We are capitalizing year 3 income which is considered riskier
- ❖ Interest rates likely to continue to rise

Capitalization Rate Conclusion

Source	Indication
Comparable Sales	6.32% - 8.94%
Concluded Going-In Capitalization Rate	8.25%

Compiled by NKF

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the value of the subjects. Valuation of the subject by direct capitalization is shown in the tables immediately following. The rates tabled in this approach range from 6.32% to 8.94%. Given the location, size of asset, tenancy, vacancy and income growth a rate at the high and the range is considered appropriate at say, 8.25%. We are capitalizing Year 3 income (the year of stabilization) and we have deducted all costs associated with reaching that year's revenue. Based on the deductions the implied cap rate in year 3 is 10.61%. Application of this rate results in the following estimate of value:



Income Capitalization Approach

Summary of Stabilized Net Operating Income

Item Description	% of Income	\$/ SF	Total \$
Health Care Revenue		13,931 SF	
Potential Base Rent		\$17.09	\$238,119
Scheduled Base Rent		\$17.09	\$238,119
Expense Recoveries		\$12.85	\$178,956
Total Tenant Revenue		\$29.94	\$417,075
Parking Income		\$0.00	\$0
Effective Gross Income		\$27.69	\$385,794
Operating Expenses		13,931 SF	
Real Estate Taxes		\$3.89	\$54,154
Insurance		\$0.00	\$0
Utilities		\$0.00	\$0
Repairs and Maintenance		\$0.00	\$0
Operating Costs		\$8.40	\$117,087
Management		\$0.55	\$7,716
Other Expenses		\$0.00	\$0
Total Operating Expenses	46.39%	\$12.85	\$178,957
Net Operating Income		\$14.85	\$206,837

Direct Capitalization Method

Value Indication	\$/ SF	Total \$
Stabilized Net Operating Income	\$14.85	\$206,837
Overall Capitalization Rate		8.25%
As Stabilized Value	Effective Date: 10/4/2022	\$2,507,111
Rounded	\$179.46	\$2,500,000

Valuation Matrix

OAR	Value
7.75%	\$2,668,860
8.00%	\$2,585,458
8.25%	\$2,507,111
8.50%	\$2,433,372
8.75%	\$2,363,848

As Is

Hypothetical As Stabilized Value as of Current Date	Effective Date: 10/4/2022	\$2,507,111
Rental Shortfall Year 1 and 2 Discounted for time		(\$262,022)
Leasing Costs Discounted for Time		(\$222,339)
Near Term Capital Expenses		\$0
As Is Value	Effective Date: 10/4/2022	\$2,022,751
Rounded	\$145.36	\$2,025,000

Compiled by NKF



Discounted Cash Flow Analysis

Introduction

- Argus Enterprise was used to develop a projection of periodic cash flows from the property over an anticipated investment holding period based on leases in place and anticipated changes in market rent and operating expenses.

Discounted Cash Flow Assumptions										
General Assumptions										
Cash Flow Start Date - As Is	11/1/2022									
Cash Flow Start Date - Upon Completion	11/1/2022									
Cash Flow Start Date - Upon Stabilization	11/1/2022									
Holding Period (Yrs) - Reversion Year	10.0 Yrs	11.0 Yrs								
Market Leasing Assumptions (MLA)	Rentable Area (SF)	Market Rent PSF (Year 1)	Lease Term (Years)	Lease Type	Downtime Between Leases (Months)	Months Free Rent (New / Renewal)	Escalations / Rent Steps	Renewal Probability	Tenant Improvement Allowance (New/Renewal)	Leasing Commissions (New/Renewal)
\$12.00 Office	4,638	\$12.00	5	Net	6	#N/A	None	75.00%	\$15.00 / \$7.50	5.00% / 2.50%
\$20.00 Dental	6,965	\$20.00	5	Net	6	#N/A	None	75.00%	\$15.00 / \$7.50	5.00% / 2.50%
Growth Rate Assumptions	Year 2	Year 3	Year 4	Year 5	Thereafter					
General Inflation	3.0%	2.0%	2.0%	2.0%	2.0%					
Market Rent	3.0%	2.0%	2.0%	2.0%	2.0%					
Reimbursable Expenses	3.0%	2.0%	2.0%	2.0%	2.0%					
Non-Reimbursable Expenses	3.0%	2.0%	2.0%	2.0%	2.0%					
Real Estate Tax	3.0%	2.0%	2.0%	2.0%	2.0%					
Financial Rate Assumptions	Year 1	Year 2	Year 3	Year 4	Thereafter					
General Vacancy (% of Potential Gross Revenue)	7.5%	7.5%	7.5%	7.5%	7.5%					
Collection Loss (% of Potential Gross Revenue)	0.0%	0.0%	0.0%	0.0%	0.0%					
* General vacancy adjustments are reduced by absorption & turnover vacancy amounts.										
Reversion Analysis Factors										
Discount Rate - As Is	9.25%									
Discount Rate - Upon Completion	9.25%									
Discount Rate - Upon Stabilization	9.25%									
Reversion Capitalization Rate	8.25%									
Cost of Sale	0.00%									
Rounding Constant	\$25,000									

Compiled by NKF

Replacement Reserves

This expense category in the DCF accounts for the cost of periodic replacement of non-recoverable capital items. Given the presence of a substantial repairs and maintenance allowance no deduction was made.



Financial Assumptions

Discount Rate Discussion/Conclusion

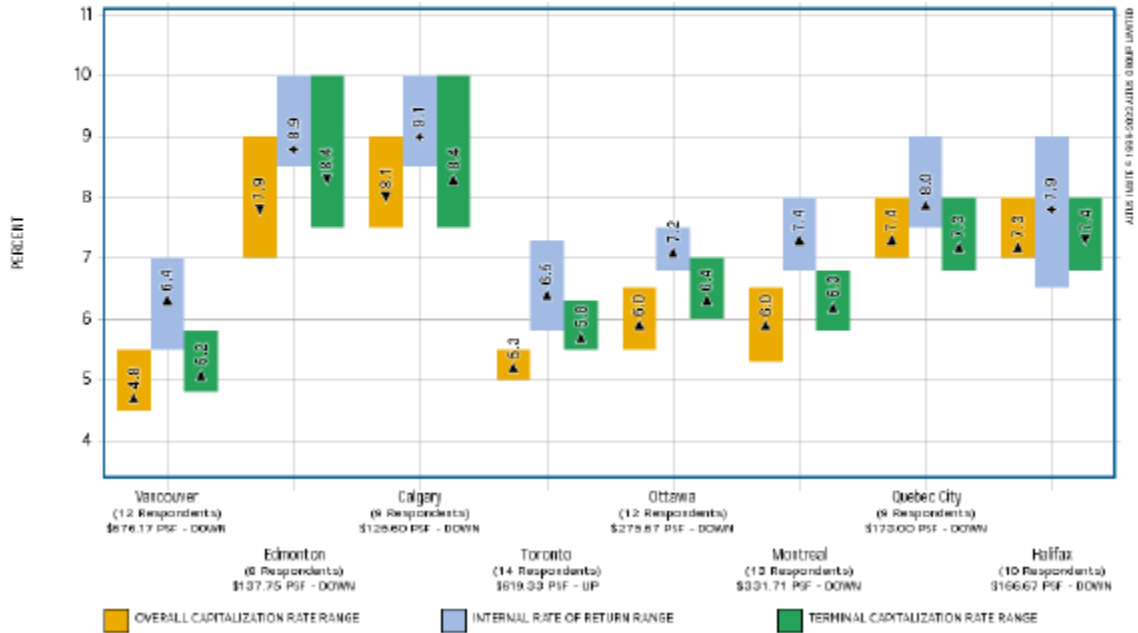
Investment Trends Survey

Q2 2022 Results

Valuation Parameters

Q2 2022

Downtown Class "B" Office



Arrows indicate directional movement from previous survey



	Overall Cap. Rate				Internal Rate of Return				Terminal Cap. Range				Per Square Foot	
	Max	Min	Avg	Change	Max	Min	Avg	Change	Max	Min	Avg	Change	\$	Change
Vancouver (12 Respondents) \$676.17 PSF - DOWN	5.5	4.5	4.8	UP	7.0	5.5	6.4	UP	5.8	4.8	5.2	UP	676.17	DOWN
Edmonton (8 Respondents) \$137.75 PSF - DOWN	9.0	7.0	7.9	DOWN	10.0	8.5	8.9	SAME	10.0	7.5	8.4	DOWN	137.75	DOWN
Calgary (9 Respondents) \$125.60 PSF - DOWN	9.0	7.5	8.1	DOWN	10.0	8.5	9.1	SAME	10.0	7.5	8.4	UP	125.60	DOWN
Toronto (14 Respondents) \$619.33 PSF - UP	5.5	5.0	5.3	UP	7.3	5.8	6.5	UP	6.3	5.5	5.8	UP	619.33	UP
Ottawa (12 Respondents) \$275.67 PSF - DOWN	6.5	5.5	6.0	UP	7.5	6.8	7.2	UP	7.0	6.0	6.4	UP	275.67	DOWN
Montreal (13 Respondents) \$331.71 PSF - DOWN	6.5	5.3	6.0	UP	8.0	6.8	7.4	UP	6.8	5.8	6.3	UP	331.71	DOWN
Quebec City (9 Respondents) \$173.00 PSF - DOWN	8.0	7.0	7.4	UP	9.0	7.5	8.0	UP	8.0	6.8	7.3	UP	173.00	DOWN
Hallifax (10 Respondents)	8.0	7.0	7.3	UP	9.0	6.5	7.9	SAME	8.0	6.8	7.4	DOWN	166.67	DOWN

- ❖ For the subject, the concluded terminal capitalization rate is 8.25%. In terms of the going-in rate used in the Direct Capitalization approach, the base rate applied there was 8.25%. Typically, we see the terminal year around 25 bp higher than the going in rate. In this case, however, the considerable amount of vacancy and near term rollover warranted a higher going-in rate.

For the discount rate we have applied a rate 100 basis points above the “going-in” rate.

Value Indication – Discounted Cash Flow Analysis

The cash flow schedule and present value calculations are shown on the following pages.



Schedule of Prospective Cash Flows

Discounted Cash Flow Summary

Year	1	2	3	4	5	6	7	8	9	10	11	CAGR
Begins	11/1/2022	11/1/2023	11/1/2024	11/1/2025	11/1/2026	11/1/2027	11/1/2028	11/1/2029	11/1/2030	11/1/2031	11/1/2032	Over Hold
Potential Base Rent	\$248,637	\$238,240	\$238,119	\$238,119	\$238,119	\$239,251	\$267,175	\$268,480	\$268,480	\$268,480	\$268,861	0.9%
Lost Absorption / Turnover Rent	(\$167,951)	(\$11,372)	\$0	\$0	\$0	(\$7,326)	(\$37,421)	\$0	\$0	\$0	(\$4,044)	-100.0%
Free Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Scheduled Base Rent	\$80,686	\$226,868	\$238,119	\$238,119	\$238,119	\$231,925	\$229,754	\$268,480	\$268,480	\$268,480	\$264,817	14.3%
Expense Recoveries	\$22,321	\$166,121	\$178,956	\$182,445	\$186,005	\$182,018	\$168,323	\$197,687	\$201,540	\$205,469	\$205,265	28.0%
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Potential Gross Revenue	\$103,007	\$392,989	\$417,075	\$420,564	\$424,123	\$413,943	\$398,077	\$466,167	\$470,020	\$473,949	\$470,082	18.5%
Vacancy and Credit Loss	\$0	(\$24,340)	(\$31,281)	(\$31,542)	(\$31,809)	(\$26,752)	(\$21,414)	(\$34,963)	(\$35,251)	(\$35,546)	(\$32,853)	
Effective Revenue	\$103,007	\$368,649	\$385,794	\$389,022	\$392,314	\$387,191	\$376,663	\$431,205	\$434,768	\$438,403	\$437,229	17.5%
Real Estate Taxes	\$51,546	\$53,092	\$54,154	\$55,237	\$56,342	\$57,469	\$58,618	\$59,791	\$60,986	\$62,206	\$63,450	2.1%
Operating Costs	\$111,448	\$114,791	\$117,087	\$119,429	\$121,818	\$124,254	\$126,739	\$129,274	\$131,859	\$134,496	\$137,186	2.1%
Management	\$2,060	\$7,373	\$7,716	\$7,780	\$7,846	\$7,744	\$7,533	\$8,624	\$8,695	\$8,768	\$8,745	17.5%
Net Operating Income	(\$62,047)	\$193,392	\$206,837	\$206,575	\$206,308	\$197,724	\$183,773	\$233,516	\$233,227	\$232,933	\$227,848	
Tenant Improvements	\$39,037	\$147,100	\$0	\$0	\$0	\$30,802	\$107,077	\$0	\$0	\$0	\$0	-100.0%
Leasing Commissions	\$7,807	\$45,626	\$0	\$0	\$0	\$6,868	\$35,082	\$0	\$0	\$0	\$0	-100.0%
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Leasing & Capital Costs	\$46,844	\$192,726	\$0	\$0	\$0	\$37,670	\$142,159	\$0	\$0	\$0	\$0	-100.0%
Cash Flow Before Debt Service	(\$108,891)	\$666	\$206,837	\$206,575	\$206,308	\$160,054	\$41,614	\$233,516	\$233,227	\$232,933	\$227,848	

Additional KPIs

Effective Economic Occupancy	100.0%	93.8%	92.5%	92.5%	92.5%	93.5%	94.6%	92.5%	92.5%	92.5%	93.0%
Cash on Cash Return	-5.7%	0.0%	10.9%	10.9%	10.9%	8.4%	2.2%	12.3%	12.3%	12.3%	12.0%
Year over Year Growth (NOI)		-411.7%	7.0%	-0.1%	-0.1%	-4.2%	-7.1%	27.1%	-0.1%	-0.1%	-2.2%

General Cash Flow Assumptions

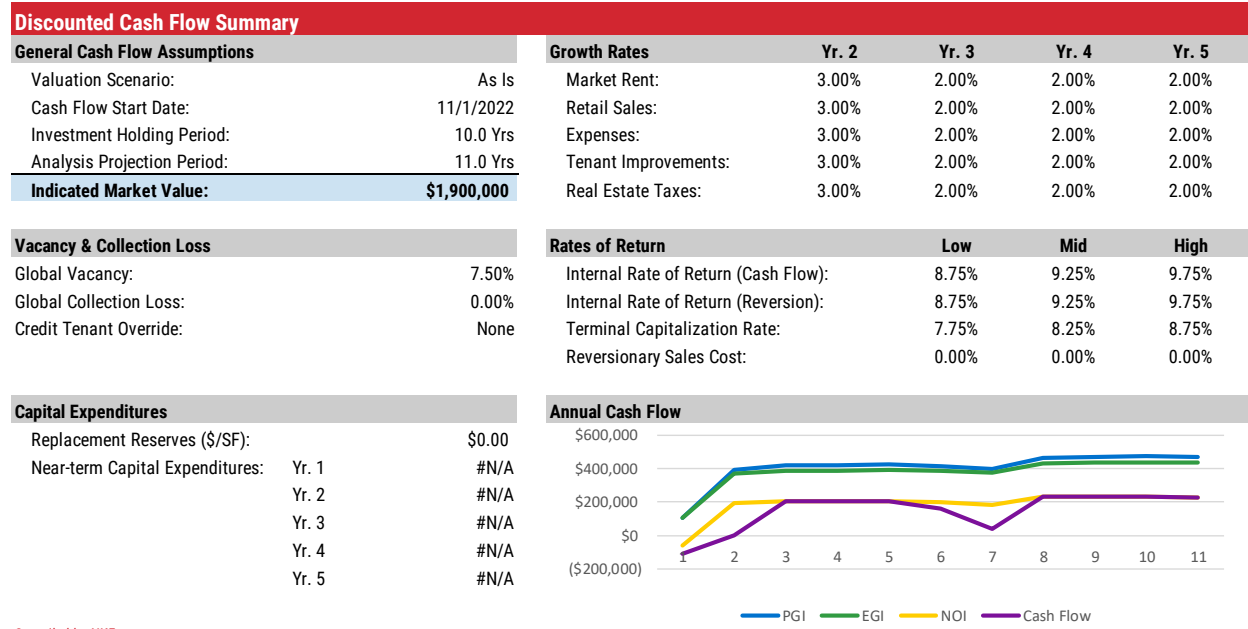
Valuation Scenario:	As Is
Cash Flow Start Date:	11/1/2022
Investment Holding Period:	10.0 Yrs
Analysis Projection Period:	11.0 Yrs
Indicated Market Value:	\$1,900,000

Valuation Matrix

Exit Cap.	Internal Rate of Return				
	8.75%	9.00%	9.25%	9.50%	9.75%
7.75%	\$2,064,867	\$2,023,852	\$1,983,781	\$1,944,630	\$1,906,375
8.00%	\$2,025,157	\$1,985,043	\$1,945,852	\$1,907,558	\$1,870,139
8.25%	\$1,987,853	\$1,948,587	\$1,910,221	\$1,872,732	\$1,836,098
8.50%	\$1,952,744	\$1,914,275	\$1,876,686	\$1,839,955	\$1,804,060
8.75%	\$1,919,641	\$1,881,923	\$1,845,067	\$1,809,051	\$1,773,853

Compiled by NKF





Compiled by NKF



DCF Valuation Analysis								
Year #	Year	Net Operating Income	Net Cash Flow	Discount Factor	Discounted Cash Flows	Cash on Cash Return	Yield	Annual Overall Cap Rates
Year 1	Nov-2022	(\$62,047)	(\$108,891)	0.91533	(\$99,671)	-5.70%	-5.22%	-3.25%
Year 2	Nov-2023	\$193,392	\$666	0.83783	\$558	0.03%	0.03%	10.12%
Year 3	Nov-2024	\$206,837	\$206,837	0.76689	\$158,622	10.83%	8.30%	10.83%
Year 4	Nov-2025	\$206,575	\$206,575	0.70196	\$145,008	10.81%	7.59%	10.81%
Year 5	Nov-2026	\$206,308	\$206,308	0.64253	\$132,559	10.80%	6.94%	10.80%
Year 6	Nov-2027	\$197,724	\$160,054	0.58813	\$94,132	8.38%	4.93%	10.35%
Year 7	Nov-2028	\$183,773	\$41,614	0.53833	\$22,402	2.18%	1.17%	9.62%
Year 8	Nov-2029	\$233,516	\$233,516	0.49275	\$115,066	12.22%	6.02%	12.22%
Year 9	Nov-2030	\$233,227	\$233,227	0.45103	\$105,193	12.21%	5.51%	12.21%
Year 10	Nov-2031	\$232,933	\$232,933	0.41284	\$96,165	12.19%	5.03%	12.19%
Year 11	Nov-2032	\$227,848						
Present Value of Cash Flows:					\$770,033		40.31%	
Reversion	Year	NOI	Terminal Rate	Total	\$/SF			
Year 11	Nov-2032	\$227,848	8.25%	\$2,761,791	\$198.25			
Less Cost of Sale:			0.00%	\$0	\$0.00			
Reversion Value:				\$2,761,791	\$198.25			
Discount Factor				0.41284				
Present Value of Reversion:					\$1,140,188		59.69%	
TOTAL PRESENT VALUE					\$1,910,221			
Rounded					\$1,900,000			

Compiled by NKF



Income Capitalization Approach Conclusion

Income Capitalization Approach - Indicated Value

Market Value Premise As of Date:	As Is October 4, 2022
Direct Capitalization	\$2,025,000
Discounted Cash Flow	\$1,900,000
Reconciled Value	\$1,950,000
Value per SF	\$139.98

Compiled by NKF

The concluded value by the Income Capitalization Approach is often focused on the discounted cash flow analysis as this track best with investor actions for investment grade real estate like the subject property. We have generally given most weight to this approach.

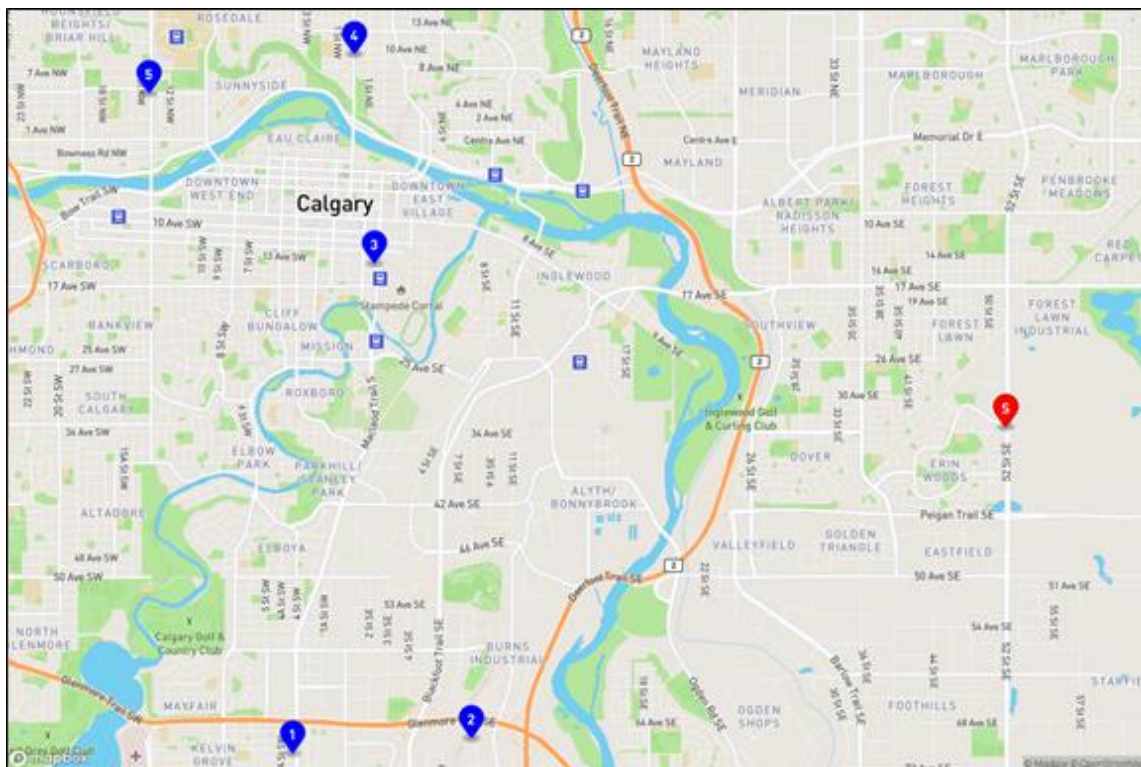


Sales Comparison Approach

The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- ❖ Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- ❖ Select the most relevant units of comparison in the market and develop a comparative analysis.
- ❖ Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- ❖ Reconcile the various value indications to a value bracket and then a single value indication.







The unit of comparison applied in this sales comparison analysis is price per square foot as it mirrors the primary comparison method used by market participants.



Comparable Map



Comparable Sales Summary

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
						
Property Name	52nd Dental	7015 Macleod Trail SW, Calgary	Railway Corporate Centre	Stampede Station	1000 Centre Street North	Campana Place
Address	3505 52nd Street	7015 Macleod Trail SE	6807 & 6835 Railway	1331 Macleod Trail S	1000 Centre Street N	609 14 Street NW
City, State	Calgary, AB	Calgary, AB	Calgary, 0	Calgary, 0	Calgary, AB	Calgary, AB
Land Size	0.71 Acres	0.74 Acres	9.11 Acres	1.67 Acres	0.43 Acres	0.43 Acres
Rentable Area (SF)	13,931 SF	134,293 SF	135,304 SF	161,672 SF	54,785 SF	53,233 SF
Year Built (Renovated)	2007	1977	2007	2008	1981 (2016)	1981
Occupancy/Owner Occ.	100%	95%	92%	74%	100%	0%
Construction	Wood frame Structure and	Masonry	Concrete	Steel	Steel	Brick
Condition	Good	Average	Good	Good	Good	Good
Buyer	--	Simplex Investment Corporation	Ayrshire	Crestpoint Real Estate Investments LTD.	Certus Developments Inc	Noble Grounds Inc.
Seller	--	Artis Real Estate Investment Trust	Barings bank (Chicago)	Artis REIT	Cantre 1000 Capital Corp	Artis REIT
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Fee Simple
Competitive Class	Class B	Class B	Class A	Not Applicable	Class B	Class B
Transaction Status	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Dec-19	Dec-19	Feb-20	Nov-21	Mar-22
Price	--	\$27,600,000	\$27,500,000	\$29,696,152	\$6,430,000	\$4,157,390
Operating Status at Sale		Stabilized Operations	Sub-stabilized	Sub-stabilized	Stabilized Operations	Stabilized Operations
Price per SF	--	\$205.52	\$208.46	\$205.91	\$117.37	\$78.10
NOI/SF	\$14.85	\$13.36	\$17.42	\$13.01	\$10.49	\$5.47
Cap Rate	--	6.50%	8.36%	6.32%	8.94%	7.00%

Compiled by NKF





Comparable One



Comparable Two



Comparable Three



Comparable Four



Comparable Five



Analysis of Improved Comparable Data

In our opinion, a buyer's criteria for the purchase of properties such as the subject are predicated primarily on the property's net income characteristics. Thus, we have identified a relationship between the net operating income and the sales price of the subjects and the comparables. The income analysis accounts for differences between the comparables and the subject relative to differences in location, construction quality, age/condition, exposure, access and other physical characteristics. Inferior properties generally achieve lower rent levels resulting in a lower net operating income per square foot. In addition, we have also trended the subject properties projected NOI per square foot against the comparable properties NOI per square foot and sale price per square foot to estimate a value per unit for the subject property. Following we have tabled adjustments reflective of their income differences.

Based on our economic analysis, the following tables summarize the adjustments warranted to each comparable.

Comparable Sales Adjustment Grid						
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	
Property Name	52nd Dental	7015 Macleod Trail SW,	Railway Corporate Centre	Stampede Station	1000 Centre Street North	Campana Place
Address	3505 52nd Street	7015 Macleod Trail SE	6807 & 6835 Railway	1331 Macleod Trail S	1000 Centre Street N	609 14 Street NW
City	Calgary, AB	Calgary, AB	Calgary, 0	Calgary, 0	Calgary, AB	Calgary, AB
Land Size	0.71 Acres	0.74 Acres	9.11 Acres	1.67 Acres	0.43 Acres	0.43 Acres
Size (Rentable Area)	13,931 SF	134,293 SF	135,304 SF	161,672 SF	54,785 SF	53,233 SF
Year Built (Renovated)	2007	1977	2007	2008	1981 (2016)	1981
NOI/SF	\$14.85	\$13.36	\$17.42	\$13.01	\$10.49	\$5.47
Transaction Type	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Dec-19	Dec-19	Feb-20	Nov-21	Mar-22
Actual Sale Price	--	\$27,600,000	\$27,500,000	\$29,696,152	\$6,430,000	\$4,157,390
Price per SF	--	\$205.52	\$208.46	\$205.91	\$117.37	\$78.10
Occupancy	100%	95%	92%	74%	100%	0%
Cap Rate	--	6.50%	8.36%	6.32%	8.94%	7.00%
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)	10/4/2022	-13%	-13%	-13%	-5%	-3%
Subtotal		-13%	-13%	-13%	-5%	-3%
Subtotal Price per SF		\$178.80	\$181.36	\$179.14	\$111.50	\$75.76
Property Adjustments						
Location		0%	0%	0%	0%	0%
Size		0%	0%	0%	0%	0%
Age/Condition		0%	0%	0%	0%	0%
Parking		0%	0%	0%	0%	0%
Features/Amenities		0%	0%	0%	0%	0%
Quality		0%	0%	0%	0%	0%
Economic Characteristics		11%	-15%	14%	42%	172%
Other		0%	0%	0%	0%	0%
Subtotal		11%	-15%	14%	42%	172%
Gross Adjustment		24%	28%	27%	47%	175%
Overall Adjustment		-3%	-26%	-1%	34%	163%
Indicated Price per SF		\$198.72	\$154.58	\$204.36	\$157.77	\$205.74

Compiled by NKF



Sales Comparison Approach Conclusion

As stated earlier, in this method, we have compared the sales to the subject primarily along economic lines rather than on physical characteristics. Economic performance such as the relationship of sales price to net operating income are inclusive of all the physical, locational and economic attributes of a property.

Health Care Sales Adjustment Summary			
Price per SF	Low	High	Average
Unadjusted Range	\$78.10	\$208.46	\$163.07
Adjusted Range	\$154.58	\$205.74	\$184.24
Concluded Price per SF Indication			\$185.00

Compiled by NKF

The subject property represents average quality construction located in desirable commercial node within the City of Calgary. The value conclusion by the sales comparison approach is as follows:

Sales Comparison Approach Conclusion		
Reconciliation of Price per SF Indication		Value Indication
Adjusted Value Range - Low		\$154.58
Adjusted Value Range - High		\$205.74
Reconciled As Stabilized Value - Price per SF	Effective Date: 10/4/2022	\$185.00
Subject Rentable Area (SF)		13,931
Reconciled As Stabilized Value - Price per SF Analysis		\$2,577,235
Reconciled As Stabilized Value - Sales Comparison Approach	Effective Date: 10/4/2022	\$2,577,235

Value Indications		
As Is		Value Indication
Reconciled As Stabilized Value	Effective Date: 10/4/2022	\$2,577,235
Rental Shortfall Year 1 and 2 Discounted for time		(\$262,022)
Leasing Costs Discounted for Time		(\$222,339)
Capital Expenditures		\$0
As Is Value	Effective Date: 10/4/2022	\$2,092,875
Rounded		\$2,100,000

Compiled by NKF



Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise As of Date:	As Is October 4, 2022
Sales Comparison Approach:	\$2,100,000
Income Capitalization Approach:	\$1,950,000
Market Value Conclusion	\$1,950,000

Compiled by NKF

Cost Approach

The Cost Approach has best applicability for properties with new or nearly new improvements. It is a summation approach in that the underlying land value is added to the depreciated replacement cost for the indicated value. The weakness to the cost approach is the estimation of all forms of depreciation. Given that the subject property is an income producing property and the cost approach would be given the least credence by investors, the cost approach was not developed.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales was obtained, and the adjustment process was well founded by reasoning and direct evidence. Although this analysis is considered to be well founded and reliable, the subject property is an income producing property and the sales comparison approach, like the cost approach, is limited in its ability to directly consider the income levels of the subject and the sales. Accordingly, the sales comparison approach is used as a cross-check to the Income Approach results.

Income Capitalization Approach

The subject property is a multi-tenant building. It is distinctly an income producing property and this approach is specifically designed to address the value of such properties. Both direct capitalization and discounted cash flow analyses were developed. Market rent was well established by reasonably similar lease data. The properties have a stable history and both income and expense estimates track with historical trends. Capitalization rates were developed from a number of sources including actual sales. Discount and terminal capitalization rates were



developed from investor surveys and market participant data. In total, the income capitalization approach is considered to be most applicable to the subject.

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	10/4/2022	\$1,950,000
Forced Sale Value Low	Leased Fee	10/4/2022	\$1,560,000
Forced Sale Value High	Leased Fee	10/4/2022	\$1,755,000

Compiled by NKF

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in CUSPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. Very limited operating or tenancy information was available to the author of this report. We have assumed that the current tenancy as laid out in this report is true and correct. We have assumed that the main floor dentist space will be vacated and re-occupied by a dental tenancy.
2. It has been reported that there are actually five tenants in place. Of these five tenants, for one of them we were not able to obtain a lease, and the other is reportedly not paying rent. We have treated these two tenancies as current vacancies.

The use of this extraordinary assumption might have affected assignment results.

A hypothetical condition is defined in CUSPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. Very limited operating or tenancy information was available to the author of this report. We have assumed that the current tenancy as laid out in this report is true and correct. We have assumed that the main floor dentist space will be vacated and re-occupied by a dental tenancy.
2. It has been reported that there are actually five tenants in place. Of these five tenants, for one of them we were not able to obtain a lease, and the other is reportedly not paying rent. We have treated these two tenancies as current vacancies.

The use of this hypothetical condition might have affected assignment results.

Compiled by NKF

Exposure Time

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Recent sales transaction data for similar properties, supply and demand characteristics for the local office market, and the opinions of local market participants were reviewed and analyzed.



Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 6 months.

Marketing Time

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 months.



Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a



substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the



Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.



Addendum A

Glossary of Terms



The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also **surplus land**.



- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
- ◆ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also **hypothetical condition**.
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service Lease:** See **gross lease**.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.



- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. See also **extraordinary assumption**.
- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone



associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.

- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. ¹
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also **gross lease;** **modified gross lease.**
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.

¹ The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.



- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically, these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also **excess land**.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.



- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ◆ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.
- ◆ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.
- ◆ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.



Addendum B

Comparable Data



Improved Sales



Office Sale Comparable 1

7015 Macleod Trail SW, Calgary

Location Information

Location	7015 Macleod Trail SE Calgary, AB
Market	Valuation Properties
Submarket	Valuation Office



Physical Property Summary

Property Type	Office (Medical/Hospital Campus)
Rentable Area	134,293 SF
Land Acres	0.74 Acres
Land SF	32,234 SF
Land to Building Ratio	0.24
No. of Buildings	1
No. of Stories	7
Year Built (Renovated)	1977
Construction	Masonry
Condition	Average
Parking	Surface
Investment Class	Class B
Elevators	0

Sale Data

Transaction Type	Closed
Date	December 16, 2019
Grantor	Artis Real Estate Investment Trust
Grantee	Simplex Investment Corporation
Price	\$27,600,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$27,600,000
Price Per SF	\$205.52

Financial Data

Source	CoStar
Occupancy	95.0%

Financial Indicators

NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	6.50%

Comments

The 134,293 SF office property located at 7015 Macleod Trail Southwest sold in December 2019 for \$27,600,000. The property transferred from ARTis Real Estate Investment Trust to Simplex Investment Corporation. At the time of sale, the stabilized occupancy at 95% and a cap rate for the trade at 6.5%. The 134,293 SF office property located at 7015 Macleod Trail Southwest sold in December 2019 for \$27,600,000. The property transferred from ARTis Real Estate Investment Trust to Simplex Investment Corporation. At the time of sale, the stabilized occupancy at 95% and a cap rate for the trade at 6.5%.

Office Sale Comparable 2

Railway Corporate Centre

Location Information

Location	6807 & 6835 Railway Street SE Calgary, 0
Market	Valuation Properties
Submarket	Valuation Office



Physical Property Summary

Property Type	Office (Low Rise)
Rentable Area	135,304 SF
Land Acres	9.11 Acres
Land SF	396,832 SF
Land to Building Ratio	2.93
No. of Buildings	2
No. of Stories	3
Year Built (Renovated)	2007
Construction	Concrete
Condition	Good
Parking	86 Underground stalls - As per tenant leases, c
Investment Class	Class A
Elevators	2

Financial Data

Source	Colliers
Occupancy	92.0%
Property Operations Status	Sub-stabilized Operations

Financial Indicators

NOI	\$2,260,316
Derived Cap Rate	8.01%
Reported Cap Rate	8.30%

Sale Data

Transaction Type	Closed
Date	December 20, 2019
Grantor	Barings bank (Chicago)
Grantee	Ayrshire
Price	\$27,500,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$705,610
Adjusted Price	
Price Per SF	\$208.46

Pro Forma Stabilized Operations

NOI	\$2,356,929
Derived Cap Rate	8.36%

Comments

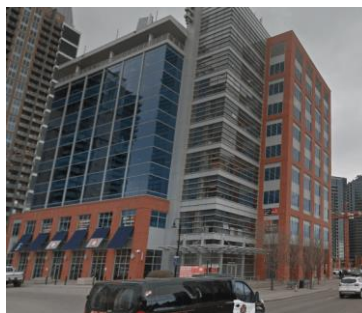
There was concern that Desjardins would vacate or downsize. They occupy approximately 30% of the building. This property sold at an 8.36% stabilized capitalization rate. The property was 8% vacant at the time of sale and the only major credit worthy tenant in place was Desjardins Financial. This tenant occupied approximately 30% of the building and there was considerable uncertainty as to whether the tenant would downsize or vacate. It would appear that the purchaser based his price on the presumption of the tenant subsequently vacating.

Office Sale Comparable 3

Stampede Station

Location Information

Location	1331 Macleod Trail S Calgary, 0
Market	Valuation Properties
Submarket	Valuation Office
County	Alberta
APN	0



Physical Property Summary

Property Type	Office (General Purpose)
Rentable Area	161,672 SF
Land Acres	1.67 Acres
Land SF	72,745 SF
Land to Building Ratio	0.45
No. of Buildings	1
No. of Stories	9
Year Built (Renovated)	2008
Construction	Steel
Condition	Good
Parking	288 Stalls U/G
Investment Class	Not Applicable
Elevators	4

Sale Data

Transaction Type	Closed
Date	February 6, 2020
Grantor	Artis REIT
Grantee	Crestpoint Real Estate Investments LTD.
Price	\$29,696,152
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$3,594,260
Adjusted Price	\$33,290,412
Price Per SF	\$205.91

Financial Data

Source	Vendor
Occupancy	74.0%
Property Operations Status	Sub-stabilized Operations

Pro Forma Stabilized Operations

NOI	\$1,603,592	NOI	\$2,104,161
Derived Cap Rate	4.82%	Derived Cap Rate	6.32%
Reported Cap Rate	5.40%		

Comments

Part of 2 property portfolio sale including Trans Alta Building located at 110 - 12th Avenue SE, Calgary, AB. Total purchase price reported at \$89,000,000. Property was 72.40% occupied at time of sale and average rents in place were \$13.70 per square foot. the reported cap rate based on income in place as 5.40% suggesting an allocated price of \$29.7m . We have adjusted the sale price for lost TIs \$1,338m, lost rent and recoveries 18 months \$917K and \$1.03m and leasing commissions \$335k. Property last sold in 2011 for \$90m.



Office Sale Comparable 4

1000 Centre Street North

Location Information

Location	1000 Centre Street N Calgary, AB
Market	Valuation Properties
Submarket	Valuation Office



Physical Property Summary

Property Type	Office (Other)
Gross Building Area	54,785 SF
Rentable Area	54,785 SF
Land Acres	0.43 Acres
Land SF	18,731 SF
Land to Building Ratio	0.34
No. of Buildings	1
No. of Stories	1
Year Built (Renovated)	1981 (2016)
Construction	Steel
Condition	Good
Parking	Surface
Investment Class	Class B
Elevators	2

Sale Data

Transaction Type	Closed
Date	November 4, 2021
Grantor	Centre 1000 Capital Corp
Grantee	Certus Developments Inc
Price	\$6,430,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$6,430,000
Price Per SF	\$117.37

Financial Data

Source	The Network
Occupancy	100.0%
Property Operations Status	Stabilized Operations

Pro Forma Stabilized Operations

NOI	N/A	NOI	\$574,842
Derived Cap Rate	N/A	Derived Cap Rate	8.94%
Reported Cap Rate	8.90%		

Comments

The Land use Designation is DC which is a Direct Control. The property was sold for \$6,430,000 representing price per acre \$14,953,328. The reported cap rate at the time of sale was 8.90%. The vendor in this transaction was Centre 1000 Capital Corp and Certus Developments Inc was the buyer.



Addenda

Office Sale Comparable 5

Campana Place

Location Information

Location	609 14 Street NW Calgary, AB
Market	Valuation Properties
Submarket	Valuation Office



Physical Property Summary

Property Type	Office (Mid Rise)
Gross Building Area	53,233 SF
Rentable Area	53,233 SF
Land Acres	0.43 Acres
Land SF	18,731 SF
Land to Building Ratio	0.35
No. of Buildings	1
No. of Stories	4
Year Built (Renovated)	1981
Construction	Brick
Condition	Good
Parking	Underground
Investment Class	Class B
Elevators	1

Sale Data

Transaction Type	Closed
Date	March 30, 2022
Grantor	Artis REIT
Grantee	Noble Grounds Inc.
Document No.	0
Price	\$4,157,390
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$4,157,390
Price Per SF	\$78.10

Financial Data

Occupancy	0.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	\$291,017
Derived Cap Rate	7.00%
Reported Cap Rate	7.00%

Verification Secondary Verification

Comments

This property is a mid-rise office building comprised of 53,233 square feet with 4 storeys and 90 parking spaces. This transaction sold as part of a two property portfolio. On March 30th, 2022, Noble Grounds Inc. acquired two office buildings located at 301 and 609 14th St NW. The properties total 112,405 SF and transferred from Artis REIT for a total consideration of \$9,100,000 or approximately \$80.96 per SF. Both properties are zoned Commercial - Corridor 2 (C-COR2). The properties were approximately 60% occupied at the time of sale and had a cap rate of around 7%. 609 14th St NW transacted for \$4,157,390 at \$78/sqft.



Addendum C
Replacement Cost



Building and Site Improvements - Cost Summary		
Improvements (Structures)		Primary Use
MVS Improvement Type		Health Care
Construction Class		B
Quality		Good
MVS Section		15
MVS Page		17
Source Date		11/1/2019
Base Cost PSF		\$190.50
+ Sprinklers		3.08
+HVAC (var. from base)		11.70
Other		0.00
Adjusted Base Cost PSF		\$205.28
Height & Size Refinements		
# of Stories Multiplier		1.000
Ceiling Height Multiplier		1.000
Perimeter Multiplier		1.000
Adjusted Base Cost		\$205.28
Final Calculations		
Current Cost Multiplier		1.080
Local Area Multiplier		1.360
Other Multiplier (Site Congestion, etc.)		1.000
Adjusted Base Cost		\$301.52
x Structure Size (SF GBA)		13,931
Adjusted Cost		\$4,200,409
Parkade		\$2,310,000
+ Indirect Costs @	0.00%	\$0
MVS Indicated Cost New Before Profit		\$6,510,409

Compiled by NKF



Addendum D

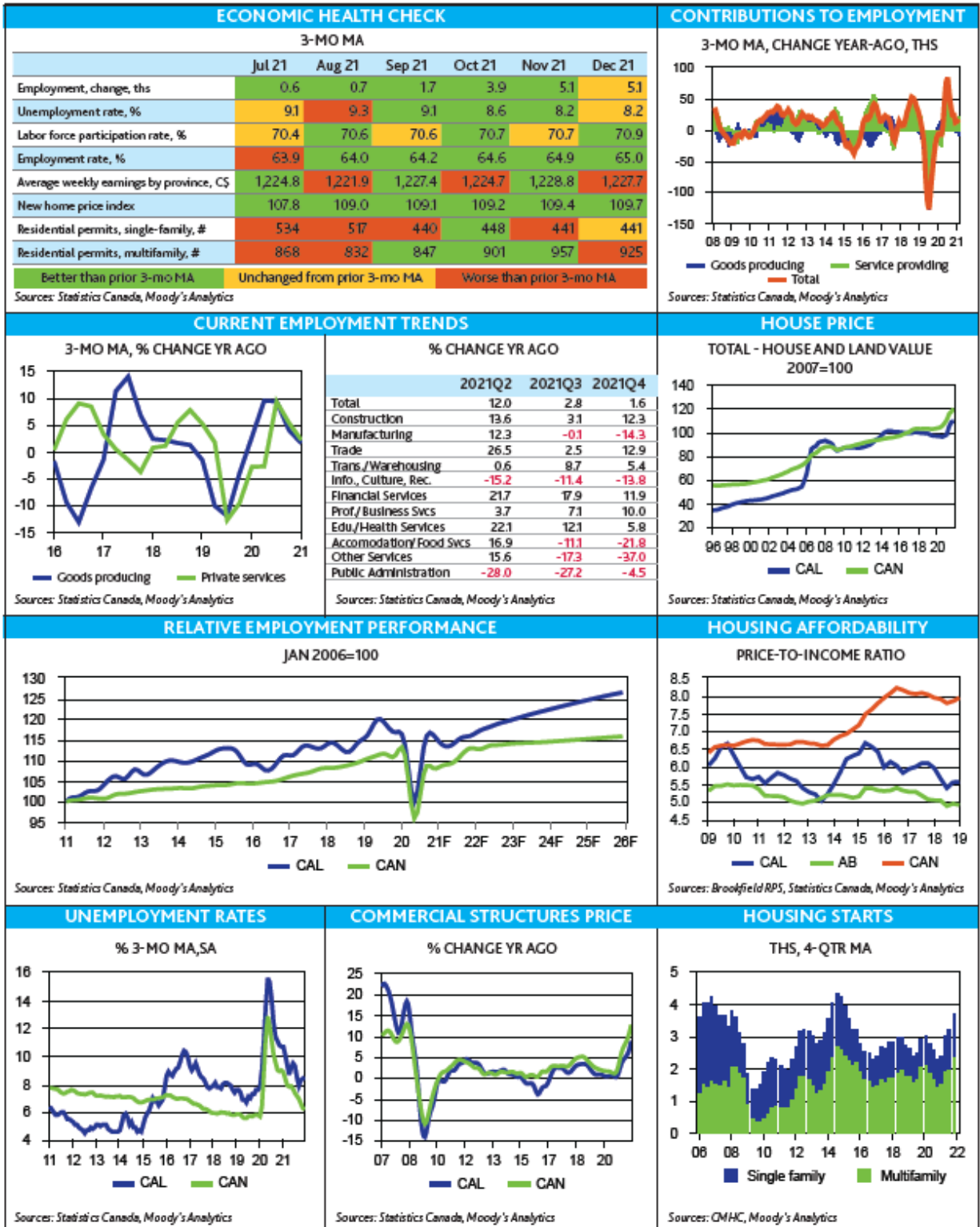
Précis Metro Report - Economy.Com, Inc.

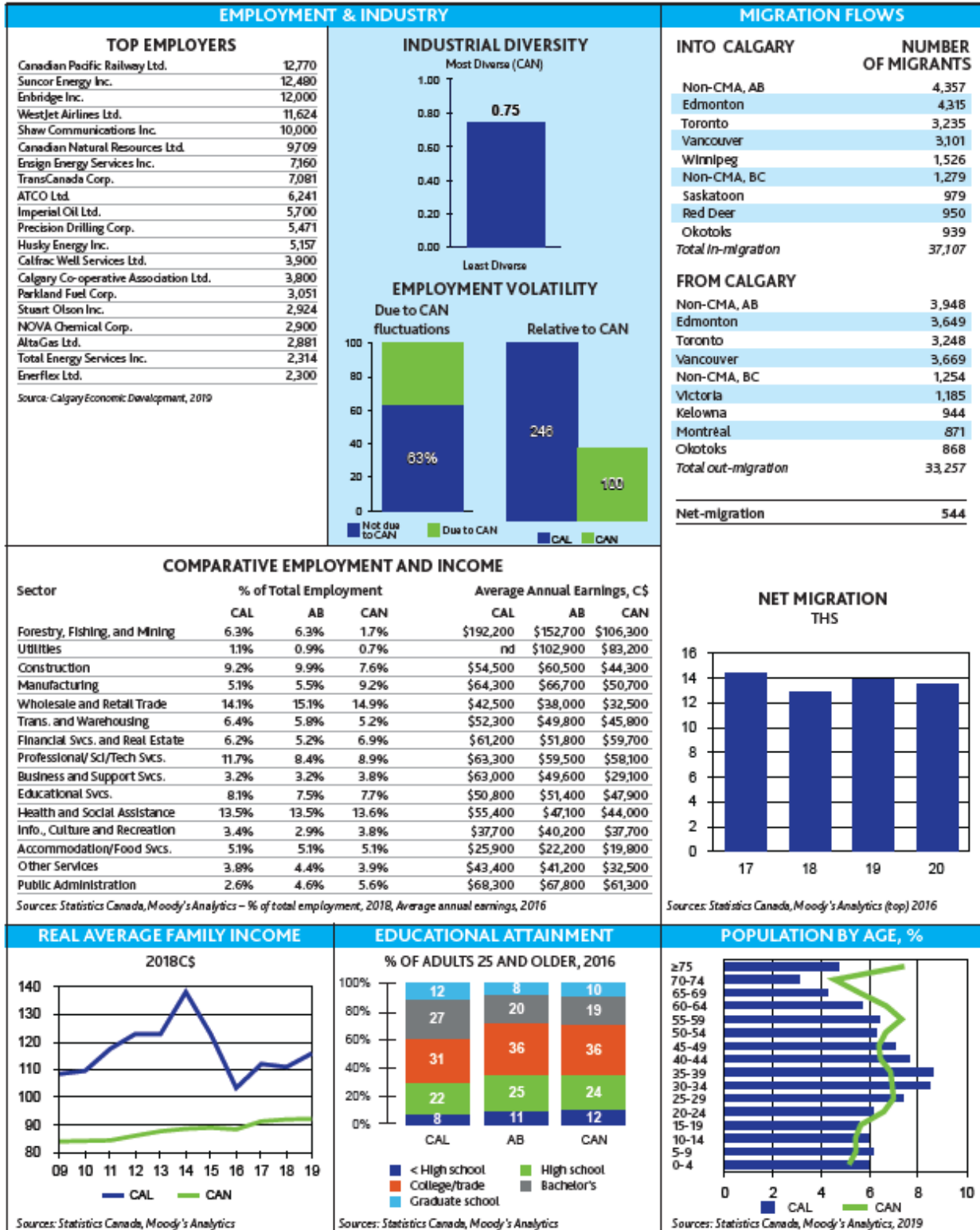




MOODY'S ANALYTICS		CALGARY		Data Buffet® Geography code: ICAN_MCAL								
ECONOMIC DRIVERS 		EMPLOYMENT GROWTH RATE 2017-2021: 1.0% (CAN=1.4%) 2022-2026: 2.0% (CAN=0.5%)		CORPORATE TAX RATE 8.0% (Federal=15%)		CPI INFLATION 2017-2021: 1.9% (CAN=1.7%) 2022-2026: 2.5% (CAN=1.8%)						
BUSINESS CYCLE STATUS 		ANALYSIS										
STRENGTHS & WEAKNESSES STRENGTHS <ul style="list-style-type: none"> High median income and strong in-migration support long-run growth prospects. Young and growing labor force. WEAKNESSES <ul style="list-style-type: none"> Overreliance on mining payrolls leaves economy tethered to oil prices. Low industrial diversity increases volatility. 		<p>Recent Performance. Calgary's economy finished 2021 on a strong run. After struggling early in the year, hiring picked up through the second half of the year. Total payrolls remain below their 2019 peak, lagging behind Canada in recovering lost positions from the COVID-19 recession. The large construction industry was largely behind the jump in hiring in the second half of 2021. The mining industry has been a drag on growth, with payrolls ending 2021 much lower than they started. The unemployment rate ticked up slightly at the end of the year, but this is mostly due to a growing labor force.</p> <p>Energy. The energy segment will continue to lose jobs throughout 2022 as oil prices correct from their recent run higher. Most of the mining in Alberta occurs north of CAL, but the metro area remains a home base for many energy companies. Alberta's oil industry faces an uphill battle. Although U.S. benchmark West Texas Intermediate oil has risen above US\$85 per barrel, CAL will benefit little. OPEC+ players are already ramping up output, which will take market share from CAL's players before they can react to the higher price. The increase in supply will soon translate to falling prices, bad news for higher-cost producers in Alberta. Despite efforts from the provincial government, Alberta lacks the transportation infrastructure to bring more oil to the global market. As a result, when CAL's oil producers increase production, they risk creating a local supply glut that they cannot export, forcing them to cut prices drastically compared with benchmark grades. New production is therefore unlikely to come on line. The higher price will protect profitability of oil companies, insulating office positions in CAL somewhat. Without higher production, employment will not rise back to pre-pandemic levels.</p> <p>Services. Consumer service industries will continue their recovery into 2022, but a complete jobs recovery will lag the rest of Canada. Consumer services are particularly large in CAL because of its status as a vacation destination at the foot of the Rockies. Both retail and food services employment closed 2021 on a strong run, with an increase in consumer confidence in travel helping to support growth. The reopening of the U.S.-Canada border to tourists has helped drive up demand. Moving forward, the consumer service segment will remain more closely tethered to the path of the pandemic than it will in other metro areas because of its reliance on tourists. The Omicron wave appears to be waning in Canada and the U.S., the biggest source of international tourists. This will help push up consumer spending in CAL from both residents and tourists. The pandemic remains a risk, but new waves are unlikely to seriously derail the recovery.</p> <p>Demographics. Upbeat demographics dominate CAL's long-term outlook. Canadians will increasingly leave overpriced coastal cities for more affordable housing markets like CAL. Alberta is forecast to have the strongest population growth of any province through the forecast horizon. CAL's diverse economy and its location will drive an influx of young, educated workers, allowing for ongoing growth in high-paying service industries. This will further diversify the economy away from oil and allow for still-healthy wages even as the highest-paying industry wanes in importance.</p> <p>Calgary's recovery will pick up steam as the pandemic becomes less salient. Ongoing waves remain a risk, particularly to the tourism outlook. The oil industry will wane. However, over the long term, an educated population and healthy in-migration will help diversify the economy away from oil, supporting growth.</p> <p><i>Thomas Nichols</i> January 2022</p> <p>1-866-275-3266 help@economy.com</p>										
FORECAST RISKS SHORT TERM  LONG TERM 		UPSIDE <ul style="list-style-type: none"> Vaccination spurs flying and travel, kick-starting tourism. New firms relocate to take advantage of the young labor force. DOWNSIDE <ul style="list-style-type: none"> Global oil demand slows, but OPEC+ continues to ramp up output aggressively. Trade with the U.S. stalls, cutting into energy exports. 										
MOODY'S RATING Aa3 PROVINCE AS OF OCT 2, 2020												
2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
111.2	111.5	108.6	107.6	114.7	106.1	Gross metro product (07C\$ bil)	119.3	125.9	128.7	131.3	133.4	135.3
12.8	0.2	-2.6	-0.9	6.6	-7.5	% change	12.4	5.5	2.2	2.0	1.6	1.4
816.2	803.7	830.5	837.3	870.7	815.7	Total employment (Ths)	874.0	899.8	921.8	942.4	960.4	976.4
2.1	-1.5	3.3	0.8	4.0	-6.3	% change	7.2	3.0	2.4	2.2	1.9	1.7
6.2	9.1	8.2	7.5	7.0	11.5	Unemployment rate (%)	9.4	8.6	7.7	7.0	6.6	6.3
-5.8	-9.5	2.8	3.8	9.5	0.1	Total real income growth (%)	2.4	3.5	2.1	2.1	2.0	1.3
1,426.4	1,448.3	1,470.0	1,498.5	1,529.3	1,550.6	Population (Ths)	1,587.1	1,622.0	1,656.3	1,690.3	1,724.0	1,757.5
1.8	1.5	1.5	1.9	2.1	1.4	% change	2.4	2.2	2.1	2.1	2.0	1.9
100.9	100.0	100.0	99.6	97.9	96.9	New House Price Index (Dec 2016=100, SA)	104.5	107.7	108.1	109.2	110.1	110.6
13.1	9.2	11.8	11.0	11.9	9.3	Housing starts (Ths)	12.2	11.2	12.8	11.5	10.9	10.9
80.3	75.9	83.6	83.5	88.7	87.5	Median family income (C\$ ths)	90.3	90.9	92.6	94.8	97.2	99.2
3.5	-3.0	9.6	0.5	-5.2	-2.1	Retail sales growth (%)	16.0	-0.4	2.1	4.5	4.7	4.6
1.2	1.4	1.5	1.7	1.9	1.2	Personal bankruptcies (Ths)	0.9	0.6	0.5	0.5	0.5	0.6







REAL AVERAGE FAMILY INCOME

2018C\$

Sources: Statistics Canada, Moody's Analytics

EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER, 2016

	CAL	AB	CAN
Graduate school	12	8	10
Bachelor's	27	20	19
College/trade	31	36	36
High school	22	25	24
< High school	8	11	12

Sources: Statistics Canada, Moody's Analytics

POPULATION BY AGE, %

Sources: Statistics Canada, Moody's Analytics, 2019

Addendum E
Appraiser Qualifications



**LIAM BRUNNER, AACI, P.APP.,
MRICS**

**Senior Managing Director and
Market Leader**



Newmark Knight Frank
639 5th Avenue SW
Suite 2520
Calgary, Alberta, T2P 0M9
liam.brunner@ngkf.com
T 403.680.4884

Years of Experience

22 Years

Areas of Specialization

- Valuation & Advisory
- Business Development

Corporate Background

Liam Brunner, AACI, P.App., MRICS, joined Newmark Knight Frank Valuation & Advisory in 2018 as a senior managing director and the Canadian practice leader. Mr. Brunner is responsible for building NKF's valuation and advisory practice throughout Canada through staff recruitment and acquisitions. He also serves as the national lead for business development and platform execution. Mr. Brunner brings to NKF 22 years of experience providing real estate valuation and advisory services to a broad range of clients located throughout Canada.

Prior to NKF, Mr. Brunner served for a little more than six years as a partner in Deloitte's Financial Advisory practice in Calgary, where he led the firm's real estate valuation practice nationally and was responsible for consulting and advisory for Western Canada. In this position, Mr. Brunner worked with his team to provide real estate valuation and advisory services for a wide range of special-purpose and investment-grade property classes. He also provided his considerable valuation and advisory expertise to some of Canada's leading real estate companies and corporations.

Prior to Deloitte, Mr. Brunner worked for six years as managing director for Western Canada at Cushman & Wakefield, where he provided oversight of business development, client assignments and service delivery across Western Canada. He also oversaw C&W's team of valuation and advisory professionals. Clients included Canada's leading financial and public institutions, real estate developers, investors and all levels of government. Before that, Mr. Brunner served for seven years as a director with Colliers International, responsible for valuation and property tax services for southern Alberta.

Professional Affiliations

- Director and Education Chair, Appraiser Institute of Canada, 2005 – 2010; Admissions Board, 2003 – 2010

Licenses and Designations

- Member, Royal Institute of Chartered Surveyors (MRICS)
- AACI Designation, Accredited Appraiser Canadian Institute

Education

Mr. Brunner earned a Bachelor of Economics degree from Concordia University and later obtained Certificates in Management and Applied Real Estate from McGill University.



SCHEDULE 11

**52 Wellness Centre Inc. - in Receivership
Summary of Offers**

Offeror	Purchase price	Deposit(s)	Purchaser's conditions	Waiver date	Closing date	Offer acceptance date
1283112 Alberta Inc. and Amara Investment Corp	\$1,800,000 (includes tenant A/R and Vendor must obtain title insurance)	\$	100,000.00		Noon MST, the later of: 1. 30 days of the offer 2. 14 days following SAVO By January 31, 2023	December 16, 2022
NDC Group Inc.	\$ 1,935,000.00	\$	193,500.00	1. Acceptance of offer on practice	Not specified.	Noon MST, 45 days after SAVO, no outside date specified. Not specified
1415265 Alberta Ltd.	\$ 1,900,000.00	\$	200,000.00		Noon MST, the later of: 1. 30 days of the offer 2. 14 days following SAVO No outside date specified.	Not specified

SCHEDULE 12

OFFER TO PURCHASE

(the "Offer" and, as accepted, the "Agreement")

TO: **MNP Ltd. (the "Receiver"), in its capacity as court appointed Receiver of 52 Wellness Centre Inc. (the "Debtor"), and not in its personal capacity**
1500, 640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4
(the "Vendor")

FROM: NDC Group Inc.
Suite 2900, 10180 -101 Street NW
Edmonton, Alberta
T5J 3V5
(the "Purchaser")

RE: Those lands and premises known as the 52 Wellness Building municipally located at 3505 52nd Street SE in Calgary, Alberta, as more specifically described herein

1. PROPERTY

"Property" shall mean collectively all of the right, title and interest of the Debtor in and to:

- (a) those lands and premises known as the 52 Wellness Building municipally located at 3505 52nd Street SE in Calgary, Alberta described in Schedule "A", the legal title for which is attached as Schedule "B" herein;
- (b) all executed and subsisting offers to lease, agreements to lease, leases, renewals of leases, tenancy agreements, rights of occupation, licenses or other occupancy agreements granted by or on behalf of the Debtor, or the Vendor, in its capacity as court appointed receiver of the Debtor, or any predecessors in title to possess or occupy space within the said lands and premises or any part thereof now or hereafter, together with all security, guarantees and indemnities of the tenant's obligations thereunder, in each case as amended, extended, renewed or otherwise modified (collectively, the "Leases");
- (c) all fixtures, appliances, improvements, equipment and chattels owned by the Debtor and located thereon which are used in connection with the operation or management of the said lands and premises; and
- (d) the rights, if any, of the Vendor to make use of the name "52 Wellness".

The Debtor's right, title and interest in and to the Property shall be conveyed to the Purchaser pursuant to the SAVO (as defined below) free and clear of all mortgages, encumbrances, liens or interests except for those permitted encumbrances set forth in Schedule "C" hereto (the "Permitted Encumbrances").

2. PURCHASE PRICE

The purchase price for the Property is One Million Nine Hundred and Thirty Five Thousand **Dollars (\$1,935,000.00)** (the "Purchase Price"), as adjusted in accordance with Section 8 hereof, to be paid as follows:

- (a) **One Hundred and Ninety-Three Thousand Five Hundred Dollars (\$193,500.00)** by way of a deposit (the "Deposit") to be paid to the Vendor's solicitor, by way of wire transfer, within five (5) Business Days of acceptance of this Offer by the Vendor;
- (b) THE BALANCE to be paid on or prior to the Closing Date, by way of wire transfer, to the Vendor's solicitor.

3. DEPOSIT

- (a) The Vendor's solicitor shall hold the Deposit, which shall be dealt with as contemplated herein. The parties acknowledge that the Vendor's solicitors shall be a mere stakeholder of the Deposit, as the case may be, as between the parties to this Agreement and, in the event of a dispute between the Vendor and the Purchaser as to entitlement to, or disposition of, the Deposit, as the case may be, the Vendor's solicitors shall be entitled to pay Deposit, as the case may be, into court and thereafter shall have no further responsibility in regard thereto and the Vendor's solicitors may act in the interest of the Vendor in the matter of any dispute between the parties.
- (b) The Deposit shall be applied towards the Purchase Price and shall be released to the Vendor on the Closing Date.
- (c) If the Vendor fails to complete the sale of the Property in accordance with this Agreement or repudiates this Agreement then, at the Purchaser's option, the Deposit (or so much thereof as have been paid) shall be returned to the Purchaser, on demand as a genuine pre-estimate of the Purchaser's minimum liquidated damages.
- (d) If the Purchaser fails to complete the purchase of the Property in accordance with this Agreement or repudiates this Agreement then, at the Vendor's option, the Deposit (or so much thereof as have been paid), shall be forfeited to the Vendor, on demand as a genuine pre-estimate of the Vendor's minimum liquidated damages.

4. PURCHASER'S CONDITION

The obligation of the Purchaser to complete this transaction shall be subject to the Purchaser having given notice in writing to the Vendor that the following condition(s) have been satisfied or are waived:

- (a) Acceptance of the offer to purchase provided by NDC Group Inc. in respect of 52 Dental Corporation by December 21, 2022.

(the "Purchaser's Condition"). The Purchaser's Condition will be for the sole benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser at any time on or prior to the dates specified herein.

(A)
✓

In the event that the Purchaser shall fail to notify the Vendor of the waiver or satisfaction of the Purchaser's Condition on or before the dates specified herein, this Agreement shall terminate and be of no further force or effect and the Deposit shall be forthwith returned to the Purchaser.

5. VENDOR'S CONDITION(S)

The obligation of the Vendor to complete this transaction shall be subject to the Vendor having given notice in writing to the Purchaser that the following condition has been satisfied or is waived no later than the date set out below.

- (a) This Offer is subject to the prior written approval not later than seven (7) days following the Acceptance Date of Royal Bank of Canada and the Bank of Nova Scotia and any other secured lenders, whose approval is deemed necessary at the sole discretion of the Receiver.

(the "Vendor's Condition"). The Vendor's Condition will be for the sole benefit of the Vendor and may be waived, in whole or in part, by the Vendor at any time on or prior to the date specified herein.

In the event that the Vendor shall fail to notify the Purchaser of the waiver or satisfaction of the Vendor's Condition on or before the date specified herein, this Agreement shall terminate and be of no further force or effect and the Deposit, as applicable, shall be forthwith returned to the Purchaser.

The obligation of the Vendor to complete this transaction shall be subject to the Vendor having given notice in writing to the Purchaser that the following condition shall be satisfied no later than the date set out below.

- (a) This Offer is subject to the Court of King's Bench of Alberta (the "Court") granting on or before January 31, 2023 a Sale Approval and Vesting Order (the "SAVO") approving the transaction contemplated herein, a true copy of which SAVO the Vendor shall provide to the Purchaser (the "SAVO Condition"). Once the Vendor provides the Purchaser with a true copy of the SAVO, this SAVO Condition shall be deemed satisfied provided such SAVO is not subject to any outstanding appeal or application for leave to appeal. The Vendor shall not be obligated to apply to the Court for the SAVO until such time as the Purchaser has given notice that all of the Purchaser's Condition have been satisfied or waived.

In the event that the Court does not grant the SAVO on or before January 31, 2023, then this Agreement may at the option of the Vendor terminate and be of no further force or effect and the Deposit shall be forthwith returned to the Purchaser.

6. REPRESENTATIONS AND WARRANTIES

- (a) The Purchaser acknowledges that the Purchaser has inspected the Property and the Purchaser agrees that neither the Vendor nor any agent or representative of the Vendor has made any representation, warranty, condition or collateral agreement relating to the Property or any adjacent Property or any other matter affecting the Property other than as is expressed herein in writing. Except as otherwise set forth herein, the Purchaser is purchasing the Property in its present condition and is relying solely on its own

inspections and investigations with respect to the Property. Without limiting the generality of the foregoing, the Purchaser:

- (i) acknowledges that it is aware of the land use classification of the Property and surrounding Property; and
 - (ii) acknowledges that neither the Vendor nor any agent or representative of the Vendor has made any representation, warranty, condition or collateral agreement whatsoever with respect to environmental matters or with respect to soil, subsoil, water table or foundation conditions and the Purchaser agrees that it is the sole responsibility of the Purchaser to take all appropriate steps to inspect the Property and to ensure adequate foundations for any buildings to be erected on the Property.
- (b) The Vendor represents and warrants to the Purchaser as follows:
- (i) subject to the granting of the SAVO, the Vendor has the full power, right and authority to enter into this Agreement; and
 - (ii) the Vendor is not a "non-resident" of Canada according to the meaning and intent of the Income Tax Act of Canada.
- (c) The Purchaser represents and warrants to the Vendor as follows:
- (i) as of the date hereof and on Closing, the Purchaser is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of Alberta and has the full power, right and authority to enter into this Agreement;
 - (ii) the Purchaser is not a non-Canadian person as defined in the *Investment Act Canada*.

The Vendor and the Purchaser each covenant that the representations and warranties made herein are materially correct and accurate to the best of the Vendor's or the Purchaser's knowledge and belief without special investigation. The representation and warranties of the Vendor and the Purchaser described herein shall merge and shall not survive on Closing, save and except as otherwise expressly provided for herein.

7. COLLECTION OF GST

The Purchaser represents and warrants that it is registered for the purposes of goods and services tax (the "GST") under Part IX of the *Excise Tax Act (Canada)* (the "Act"). By virtue of this registration and the provisions of the Act, the Purchaser covenants to assume all liability for the GST applicable to this transaction. The Purchaser shall, on or before the Closing Date, provide to the Vendor a copy of the Purchaser's certificate of registration under Part IX of the Act, together with a statutory declaration from an officer of the Purchaser confirming that the certificate is current and unamended and that the Purchaser is purchasing the Property on its own behalf and not as agent or trustee of any other party.

The Purchaser further covenants that it shall either pay the GST applicable to this transaction or complete and execute such forms, make such elections, filings and reports and do all other things

that are necessary or required pursuant to the Act, all within the time limits prescribed in the Act. The Purchaser hereby agrees to and does hereby indemnify and save the Vendor harmless from and against all liability, costs and expenses, including interest and penalties and any legal fees and disbursements on a solicitor and their own client basis, that the Vendor may incur or become subject to as a result of a default by the Purchaser or its obligations pursuant to this section 7.

8. CLOSING & ADJUSTMENTS

- (a) Subject to the terms and conditions hereof, and unless otherwise ordered by the Court or mutually agreed upon by the parties, vacant possession of the Property shall be provided to the Purchaser as at 12:00 P.M. (Alberta time) on the date (the "Closing Date") ~~that is the first (1st) Business Day that is forty-five (45) days following the date on which the SAVO has been obtained,~~ ^{February 10, 2023 or on such other date as is agreed in writing between the parties} provided that on such date the SAVO is not subject to any outstanding appeal or application for leave to appeal.
- (b) The Purchase Price shall be subject to adjustment as at 12:00 p.m. (Alberta time) on the Closing Date and will include but not be limited to property taxes, utilities and any income and pre-paid expenses relating to the Property. The adjustments will be made to the extent reasonably possible on Closing as of the Closing Date. The Vendor will prepare a statement of the adjustments for the Property. The Purchaser and the Vendor agree that if the final cost or amount of any item which is to be adjusted under this section 8 cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, and such amount shall be reasonably estimated by the Vendor as at the end of the day preceding the adjustment date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. Notwithstanding any other provisions of this Agreement and for the avoidance of doubt, the Parties agree that their respective rights to adjustment and/or readjustment of any item or matter in relation to this transaction after Closing, shall be limited to the period of thirty (30) days after Closing, and any specific claim for adjustment and/or re-adjustment not made within such period shall expire and be extinguished on the expiry of such period and neither party shall have any further right to claim for adjustment or re-adjustment of the Purchase Price for any reason whatsoever.
- (c) Rental arrears and accounts receivable and any other claims against a tenant pursuant to a Lease, payable or accrued prior to the Closing Date and unpaid on the Closing Date (the "Tenant Receivables"), shall remain the property of the Vendor and there shall be no adjustment in favour of the Vendor on the statement of adjustments for such amounts. After the Closing Date, the Vendor shall have the right to recover the Tenant Receivables directly from the tenants. The Vendor may commence litigation against any tenant to recover the Tenant Receivables and the Purchaser agrees to provide any assistance required in respect thereto, provided that any action taken to recover the Tenant Receivables does not threaten any tenant's right to possession of its premises pursuant to the tenant's Lease and that the Vendor shall notify the Purchaser of its commencement of litigation with respect thereto. The Purchaser agrees to use its reasonable commercial efforts to collect the Tenant Receivables on behalf of the Vendor while any tenant that owes Tenant Receivables remains in occupancy of premises under a Lease at the Property, or any portion thereof. Any amount received or collected by the Purchaser after the Closing Date from a tenant that owes Tenant Receivables to the Vendor shall be credited,

first to any Tenant Receivables owed to the Vendor; second to current month's rent; and third, to any arrears of rent owing to the Purchaser accruing from and after the Closing Date. Notwithstanding any other provisions of this Agreement and for the avoidance of doubt, the Parties agree that their respective rights to adjustment and/or readjustment in relation to any Tenant Receivables after Closing, shall be limited to the period of ninety (90) days after Closing, and any specific claim for adjustment and/or re-adjustment with respect to Tenant Receivables not made within such period shall expire and be extinguished on the expiry of such period and neither party shall have any further right to claim for adjustment or re-adjustment with respect to Tenant Receivables for any reason whatsoever.

- (d) The Vendor agrees to deliver or cause to be delivered the following to the Purchaser on or before the Closing Date:
 - (i) a bill of sale with respect to all fixtures, appliances, improvements, equipment and chattels owned by the Debtor and located thereon which are used in connection with the operation or management of the said lands and premises;
 - (ii) a statement of adjustments in accordance with this Section 8;
 - (iii) an undertaking to re-adjust all items on or omitted from the statement of adjustments in accordance with this Section 8;
 - (iv) an assignment of Leases, if applicable;
 - (v) a vesting order (which may or may not be the SAVO); and
 - (vi) such other documents as are required by the terms of this Agreement or are reasonably required by the Purchaser.

- (e) The Purchaser agrees to deliver or cause to be delivered the following to the Vendor on or before the Closing Date:
 - (i) the adjusted balance of the Purchase Price by wire transfer;
 - (ii) an assignment of Leases, if applicable;
 - (iii) an undertaking to re-adjust all items on or omitted from the statement of adjustments in accordance with this Section 8; and
 - (iv) such other documents as are required by the terms of this Agreement or are reasonably required by the Vendor.

- (f) The Vendor's solicitors shall be entitled to deliver closing documents to the Purchaser's solicitors on trust conditions customarily used for closing commercial real property transactions in Calgary, Alberta with necessary and reasonable amendments reflecting the nature of transactions which are being completed by a court appointed receiver pursuant to a sale approval and vesting order. The trust conditions may contemplate that any financial encumbrances which are not Permitted Encumbrances may be paid out of the sale proceeds and discharged in due course on the basis of the Vendor's solicitor's

undertakings. In lieu of a transfer of land and other conveyances, the Vendor shall be entitled to tender a vesting order (which may or may not be the SAVO). The Purchaser shall on or before the Closing Date execute and deliver to the Vendor all documentation contemplated in this Agreement or as may be necessary or desirable to complete the transaction contemplated in this Agreement. If required, the Purchaser shall obtain title insurance, at its own expense, with gap coverage, to allow for the adjusted balance of the Purchase Price to be fully releasable to the Vendor no later than 12:00 P.M. (Alberta time) on the Closing Date.

9. PURCHASER'S ENCUMBRANCES

The Purchaser shall not be permitted to encumber the Property in any way.

10. ASSIGNMENT

This Agreement constitutes a binding contract of purchase and sale. It shall extend to and be binding upon and enure to the benefit of the Parties hereto and their respective successors and assigns. The Purchaser shall not be entitled to assign this Agreement after the granting of the SAVO without the consent of the Court. No assignment of this Agreement by the Purchaser prior to the granting of the SAVO shall be valid unless notice of the assignment is received by the Vendor prior to the date on which the application for the SAVO is made.

11. NOTICES

Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if:

- (a) personally, delivered to the party to whom it is intended or if such party is a corporation to an officer of that corporation; or
- (b) mailed by prepaid registered mail, transmitted by e-mail or facsimile, or delivered to the mailing address, e-mail address or facsimile number of the party to whom it is intended as follows:
 - (i) if to the Purchaser, then,

Bryan & Company LLP
2900 Manulife Place, 10180 101 Street
Edmonton, Alberta T5J 3V5
Attention: Jordan T. Mertz
Email: jmertz@bryanco.com

With a copy to:

NDC Group Inc. o/a National Dental Care
1734 24A Street SW
Calgary, Alberta
T3C 1J4
Attention: Viet Tran, Scott Newman, Andrew Ardell

Email: viet@nationaldental.ca; scott@nationaldental.ca;
andrew@nationaldental.ca

(ii) if to the Vendor, then,

MNP Ltd. in its capacity as Receiver of 52 Wellness Centre Inc. and not in its personal capacity

1500, 640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

Email: Vanessa.Allen@mnp.ca

Attention: Vanessa Allen

with a copy to:

McMillan LLP

TD Canada Trust Tower
1700, 421 – 7th Avenue SW
Calgary, AB
T2P 4K9

Email: adam.maerov@mcmillan.ca; Mitchell.allison@mcmillan.ca

Attention: Adam Maerov and Mitchell Allison

or to such other address or number as a party may from time to time direct in writing. Any such notice delivered before 4:30 p.m. local time on a day that is not a Saturday, Sunday or Schedule I bank holiday in Alberta (a "Business Day") shall be deemed to have been received on the date of delivery and any notice delivered after 4:30 p.m. local time on a Business Day or delivered on a day other than a Business Day, shall be deemed to have been received on the next Business Day. Any notice mailed shall be deemed to have been received seventy-two (72) hours after the date it is postmarked. Any notice sent by facsimile or emailed before 4:30 p.m. local time on a Business Day shall be deemed to have been received when the sender receives the answer back confirming receipt of the recipient; provided, however, that any facsimile or email received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day shall be deemed to have been received on the next Business Day. If normal mail or communication service is interrupted by strike, slow-down, force majeure or other cause after the notice has been sent the notice will not be deemed to have been received until actually received. In the event normal mail service is impaired at the time of sending the notice, then the personal delivery, facsimile or email transmission only shall be effective.

12. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the jurisdiction of the Courts of the Province of Alberta sitting in Edmonton or Calgary, Alberta.

13. TIME OF ESSENCE

Time shall be of the essence of this Agreement and of every part hereof.

14. COVENANTS AND REPRESENTATIONS

Except as expressly provided for in this Agreement, the Purchaser acknowledges that it is relying entirely upon its own inspections and investigations with respect to the Property and the Property is being purchased on an "as is, where is" basis. The Purchaser further acknowledges having been given the opportunity to conduct independent investigation of the matters forming the basis of the representation and warranties in this Agreement.

15. CONFIDENTIALITY

The Purchaser and the Vendor agree that all negotiations regarding the Property shall be confidential, including the contents of this Offer and will not be disclosed to anyone other than the parties' respective legal counsel, accountants, lenders, internal staff, agents and equity partners. Furthermore, the Purchaser and the Vendor agree that no press or other publicity, release or communication to the general public concerning the proposed transaction will be issued without the other party's prior approval, unless required by law including as reasonably required in order for the Vendor to apply for the SAVO. If the transaction contemplated by this Agreement is not completed for any reason, the Purchaser shall promptly deliver to the Vendor all materials and information provided by the Vendor and others herein, (excluding its notes and not including all reports and information prepared by or for the Purchaser in regard to the Property, including, but not limited to environmental and engineering reports), including all copies, and shall destroy all of the Purchaser's notes and other due diligence material containing information set out in the materials and information provided by the Vendor herein.

16. PROFESSIONAL ADVICE

The parties to this Agreement agree and acknowledge that all legal, tax, accounting, engineering and regulatory advice is being obtained through the Purchaser's and Vendor's own professional advisors. Each of the Parties shall be responsible for and shall pay all taxes, costs, expenses, legal or professional fees incurred by it in connection with this Agreement and the transaction contemplated herein.

17. REAL ESTATE FEE

The Vendor shall be responsible for all real estate commissions payable to NAI Commercial, which for this transaction are defined in a separate agreement.

18. RECEIVER AND MANAGER

The Purchaser acknowledges that this Agreement is made between the Purchaser and the Debtor, by its court-appointed receiver and manager, the Receiver, and that the Receiver shall not have any personal liability whatsoever in connection with the performance of this Agreement, the condition of the Property or any other matter arising hereunder or in relation hereto.

19. MISCELLANEOUS

- (a) Any term, condition or provision of this Agreement that is or may be deemed to be void, prohibited or unenforceable shall be severable without in any way invalidating the remaining terms, conditions or provisions hereof.
- (b) Headings used in this Agreement are for convenience only and will not be deemed to form part of this Agreement and will not be used or referred to in the construction and interpretation of this Agreement.
- (c) Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's solicitors on behalf of the Purchaser and by the Vendor's solicitors on behalf of the Vendor and a tender of the documentation and funds provided for herein may be made upon the Vendor's solicitors and the Purchaser's solicitors as the case may be.
- (d) This Agreement may be executed in counterpart and all counterparts shall when taken together constitute one and the same agreement.
- (e) This Agreement may be signed and delivered by any electronic means capable of producing a hard copy printed record. Without limiting the generality of the foregoing, the Vendor and the Purchaser may utilize any mutually agreeable electronic signing platform (including but not limited to "docuSign" or similar platforms) with the same effect as if the Vendor and the Purchaser had executed and delivered a hard copy of this Agreement with original wet ink signatures.

20. Attachments

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

- (a) Schedule "A" – Legal and Municipal Description of the Property;
- (b) Schedule "B" – Certificate of Title to the Property; and
- (c) Schedule "C" – Permitted Encumbrances.

21. OFFER

This Offer shall be open for acceptance until 4:30 p.m. (Alberta time) on December 1, 2022 and may be accepted by the Vendor by causing a duly signed and accepted copy of the Offer to be delivered, emailed or faxed to the Purchaser.

Dated this 21 day of December, 2022

NDC Group Inc.

Per:  _____

Name: Viet Tran

Title: Director

I/We have authority to bind the Corporation.

[Vendor's Acceptance Follows on Next Page]

VENDOR'S ACCEPTANCE

MNP Ltd., solely in its capacity as Receiver of 52 Wellness Centre Inc. and not in its personal capacity, accepts this Offer on and subject to the terms and conditions set out herein as of the 27th day of December, 2022. (A) ✓

**MNP Ltd., solely in its capacity as
Receiver of 52 Wellness Centre Inc.
and not in its personal capacity**

Per: _____ 

I/We have authority to bind the Corporation.

SCHEDULE "A"

LEGAL AND MUNICIPAL DESCRIPTION OF THE PROPERTY

Civic Address of the Property

3505 52nd Street SE, Calgary, Alberta

Legal Description of the Property

PLAN 9910835

BLOCK 39

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE "B"

CERTIFICATE OF TITLE



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0027 887 819 9910835;39;1 211 235 970

LEGAL DESCRIPTION
PLAN 9910835
BLOCK 39
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;29;24;3;NE
ATS REFERENCE: 4;29;24;10;SE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 051 425 314

REGISTRATION	DATE (DMY)	REGISTERED OWNER(S) DOCUMENT TYPE	VALUE	CONSIDERATION
211 235 970	25/11/2021	TRANSFER OF LAND	\$2,250,000	\$2,250,000

OWNERS

52 WELLNESS CENTRE INC.
OF 7151-50 AVENUE
RED DEER
ALBERTA T4N 4E4

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
3946LB	15/09/1971	UTILITY RIGHT OF WAY GRANTEE - ALBERTA PRODUCTS PIPE LINE LTD. C/O TRANS-NORTHERN PIPELINES INC. BAY 109,5305 MCALL WAY NE CALGARY ALBERTA T2E7N7 AS TO PORTION OR PLAN:147LK "50 FT. DATA UPDATED BY TRANSFER NO. 771049505 &

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
211 235 970

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

CHANGE OF ADDRESS NO. 881164205"
(DATA UPDATED BY: CHANGE OF ADDRESS 011132651)
(DATA UPDATED BY: CHANGE OF ADDRESS 151076373)
(DATA UPDATED BY: CHANGE OF ADDRESS 161162484)

771 147 064 20/10/1977 ZONING REGULATIONS
SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING
REGULATIONS

981 089 330 27/03/1998 UTILITY RIGHT OF WAY
GRANTEE - THE CITY OF CALGARY.
AS TO PORTION OR PLAN:9810895

981 089 331 27/03/1998 CAVEAT
RE : EASEMENT

981 089 332 27/03/1998 CAVEAT
RE : RESTRICTIVE COVENANT

981 089 334 27/03/1998 CAVEAT
RE : RESTRICTIVE COVENANT

981 089 336 27/03/1998 RESTRICTIVE COVENANT

981 311 184 06/10/1998 UTILITY RIGHT OF WAY
GRANTEE - THE CITY OF CALGARY.
AS TO PORTION OR PLAN:9812751

991 072 478 18/03/1999 CAVEAT
RE : EASEMENT

991 072 479 18/03/1999 CAVEAT
RE : EASEMENT

991 072 480 18/03/1999 UTILITY RIGHT OF WAY
GRANTEE - ENMAX POWER CORPORATION.
AS TO PORTION OR PLAN:9910836

991 072 481 18/03/1999 RESTRICTIVE COVENANT

991 342 345 23/11/1999 CAVEAT
RE : EASEMENT , ETC.

191 208 031 10/10/2019 CAVEAT
RE : LEASE INTEREST
CAVEATOR - LEGISLATIVE ASSEMBLY OFFICE.
ATTN PARLIAMENTARY COUNSEL
3105, 9820 107 ST NW
EDMONTON
ALBERTA T5K1E7

(CONTINUED)

 ENCUMBRANCES, LIENS & INTERESTS

PAGE 3
 # 211 235 970

REGISTRATION

 NUMBER DATE (D/M/Y) PARTICULARS

AGENT - SHANNON DEAN

211 235 971 25/11/2021 MORTGAGE
 MORTGAGEE - THE BANK OF NOVA SCOTIA.
 4715 TAHOE BLVD
 MISSISSAUGA
 ONTARIO L4W0B4
 ORIGINAL PRINCIPAL AMOUNT: \$1,687,500

211 235 972 25/11/2021 CAVEAT
 RE : ASSIGNMENT OF RENTS AND LEASES
 CAVEATOR - THE BANK OF NOVA SCOTIA.
 C/O DENTONS CANADA LLP
 1500, 850-2 ST SW
 CALGARY
 ALBERTA T2P0R8
 AGENT - KEVIN HORAN

221 059 533 21/03/2022 CAVEAT
 RE : AGREEMENT CHARGING LAND
 CAVEATOR - GHALIB HADI
 C/O ALTALAW LLP
 5233 49TH AVE
 RED DEER
 ALBERTA T4N6G5
 AGENT - N LOCKE RICHARDS

221 059 534 21/03/2022 CAVEAT
 RE : AGREEMENT CHARGING LAND
 CAVEATOR - FAISSAL MOUHAMAD
 7151-50TH AVE
 RED DEER
 ALBERTA T4N4E4
 AGENT - PAUL D RATTAN

TOTAL INSTRUMENTS: 018

 PENDING REGISTRATION QUEUE

DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
D005MW6	07/06/2022	N/A CUSTOMER FILE NUMBER: MCIVOR	
001		CERTIFICATE OF LIS PENDENS	9910835;39;1

TOTAL PENDING REGISTRATIONS: 001

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 17 DAY OF AUGUST,
2022 AT 04:52 P.M.

ORDER NUMBER: 45206094

CUSTOMER FILE NUMBER: 255685.0004



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

IF MORE INFORMATION IS REQUIRED ON A PENDING REGISTRATION WHERE
THE CONTACT INFORMATION DISPLAYS N/A PLEASE EMAIL LTO@GOV.AB.CA.

SCHEDULE "C"

PERMITTED ENCUMBRANCES

1. Minor title defects or irregularities that do not, in the aggregate, materially impair the servicing, development, construction, operating, occupation, use, management, marketability or value of the Property.
2. Any subsisting reservations, limitations, provisos, conditions or executions, including royalties, contained in the original grant of the Property from the Crown.
3. Any reservations, exceptions, limitations, provisos and conditions to title contained in Section 61 of the *Land Titles Act* (Alberta) and reservations or exceptions of mines and minerals.
4. The Leases.
5. Those specific instruments more particularly set out below.

<u>Registration Number</u>	<u>Particulars</u>
3946LB	Utility Right of Way
771 147 064	Zoning Regulations
981 089 330	Utility Right of Way
981 089 331	Caveat re: Easement
981 089 332	Caveat re: Restrictive Covenant
981 089 334	Caveat re: Restrictive Covenant
981 089 336	Restrictive Covenant
981 311 184	Utility Right of Way
991 072 478	Caveat re: Easement
991 072 479	Caveat re: Easement
991 072 480	Utility Right of Way
991 072 481	Restrictive Covenant
991 342 345	Caveat re: Easement, Etc.
191 208 031	Caveat re: Lease Interest

TAB 27

Action No.: 2203-12557
E-File Name: EVK23EVK23FAISSAL
Appeal No.: _____

IN THE COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF EDMONTON

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

and

FAISSAL MOUHAMAD PROFESSIONAL CORPORATION,
MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD.,
52 DENTAL CORPORATION, DELTA DENTAL CORP., 52
WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS
LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD
and FETOUN AHMAD, also known as FETOUN AHMED

Defendants

P R O C E E D I N G S

Edmonton, Alberta
January 11, 2023

Transcript Management Services
1901-N, 601 - 5th Street SW
Calgary, Alberta T2P 5P7
Phone: (403) 297-7392
Email: TMS.Calgary@just.gov.ab.ca

This transcript may be subject to a publication ban or other restriction on use, prohibiting the publication or disclosure of the transcript or certain information in the transcript such as the identity of a party, witness, or victim. Persons who order or use transcripts are responsible to know and comply with all publication bans and restrictions. Misuse of the contents of a transcript may result in civil or criminal liability.

TABLE OF CONTENTS

Description	Page
January 11, 2023	
Afternoon Session	1
Discussion	1
Submissions by Mr. Saini (52 Dental Corp.)	4
Submissions by Mr. Maerov (52 Dental Corp.)	6
Submissions by Ms. Amantea (52 Dental Corp.)	16
Submissions by Mr. Saini (Delta Dental Corp.)	20
Submissions by Mr. Hutchison (Delta Dental Corp.)	22
Submissions by Ms. Trace (Delta Dental Corp.)	22
Submissions by Mr. Quinlan (Delta Dental Corp.)	23
Decision (Delta Dental Corp.)	23
Discussion	24
Decision (52 Dental Corp., 52 Wellness Centre Inc.)	34
Submissions by Mr. Stachniak (Sealing Order)	36
Decision (Sealing Order)	36
Submissions by Mr. Saini (Professional Fees and Disbursements)	37
Submissions by Ms. Trace (Professional Fees and Disbursements)	37
Decision (Professional Fees and Disbursements)	37
Certificate of Record	42
Certificate of Transcript	43

1 Proceedings taken in the Court of King's Bench of Alberta, Courthouse, Edmonton, Alberta

2
3 January 11, 2023 Afternoon Session
4
5 The Honourable Court of King's Bench of Alberta
6 Justice Mah (remote appearance)
7
8 P. Saini (remote appearance) For the Receiver
9 A. Maerov (remote appearance) For the Receiver
10 A. Ardell (remote appearance) For NDC Group Inc.
11 S. Newman (remote appearance) For NDC Group Inc.
12 D. Hutchison (remote appearance) For the Bank of Nova Scotia
13 L. Amantea (remote appearance) For Patterson Dental Canada Inc.
14 J. Simard (remote appearance) For Patterson Dental Canada Inc.
15 L. Crepeau (remote appearance) For Patterson Dental Canada Inc.
16 S. Trace (remote appearance) For the Royal Bank of Canada
17 J. Roadhouse (remote appearance) For Dr. Hadi
18 (Agent for L. Richards)
19 R. Quinlan (remote appearance) For Jovica Property Management
20 B. Findlater (remote appearance) For Mohamad Mohamad
21 B. Clarke Court Clerk

22
23 **Discussion**

24
25 THE COURT: Good afternoon, everyone. This is Justice Mah.
26 I am here to deal with the matter of the application of MNP as Receiver and Manager of
27 Faissal Mouhamad Professional Corporation and other entities for sale and vesting order
28 with -- with respect to 3 groups of properties. Let's -- 3 groups of assets, let's put it that
29 way.
30

31 I see a lot of people on my screen, so maybe what I will do is ask counsel for the Applicant,
32 counsel for the Receiver to, first of all, introduce everyone who is attending today, what
33 capacity they are attending in. Then I will suggest that we move to the matter of service
34 and then to the merits of the application.
35

36 Now, I do understand that just a few minutes ago, counsel for Patterson filed some material
37 and that was forwarded to me about 10 minutes ago. So, I know that that is also on my
38 plate and we will have a discussion about how I can deal with that.
39

40 Counsel?
41

1 MR. SAINI: Good afternoon, Justice Mah. For the record, it's
2 Saini, first initial 'P. with the law firm McMillan LLP. We're counsel to the Receiver
3 Applicant. I'm joined here today beside me and a colleague, Mr. Maerov.

4
5 In attendance -- I'll do my best to introduce everybody. We have Ms. Trace, I
6 believe, counsel for Royal Bank of Canada.

7
8 Mr. Crepeau, Mr. Simard and Ms. Amantea, who are here as counsel for Patterson.

9
10 We have Mr. Findlater who is counsel for Mahmoud Mohamad.

11
12 We have counsel for -- we have Mr. Quinlan who's counsel for the Jovica creditors, as
13 they're known in the reports.

14
15 Mr. Hutchinson, counsel for the Bank of Nova Scotia.

16
17 And then we also have -- not as counsel, we have Ms. Allen from the Receiver's office.

18
19 We have Ms. Price who we understand is a former employee of Delta Dental.

20
21 We have Mr. Newman and Mr. Ardell who are with the prospective purchaser.

22
23 We have Mr. Stachniak from Henry Schein, the agency that marketed some of the property.

24
25 We have Mr. Vik -- I'm not sure if that's a first or last name. Vik -- I believe that Mr. Vik
26 submitted offers on 52 Delta and 52 Wellness.

27
28 And then I believe there's also somebody by the name of Josh Roadhouse on the screen,
29 and we -- we are not aware who -- who that is.

30
31 MR. ROADHOUSE: Good afternoon, My Lord. If I can introduce
32 myself?

33
34 THE COURT: Go ahead.

35
36 MR. ROADHOUSE: For the record, my name is Roadhouse, initial 'J'.
37 I am appearing as agent for Mr. Locke Richards, who is counsel for Dr. Hadi, who is a
38 secured creditor in this matter. My Lord, I just have instructions to view this application.
39 I do not intend on actively participating.

40
41 THE COURT: All right.

- 1
2 Is there anyone who was missed during that roll call?
3
- 4 MR. SAINI: Apologies, Justice. I believe I missed Mohamad
5 Mohamed, who is also on the screen.
6
- 7 THE COURT: Okay, Dr. Mohamad -- Mr. Mohamad, all right.
8
- 9 MR. SAINI: I'm not sure, My Lord, just -- before giving the
10 misconception, I'm not sure Mr. Mohamad Mohamad is a doctor, but he is a party who has
11 registered a Certificate of Lis Pendens against some of the properties, although he might
12 be.
13
- 14 THE COURT: Right. I -- I remember that from last time.
15
- 16 MR. SAINI: Yes. I just -- we can't be confused with Faissal
17 Mouhamad or --
18
- 19 THE COURT: I will try not to.
20
- 21 MR. SAINI: Thank you, Sir.
22
- 23 THE COURT: Okay. Now, I do appreciate we have got a lot
24 going on this afternoon. So, Mr. Saini, I am going to rely on you to guide me with what
25 you think is the most practical way to deal with everything that is before the Court this
26 afternoon.
27
- 28 MR. SAINI: Certainly, Justice Mah. So, so what -- what I'm
29 proposing is that -- I'll -- I'll walk the Court through service and just ensure you have the
30 necessary materials before you.
31
- 32 THE COURT: Sure.
33
- 34 MR. SAINI: And then Mr. Maerov will make the Receiver's
35 submissions on approval of the sale of the sale of the 52 dental practice and building. And
36 in doing so, Mr. Maerov will touch on the application that was brought by Patterson earlier
37 today, and -- and then I can touch on the balance of the relief, time permitting, at the
38 conclusion of that -- after Patterson responds and any other parties speak. If that -- if that
39 suits -- suits the Court.
40
- 41 THE COURT: That is satisfactory.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

Submissions by Mr. Saini (52 Dental Corp.)

MR. SAINI: Thank you.

So -- so, the Court should have the following materials before it, Justice Mah. The application that was sent out January 4th; the third report of the Receiver dated January 3rd; the second confidential report of the Receiver dated January 3rd; supplement to the third report of the Receiver dated January 10th. You -- you will have the application of Patterson and the affidavit of Jean Lefleur that was sworn yesterday in support of that application. And then you should have received today, Justice Mah, a Brief prepared by the Receiver that responded to Patterson's application around 9:30 this morning.

THE COURT: Okay. I think I have all of that, and I will indicate everyone that what I have reviewed is the material emanating from the Receiver, and I have reviewed the application for the -- for the approval of the sale and the Receiver's Brief. Now, I reviewed the Receiver's Brief somewhat in a vacuum because I did not have the material from Patterson's counsel yet. So, I have an idea of what is going on.

The affidavit -- I think it is Mr. Lefleur, and the application from Patterson just arrived in my inbox minutes ago. The affidavit looks like it is about 156 pages long with exhibits, so I have not reviewed that yet. And I understand that -- well, that might create some problems.

And while we are on that topic, I -- I just want to remind counsel who practice on the commercial List, and not pointing at any particular individual. This is kind of a general reminder. There is a commercial Practice Note that has been pronounced by the Court which sets out deadlines for Applicants and Respondents. And if counsel feel that they cannot meet the deadline, then they should be asking, and it has been the practice in this province, for counsel to seek leave from the judge who hears the matter for late filing.

So, some of these documents did not meet the filing deadlines and now I am going to identify some parties here. The documents that are filed on behalf of Patterson, although I was that Pat -- Patterson was taking a position earlier this morning, I did not get their material until a short time ago.

I suppose Patterson might take the position that they are responding to the Receiver's application, but they did file their own Notice of Application. So, they may well be -- well, they are -- they are likely also an Applicant, which means that they have a different filing deadline than a responding party would. So, I guess I am pointing out all of that just to indicate that we are in kind of a problematic situation today because of, I guess, late-

1 breaking material that has been provided to me. And the ability of the Court to deal with
2 all of it this afternoon might be limited because of that, but I will hear from counsel.

3

4 MS. AMANTEA: Justice Mah, my greatest apologies. There was -
5 - it's Lindsay Amantea on behalf of Patterson. There was some confusion with the -- with
6 the filing clerks which is why it -- it only hit your inbox a few moments ago and -- and
7 notwithstanding that I do reside in Calgary, I was making every effort to have this filed and
8 was only able to do so after several attempts with --

9

10 THE COURT: Okay.

11

12 MS. AMANTEA: -- the Clerk's Office. But I appreciate both your
13 practice -- your referral to the Practice Note and generally the comment.

14

15 What I would also say is notwithstanding that it looks like a long affidavit, it was sworn
16 electronically, so it's really only half the length, the exhibits -- and all of the exhibits --
17 some of the exhibits, rather, have been previously filed with the Court so they are not
18 necessarily new -- new information in the exhibits, but I do apologize on that.

19

20 THE COURT: Okay, thank you.

21

22 MR. SAINI: Okay, Justice Mah, so I'll just -- I'll just finish
23 up here and then Mr. Maerov can speak further to the --

24

25 THE COURT: Sure.

26

27 MR. SAINI: -- Patterson objection or application issues.

28

29 There was -- there was 4 forms of order that were circulated. I just wanted to note it -- at
30 the conclusion of the hearing, if there's any confusion regarding which form of order was
31 last circulated, we can send clean copies to your attention following the hearing, as
32 appropriate.

33

34 And just with respect to service, the application of the report was -- services effected on
35 January 4th. Service is in order and the service list included creditors, all subsequent
36 encumbrancers on the Certificate of Title whose interests are impacted by any of the stop
37 -- vesting orders. All parties registered in the Personal Property Registry searches of the
38 debtors, and then any other party asked to be included in the service list.

39

40 So, it would be our submission that service is in order. We did serve, of course, the
41 supplemental third report on January 10th with the initial application materials. Service

1 was effected on January 4th.

2

3 So, with that, I will pass it over to Mr. Maerov.

4

5 THE COURT: Okay. Mr. Maerov.

6

7 **Submissions by Mr. Maerov (52 Dental Corp.)**

8

9 MR. MAEROV: Good afternoon, Justice Mah.

10

11 Justice Mah, with regard to your -- your comments about Patterson's application, I guess
12 what I can say is the Receiver is prepared for its part to proceed today, and believes that
13 this is a matter of -- of some urgency in light of the timelines set out in the purchase
14 agreements.

15

16 The primary objective of the Receiver is -- is to proceed with those transactions which have
17 been in the works for some time, and which are the results of a -- of a vigorous court
18 process. And as the materials indicate, are all with the same purchaser or group of
19 purchasers who would like to see -- I think -- I don't want to put words in their mouth, but
20 I think they'd like to see this matter move forward expeditiously.

21

22 So, from our perspective, we -- we are ready to proceed and will, as you will imagine from
23 the Brief, respond to Patterson's application in due course. Obviously, Patter -- or -- have
24 views on that and we understand that.

25

26 THE COURT: Okay. Mr. -- Mr. Maerov, you did, in your
27 material, indicate that the Receiver would be taking steps to protect Patterson's interests
28 by not distributing the funds related to the particular parcel of dental equipment that is
29 being sold as part of the 52 practice. And I do not want to get ahead of myself or anyone
30 else, but I would just be interested in knowing why that proposal is not, at this point,
31 satisfactory to Patterson or counsel for Patterson. Is it that Patterson wants this particular
32 exact equipment back, or is there some other reason why a holdback to protect Patterson's
33 interests is not going to work today?

34

35 MR. MAEROV: My -- My Lord, I'm not aware of the answer to
36 that question, so I think it might need to be addressed by Patterson's counsel.

37

38 THE COURT: Right, and I was addressing it to Patterson's
39 counsel.

40

41 MS. AMANTEA: Oh, my apologies.

1
2 THE COURT: That is all right. Ms. Amantea?

3
4 MS. AMANTEA: And I do apologize for not being on the screen.
5 Unfortunately, I couldn't make my camera work.

6
7 So, two pieces to my answer. The first is our client does, in fact, want the assets back.
8 They were sold to Dr. Mouhamad in his personal capacity by our client, and part of the
9 consideration was an application of loyalty points as against the purchase price. And so,
10 no cash was received for -- for that -- for that portion of it. My client does believe that they
11 could market the assets and receive back their ent -- the -- the full purchase price and
12 notwithstanding, we'll get to -- we'll get to why we believe that we're entitled to that. The
13 assets are essentially new. They were only purchased by Dr. Mouhamad in May of 2022
14 and -- and they are specialized assets which our -- our client does believe can, in fact, be
15 better marketed by them and their agents.

16
17 And as well, until -- and in dealing with this, we do have two separate invoices and sets of
18 -- of equipment, one of which we had indication from the Receiver on Saturday -- this past
19 Saturday that they would hold back the amount claimed. The -- it was only in the -- in the
20 Brief today that the Receiver indicated that they would hold back the actual amount
21 claimed and not simply the proceeds of the sale. And so, that is somewhat different than
22 the information we had in writing prior to now. But again, you know, my client's position
23 is that they do in fact want the assets back and -- and up until now, we haven't had a
24 sufficient undertaking for -- to preserve the amount being claimed.

25
26 THE COURT: Okay. I think I understand the position. I have
27 some questions, but I think I probably would be getting ahead of myself. So, I will -- I will
28 just wait until we get to the right point in the hearing before I pose those questions, but
29 thanks for that, Ms. Amantea.

30
31 Okay, back to you, Mr. Maerov.

32
33 MR. MAEROV: Thank you, Mr. Lord. So, as Mr. Saini said, I
34 propose to make my submissions on the 52 dental sale approval generally and then if it
35 pleases the Court, invite Patterson to -- to make its -- its comments and then allow other
36 parties who may wish to speak to the matter to speak, and then -- and then reserve reply
37 until the end, if that -- if that's acceptable to you.

38
39 THE COURT: Sure.

40
41 THE COURT CLERK: Just one moment. Before we get started, I did

1 send a chat asking counsel to send me a chat explaining who they are appearing for this
2 afternoon and their names. I have most, but for the one that came on late that did not read
3 my chat, could you please at this time send me a chat with your name and who you are
4 representing this afternoon. Thank you. Sorry about that, Sir.

5
6 MR. MAEROV:

Not at all, madam clerk.

7
8 So, My Lord, you will see that there are unredacted copies of the asset purchase agreements
9 for the 52 dental practice and the offer to purchase for the 52 building. Those are attached
10 as Schedule 9 and Schedule 12 respectively to the second confidential report.

11
12 The 52 practice sale encompasses all the personal property in the practice, while the 52
13 building offer to purchase deals exclusively with the real estate.

14
15 The key unredacted terms -- publicly disclosed terms of the two agreements are, an initial
16 deposit has been paid and is being held in trust by our firm, representing 10 percent of each
17 of the purchase prices. The closing date for both transactions is February 10th. All
18 purchasers' conditions have been waived, subject only to Court approval. In -- in
19 accordance with the Court-approved listing agreement, a 4 percent commission will be paid
20 to the marketing agent for the practice, that's Henry Schein, and a 3 percent commission
21 will be paid to NAI who parked the building. The sale is to be completed on an as is/where
22 is basis with no surviving representations or warranties being made by the Receiver.

23
24 In terms of the marketing process itself, Henry Schein extensively marketed the 52 dental
25 practice and NAI extensively marketed the 52 building. The processes began in mid-
26 November and the marketing activities included an email blast sent to approximately 1,330
27 interested parties; online posting on Henry Schein's website, which was accessed
28 approximately 340 times; and an email of the practice profile to approximately 31 unique
29 email addresses.

30
31 Nine parties executed confidentiality agreements and were provided with a detailed
32 practice opportunity document. Three parties toured the premises. Patterson was served
33 with the application for the order with the listing agreements, the sales and marketing
34 processes were approved. I believe that was on November 4th.

35
36 At the conclusion of the process, the Receiver ultimately agreed to accept the 52 dental
37 sale on the terms and conditions set out in the APA, and took into account the following
38 factors. Both properties were subject to a rigorous marketing process and were sufficiently
39 exposed to the market. Proceeding -- and this is a very important factor. Proceeding with
40 the sale in a timely manner, while minimized to the extent costs flow, the impact of the
41 receivership proceedings on the clinic's ongoing operations.

1
2 You will have seen in the materials, significant evidence of deterioration in those practices
3 since the commencement of these proceedings relating in part to the activities of Dr.
4 Mouhamad. The cost -- Receiver's fees to run two dental practices are not insignificant.
5 And in the Receiver's view, it's imperative and in the best interest of creditors that these
6 sales proceed expeditiously so that the costs of running them can -- can stop, and so that
7 any -- any further deterioration in the practices can be avoided.

8
9 The two sales -- the building sale and the practice sale represent the highest cumulative
10 purchase price for those groups of assets, and they allow for competitive offers to be
11 accepted for not only those two properties, but for the Delta dental property as well.

12
13 The view -- the Receiver is of the view that completing the transactions with one purchaser,
14 as opposed to multiple purchasers, will economize on professional fees and risk around the
15 various transactions and will be dramatically simplified, particularly given the absence of
16 a lease between 52 Wellness and 52 Dental.

17
18 The Receiver has been advised by its marketing agent, Henry Schein, that it does not
19 believe that further marketing of 52 Dental revealed an improved result. And as I
20 mentioned before, the closings are only conditional upon approval of the Court.

21
22 As -- as Your Lordship is well aware, the sound -- the *Soundair* test is the test to be applied
23 in the si -- in these types of applications, and they require satisfaction of the following
24 factors. Whether the Receiver has made a sufficient effort to get the best price and has not
25 acted improvidently. Whether the interests of all parties have been considered, not just the
26 interests of the creditor and the debtor. The efficacy and integrity of the sale process by
27 which offers are obtained, and that there has been no unfairness in the working out of the
28 process.

29
30 The Receiver submits that the form one *Soundair* considerations are -- are -- have been
31 demonstrated and that the sales should be approved. The Receiver also submits that no
32 party was materially prejudiced or disadvantaged by the Receiver in the negotiation
33 acceptance of the 52 Dental sale or the 52 Wellness sale.

34
35 Now, I think now might be an appropriate time to bring to the Court's attention, since I'm
36 talking about the process, that the Receiver received yesterday two unsolicited offers from
37 -- I believe the group represented here today by Mr. Vik. These offers come from a
38 purchaser, a numbered company, 2061624 Alberta Inc. that did not participate in the
39 process. Had no contact with the marketing agents during the course of the process but
40 notwithstanding that, reached out to the Receiver after the process had been concluded and
41 the APA's that you have before you signed and indicated their desire to make offers before

1 the Court today.

2

3 Before I give Mr. Vik an opportunity to speak, I will -- I will note that the purchase price
4 that has been suggested as being payable for the practice is \$200,000, and the purchase
5 price payable in respect of the building is \$1,650,000. And otherwise, the agreements are
6 generally in the form that was approved -- or that was circulated to -- to other bidders. But
7 in light of the timing of receipt of these offers, the lack of participation in the process, the
8 Receiver is of the view that in fairness to -- to the other parties who submitted offers by the
9 dead -- by the marketing agent approved deadline and in accordance with the process, the
10 Receiver is not prepared -- and for other reasons, the Receiver is not prepared to accept
11 these offers today.

12

13 THE COURT: Okay.

14

15 MR. MAEROV: I don't know if Mr. Vik has any comments -- any
16 other comments he wanted to put on the record.

17

18 MR. VIK: No, that's fine. If it didn't go through and you
19 have anything else for us and if you say the -- it would get go -- the process does go
20 properly, I'm on (INDISCERNIBLE) at the back.

21

22 Thanks for -- for just reviewing it in front of the Court and I really appreciate that.

23

24 MR. MAEROV: Okay.

25

26 THE COURT: Okay. Thank you, Mr. Vik.

27

28 Mr. Maerov, I think you can -- you can interpret that as Mr. Vik, in light of the comments
29 made, dropping out, as it were.

30

31 MR. MAEROV: Thank you, Sir. I will interpret it that way.

32

33 So, in summary, the -- the Receiver recommends the -- the approval of the two transactions
34 in respect of 52 Dental and 52 Wellness. Subject to any questions you have on those
35 submissions, I now would propose to move on to submissions regarding Patterson's
36 application.

37

38 THE COURT: Go ahead.

39

40 MR. MAEROV: Okay. So, My Lord, if it pleases the Court, I will
41 make reference today to the Receiver's Brief in the course of my submissions, and

1 hopefully it's helpful to you. I -- I perhaps should have started with Patterson's application
2 but in any event, because -- since you haven't read it, hopefully this will be helpful.

3
4 The back - so, by way of background, financed -- Patterson financed the purchase of
5 clinical -- of clinical equipment by the Defendant individual, Dr. Faissal Mouhamad,
6 pursuant to two conditional sale contracts. Most, but not all of this equipment, so all of the
7 equipment except for one piece was leased by Faissal Mouhamad to 52 Dental Corporation,
8 a company in which his wife was the sole Director and shareholder, pursuant to a master
9 lease dated April 5th, 2022. His -- Ms. Ahmed is also a Defendant in these proceedings.

10
11 52 Dental Corporation is in receivership. Faissal Mouhamad and his wife are not in
12 receivership but are Defendants and are principals, Directors and shareholders of certain
13 the debtor -- certain of the debtors. You may remember that from your -- your history with
14 this matter.

15
16 A table that I find very helpful that the Court might want to have open if it's convenient
17 can be found on page 4 of the third report, I believe it is -- no, sorry, page 4 of our
18 application, but it appears multiple times. And it's a very helpful chart that sets out the
19 various corporate entities, who are the Directors and officers were and what they operate.
20 Occasionally, even 3 months into this experience I have to refer back to this chart to make
21 sure I know who I'm talking about and what they're doing.

22
23 And of course, what I think that chart makes clear, and this is mentioned in our Brief, is
24 there's a lot of overlap between the businesses here, the flow of funds between the
25 businesses, the principals, which makes this case very challenging to deal with. This isn't
26 a case where there's sort of sep -- separate legal formal -- separate legal corporate
27 formalities were followed and everything was kept in -- in perfect order with the
28 recordkeeping. And Your Lordship may or may not remember that from the -- from the
29 application, but it does colour sort of a number of the dynamics that we've seen so far and
30 I think this issue with Patterson's leased equipment -- or conditionally sold equipment.

31
32 So, the primary issue that Patterson alleges in its application is that the lease of the clinical
33 equipment by Faissal Mouhamad to 52 corpor -- Dental Corporation was the subject of a
34 true lease. And accordingly, that Faissal Mouhamad retains title to the leased equipment
35 and it cannot be sold in the receivership.

36
37 As a -- as a practical matter, Faissal Mouhamad has consented in writing to the sale of the
38 leased equipment and to the vesting of his interests in that equipment in the purchaser.
39 Given that it's the same purchaser for all of the properties as I've said, there is some risk
40 that any removal of the equipment from the 52 Dental sale could put the transactions at
41 risk. The 52 Dental equipment or the Patterson equipment represents a significant portion

1 of the equipment used at 52 Dental, and the purchaser signed up to these series of
2 transactions on the understanding it would be acquiring that equipment.

3
4 Moving on from the background, my submissions today are going to be split into 3 general
5 parts. First, I will submit that the master lease is arguably a financing lease. Second, even
6 if there is insufficient evidence to conclude today that it's not a financing lease, there is
7 similarly insufficient evidence today to find that it's a true lease. Third, even if the master
8 lease is a true lease, this Court has jurisdiction to vest out Dr. Faissal Mouhamad's interests,
9 and therefore Patterson's interest in the equipment, and order that such interests attach to
10 the net proceeds of sale.

11
12 Given Dr. Faissal Mouhamad's consent to the transfer and the vesting out of his interest to
13 the purchaser and the leading decision on vesting orders in *Third Eye Capital v. Dianor*, I
14 suspect that -- or I submit that all of our -- all of these submissions are correct.

15
16 No creditor will be prejudiced by the approval of the proposed sale, including Patterson,
17 because the Receiver is seeking the form of approval of vesting order that preserves all of
18 the creditor's rights against the net proceeds of sale. And because the Receiver has
19 indicated that it intends to hold back from the net proceeds of sale of 52 Dental, an amount
20 that is not less than the indebtedness that Patterson has asserted is owed to it, so that
21 Patterson will not be prejudiced. And Patterson is owed approximately \$370,000 and at
22 this point I will -- would like to simply correct for the record -- I discussed with counsel
23 for Patterson two days ago, the fact that we would hold -- the Receiver would hold back
24 all of that amount. So, I hope that that can be -- Patterson's counsel recommends -- or
25 recollects that.

26
27 Before I go on and analyze the lease and make my submissions on the fact that it is arguably
28 a financing lease, do you have any questions, My Lord, about what I have said so far?

29
30 THE COURT: Okay. So, the -- the master lease is between
31 Faissal Mouhamad and 52 Dental. What would you characterize as the relationship
32 between Faissal Mouhamad and Patterson vis-à-vis this equipment?

33
34 MR. MAEROV: It's a good question, My Lord. Patterson has a
35 conditional sale -- what is titled a conditional sale contract or a conditional sale agreement
36 with Dr. Mouhamad. That agreement -- the first page on its face appears to suggest an int
37 -- a desire to create a secur -- an intention to create a security interest.

38
39 The subsequent pages of that conditional sale agreement, to my eyes, are largely illegible.
40 I've tried numerous times to read it. We've tried to enhance it but we've not been able to
41 conduct a thorough review of it in order to -- put another way, we've not reached a

1 conclusion that it creates a security interest, but on its face, it seems like that is the intent.
2 And I would suggest that one of the things that would be helpful before this Court makes
3 a determination about the nature of Patterson's interests, would be for Patterson to produce
4 a legible copy of its conditional sale agreement.
5

6 THE COURT: Okay. Now, the other thing I wanted to ask, Mr.
7 Maerov, and you may not have addressed your mind to this because you probably heard it
8 for the -- you may have heard it for the first time today.
9

10 Patterson thinks that if it gets the equipment back, it can sell the equipment and realize an
11 even higher price than simply getting back what it is owed by Dr. Mouhamad. I do not
12 know exactly what that number is. Maybe I will be told later in the hearing, but I guess
13 you would have to know that in order to answer my question, which is would you prepared
14 -- or would the Receiver be prepared to protect Patterson for whatever this amount is.
15 Whatever it thinks this amount is and, of course, Patterson would have to bring some
16 evidence. But I am guessing that it is a higher amount than the indebtedness.
17

18 MR. MAEROV: Yeah, I guess I'd have --
19

20 THE COURT: Yes.
21

22 MR. MAEROV: Yeah.
23

24 THE COURT: I am just trying to get us to a place where we can
25 actually do something today.
26

27 MR. MAEROV: Fair enough. I think the Receiver -- the
28 Receiver's primary goal is not to prejudice anybody and to get the sales approved. So, if
29 that was the direction from this Honourable Court, I expect that -- that the Receiver would
30 be amenable.
31

32 I'm scratching my head a little bit, only because you know, as a secured creditor -- if -- if
33 the conditional sales agreement is, in fact, a security interest, it seems to me that Patterson's
34 options are -- the only way it gets more than the amount of its debt are if it accepts the
35 collateral and full and final satisfaction and remarkets it. There are certain protections built
36 into the realization provisions of the *Personal Property and Securities Act -- Security Act*
37 that I believe give parties the opportunity to object to that. And the basic starting point for
38 a secure creditor, I think, is that the most they can get is the amount of the -- their secured
39 debt. So, I am not sure I have a lot of -- you know, I'd have to think about that a bit. But
40 what -- at the end of the day, as I've said, you know, for arguing principles from the
41 Receiver's perspective are get the deal approved and don't prejudice anybody's interests.

1
2 THE COURT: Right. Okay. Are you done for now, Mr.
3 Maerov?
4
5 MR. MAEROV: What I was next going to talk about the master
6 lease and its character --
7
8 THE COURT: Okay.
9
10 MR. MAEROV: -- but I'm happy to --
11
12 THE COURT: No, I just --
13
14 MR. MAEROV: So -- so the Receiver and our firm have both
15 reviewed and assessed the master lease. And having done so, our firm is not able to
16 definitively determine whether it is a true lease or a financing lease. We can confirm that
17 it contains the characteristics of both types of leases and there are strong arguments that it
18 constitutes a financing lease.
19
20 Other sections in the lease are, I would say, ambiguous. And most notably, the option to
21 purchase which is fundamental, in my respectful submission, to the determination of
22 whether something is a true lease or a financing lease, is ambiguous. Patterson's
23 application indicates -- relies on Sections 5 and 6 of the master lease when it argues that
24 it's a true lease. Those sections are pasted into our Brief at paragraph 30.
25
26 Patterson alleges that Section 5 provides an option to purchase the equipment at fair market
27 value, and I would submit that that's just simply not clear at all from the lease. Similarly
28 -- and I say that because the term purchase op -- or purchase price option, I believe it is, is
29 not actually defined in the lease. In one place, the lease talks about a purchase price --
30 purchase option price that may be fair market value, but there's no -- nothing in the lease
31 that actually says it is fair market value. So, it's -- it's quite, I would submit, ambiguous.
32
33 Furthermore, Patterson indicates that Section 6 requires that the lessee, 52 Dental
34 Corporation, return the equipment at the end of the term but all of that is, of course, subject
35 to not exercising this purchase option at whatever price that might be.
36
37 So, it's unclear, I think, on the face of the master lease how the purchase pri -- purchase
38 option price is to be determined, and whether or if -- when or if that is to be the fair market
39 value of the assets. Given that ambiguity itself, I think it's very unclear -- it is unclear
40 whether the equipment could be retained by the lessee for a nominal price instead of being
41 returned.

1
2 Our Brief also sets out the factors that have been considered by the courts on a lease
3 analysis. And if -- if this was a numerical test, which I don't think it is, but the fact is the
4 master lease contains more factors suggesting it's a financing lease as opposed to a true
5 lease. And our Brief goes through that in some detail. Perhaps I will hold off on doing
6 that now until I hear what Patterson -- my friends from Patterson have to say.

7
8 The jurisdiction of the Court to grant the vesting order. So, Patterson indicates in its
9 application that this Court lacks the jurisdiction to vest out the interests of Faissal
10 Mouhamad in the equipment. I'll submit that the leading decision on sale approval and
11 vesting orders, *Third Eye Capital v. Dianor Resources*, says exactly the opposite. In that
12 case, the Ontario Court of Appeal held that the Superior Court of Justice has jurisdiction
13 to extinguish a third party's interests and assets using a vesting order in appropriate
14 circumstances under the principles of equity and Section 243 of the *Bankruptcy and*
15 *Insolvency Act*.

16
17 The following relevant principles emerge from *Third Eye*. First, the purpose of a
18 receivership is to enhance and facilitate the preservation of realiza -- preservation of
19 realization of assets for the benefit of creditors. According to the case, the Receiver's
20 primary task is to ensure that the highest value is received from the assets so as to maximize
21 the return to the creditors.

22
23 Second, the necessity for a vesting order in the receivership context is apparent. A Receiver
24 selling assets does not hold title to the assets, so the vesting order provides for the
25 conveyance of title and serves to extinguishes -- to extinguish encumbrances on title in
26 order to facilitate the sale.

27
28 The third principle from *Dianor* is that the interest that may be vested in a purchaser
29 pursuant to a vesting order are not limited to the interests of the debtor and include the
30 property interests of third parties.

31
32 The Court of Appeal in *Third Eye* provides its analysis on when interests may be, or ought
33 to be vested off, and those portions are found in our Brief at paragraph 48.

34
35 In summary, the Court concludes that a Superior Court of Justice justice may vest out
36 interests in land -- in that case, they were dealing with land. We are not here, obviously --
37 where the interest is more akin to a fixed monetary interest, as opposed to an ownership
38 interest in some ascertainable future of the property itself. A fixed monetary interest is
39 extinguished when the monetary obligation is fulfilled. The consent of the vesting -- the
40 consent of the party whose interests are being vested out is also important.
41

1 So, the Court of Appeal for Ontario sets out a two-stage test. First, looking at the nature
2 of the interest. Second, whether the interest holder has consented to the vesting. In our
3 case, the second comment is relatively straightforward. Dr. Faissal Mouhamad has
4 consented to the sale and the vesting out of his interests.

5
6 Second and -- second is the more complicated. What is the nature of the interest. I would
7 -- I would submit that the interest in this case, Patterson's -- or sorry, Dr. Mouhamad's
8 interest is analogous to a monetary interest in the sense that the value of that interest is
9 readily ascertainable. It's essentially -- it might be that the net present value of the income
10 stream under the master lease -- it might be ascertainable by way of an appraisal, but it's
11 nothing like the gross overriding royalty which the Court concluded could not be vested
12 off in -- in *Dianor Resources*. That (INDISCERNIBLE) being much more convoluted in
13 terms of trying to value.

14
15 In this case, the fact that the equipment seems to be fully encumbered by Patterson's
16 interests makes it presumably even easier to value Dr. Mouhamad's interest. It may well
17 be nothing.

18
19 The third and fi -- final step of the test is whether there's been any prejudice to the party
20 whose interests are being vested out, and I understand Your Lordship is obviously
21 cognizant of that, as is the Receiver. The Receiver would submit that there is no prejudice
22 to Patterson that cannot be fully com -- compensated through claims against the net
23 proceeds of sale.

24
25 Maybe I'll just stop there and respond to any questions and see if my friends at Patterson
26 would like -- I'm sure they have submissions to make.

27
28 THE COURT: Okay. I do not have any questions, Mr. Maerov,
29 but I think this might be a good time to ask counsel for Patterson for their input.

30
31 **Submissions by Ms. Amantea (52 Dental Corp.)**

32
33 MS. AMANTEA: Thank you, Justice Mah. And if it pleases the
34 Court, I -- I would also just like to thank my friend for his succinct and upfront submissions
35 there.

36
37 And again, just to -- to give some background. We would agree with the -- with the
38 Receiver that the -- the interest as between our client, Patterson Dental, and Dr. Mouhamad
39 is, in fact, a security lease. And I don't think there's any -- there's any disagreement about
40 the characterization and -- and I would be happy to, after -- after this hearing, to provide a
41 -- I don't have a clean version unfortunately, but I do have the words that are supposed to

1 be there.

2
3 With regard to our submission that our client is -- has and always considered that it was in
4 fact dealing with Dr. Mouhamad in his personal capacity. And while it is correct that there
5 seems to have been some lack of distinguishment between the treatment of the different
6 personalities -- legal personalities operating these businesses, we would submit that the
7 very fact that Dr. Mouhamad in -- papered a lease to 52 Dental Corporation, you know,
8 speaks to the fact that he did understand that he owed a duty to Pat -- to our client, Patterson,
9 and that he could not, in fact, transfer those assets and that they did, in fact, rest with him
10 personally. Otherwise, if -- if that weren't the case and he believed that he could just use
11 -- the corporation could just use them, the -- the lease would be unnecessary.

12
13 As my friend has pointed out, Dr. Mouhamad is a Defendant, but he is not under
14 receivership. And as such, these assets in our respectful opinion are also not covered by
15 that receivership order. We -- we do submit that it is a true -- the lease between Dr.
16 Mouhamad and 52 Dental Corp. is a true lease, and we're happy to go through the factors
17 in -- in -- for that as well with -- with -- with our friend's input.

18
19 Notwithstanding that Dr. Mouhamad has consented to the sale of these assets as part of this
20 proceeding, it is our submission that that is in fact a default under the security lease with
21 our client, which does require Dr. Mouhamad to remain possessed of the assets or -- or our
22 client is entitled to, among other things, seize those assets and repossess the equipment.

23
24 As I had mentioned earlier, these are specialized assets which our client does believe that
25 it could sell for more than -- than what was offered through this process. Now,
26 unfortunately, while there was a -- a valuation done as part of the marketing, the -- the asset
27 purchase agreement does not in fact set out an allocation of the purchase price as between,
28 for instance, leaseholds, improvements, the equipment, any good will, patient files, et
29 cetera.

30
31 And as I had -- had stated and -- and as my friend rightly pointed out, the parties have
32 obviously used funds from various sources for various things that are hard to trace together,
33 but at this -- at the date hereof, no funds have actually been advanced to our client to pay
34 for this equipment. The difference between the purchase price and the indebtedness at this
35 point was a result of customer loyalty points that were attributed to Dr. Mouhamad in his
36 personal capacity, and are not -- and that difference is not a result of any funds having
37 flowed to my client from Dr. Mouhamad or anyone else, for that matter.

38
39 And -- and respectfully, we would also submit that while *Third Eye* is the leading authority
40 on -- on this Court's jurisdiction, in that case they were dealing with third parties as related
41 to a debtor. And in this case, we're dealing with a third party related to someone who is

1 not the debtor. And so, part of the -- the underlying principles of the *Personal Property*
2 *Security Act* and the *Registry* are to create some sense of certainty for our creditors. And
3 that we would again respectfully submit that for a Receiver to come in and sell assets of
4 someone who is not under receivership in -- really creates a vast sense of uncertainty for -
5 - for creditors who, you know, may not have been part of this process. You know, we
6 happen to be but I don't think that it -- I think this easily could have bypassed us, had Dr.
7 Mouhamad not been named in his personal capacity.

8
9 And again, I know that we haven't -- we haven't gone through the factors -- the -- the *Smith*
10 *Brothers* factors for determining true leases versus security leases, and I would -- I would
11 ask actually if we wanted to go through them, each -- each point together, I would be happy
12 to do that, just in the interest of time.

13
14 THE COURT: Okay. Ms. Amantea, I had asked this question,
15 perhaps unfairly, of your friend about whether the Receiver would be prepared to withhold
16 more from the --

17
18 MS. AMANTEA: M-hm.

19
20 THE COURT: -- the proceeds of the sale of the -- the practice in
21 order to protect your client, pending an adjudication down the road.

22
23 MS. AMANTEA: M-hm.

24
25 THE COURT: And of course, he could not answer that because
26 he does not know what the number is. He is not agreeing to that it should be a higher
27 number. I just put it to him as a -- as a hypothetical. But do you have that number?

28
29 MS. AMANTEA: I do not offhand, but if you give me just one
30 moment, I can -- I can find it.

31
32 It would be approximately -- and -- and I do apologize because math is not my strong suit
33 -- about \$417,000.

34
35 THE COURT: Okay. And that would be the maximum amount
36 your client would hope to produce as a result of getting this -- these dental assets back and
37 reselling them?

38
39 MS. AMANTEA: I believe that to be correct, yes.

40
41 THE COURT: Okay. Mr. Maerov, how does that number --

1
2 MR. MAEROV: My Lord, I'm going to just seek instructions
3 from our client. But -- but if I could, could I -- could I just take the Court through the
4 applicable section of the *PPSA* that I think makes this a bit of a red herring?
5

6 THE COURT: Of course.
7

8 MR. MAEROV: Okay. So, My Lord, what I'm looking is the --
9 so -- so, if Patterson's submissions are correct and the -- and the legible version of the
10 conditional sale contract there is -- well, we think, and what Patterson has is a security
11 interest, that its rights are set out in Part 5 of the *PPSA*, there's two options. One is to
12 proceed with disposal of the asset, in which case Patterson only can recover -- no matter
13 what its proceeds are, it can only recover the amount of its secured debt. Any oth -- any
14 excess would go to junior creditors.
15

16 Its alternative is to retain the collateral under Subsection 62(1), in which takes it takes the
17 collateral in satisfaction of the obligation security. In that circumstance, presumably it
18 could resell the specialized equipment at the \$417,000 value or whatever -- so it gets --
19 62(3) of the *PPSA* -- well, 62. I should at 62(2), which entitles anyone with an interest in
20 the collateral, and it specifies who -- who those people are, has 15 day -- has to be given
21 notice before a secured party can retain the collateral, and has 15 days to object. If no
22 notice of objection is given, then the secured party at the expiry of the 15 days, can elect
23 to take the collateral in satisfaction of the obligation of security -- that security. If there is
24 an objection received, then the secured party has to proceed under the first path that I
25 outlined, the disposition of the asset, and all it can get is the amount of its secured debt.
26

27 So, I don't under -- I don't understand the argument of the \$417,000. Having said that, I
28 think the Receiver would be prepared to hold it back if that's what this Honourable Court
29 thinks it's worth.
30

31 THE COURT: Okay. Ms. Amantea, maybe you can respond to
32 that. First of all, let me ask you, does this solve our problem for today?
33

34 MS. AMANTEA: I would have to seek instructions from my client,
35 but I think that can -- like if the Receiver is willing to hold that back, that specific amount,
36 and again it probably needs to be someone better than me at math and could do the actual
37 math because I did that very quickly. I can definitely put that to my client. At this point,
38 my instructions continue to be to seek the assets back.
39

40 THE COURT: Okay. Well, how long would it take you to get
41 those instructions, because we are all kind of -- we are all kind of waiting --

1
2 MS. AMANTEA: Would -- could I suggest that perhaps I -- I can
3 mute myself and call my client, and you can perhaps deal with any other part of the
4 application perhaps dealing with the other -- the other portions of the sale, while -- while
5 we -- while I do that?

6
7 THE COURT: I think we can do that.

8
9 MS. AMANTEA: Okay. I am just going to mute myself and I'll --
10 I'll let the clerk know when I -- when I can come back.

11
12 THE COURT: Certainly.

13
14 MS. AMANTEA: If my friend agrees.

15
16 MR. MAEROV: Okay.

17
18 THE COURT: Yes, I think that is fine. And I will just remind
19 all counsel that madam clerk is still waiting for some of you to provide the correct spelling
20 of your name, counsel, and who you are representing. So, if you have not done that yet for
21 madam clerk, can you send her that information in the chat?

22
23 Mr. Maerov, are there other aspects that we can deal with while Ms. Amantea is seeking
24 instructions?

25
26 MR. MAEROV: Yes, My Lord. Perhaps Mr. Saini can proceed
27 with his submissions on the sale of the -- the other dental clinic and the ancillary relief in
28 the -- in the fourth order.

29
30 THE COURT: Okay. Go ahead, Mr. Saini.

31
32 **Submissions by Mr. Saini (Delta Dental Corp.)**

33
34 MR. SAINI: Thank you, Justice Mah.

35
36 So, in the -- the other form of sale approval and vesting order we're seeking is for the Delta
37 property sale as referred to in the third report, and it's for the -- what's known as the dental
38 -- Delta Dental Practice and the building in which that's located in Red Deer, Alberta.

39
40 The property was marketed by Henry Schein in collaboration with CBRE. The formal
41 marketing process began on November 23rd, 2022. Marketing activities included an email

1 blast. Justice Mah, it was sent to approximately 1,061 interested parties. Online posting
2 to their website which was accessed approximately 307 times, and then email of the
3 practice profile, approximately 63 unique email addresses that they -- that they found.
4

5 Nine parties executed confidential agree -- confidentiality agreements and were provided
6 with a detailed practice opportunity document. Only one party toured the premises and
7 viewed the Delta property. From -- 3 offers were received with respect to the Delta
8 property as of December 15th. Following receipt of the initial Delta offers, Henry Schein
9 gave 2 offerors opportunity to resubmit offers by December 19th, and then the most
10 favourable offer received was the one from the prospective purchaser, NDC Group.
11

12 The material terms are -- include that all conditions have been waived, subject to Court
13 approval by the prospective purchaser. The closing date is February 10th. The -- and the
14 sale is completed on an as is/where is basis. A 4 percent commission will be payable to
15 Henry Schein and CBRE.
16

17 The Receiver is supportive of the Delta property sale. Among other things, that the Delta
18 Property is subject to rigorous marketing process and has been sufficiently exposed to the
19 market. Proceeding with the sale and (INDISCERNIBLE) minimized to the extent
20 possible.
21

22 They had the disruption that Mr. Maerov talked about, given that this is an ongoing dental
23 practice. The Receiver was advised by Henry Schein that it does not believe any further
24 marketing will -- will result.
25

26 We submit, Justice Mah, that the factors Mr. Maerov mentioned previously, the
27 (INDISCERNIBLE) factors are met with the circumstances. There's been no unfairness
28 in the working out of the process and there's no (INDISCERNIBLE) prejudice or
29 disadvantage by the -- by the Receiver's negotiation and acceptance of the sale of the Delta
30 property.
31

32 THE COURT:

Okay, thank you, Mr. Saini.

33
34 I am going to ask whether there are any other counsel or any unrepresented party who
35 wishes to make submissions with respect to the *Soundair* factors on any of the proposed
36 transactions that are before the Court today. So, dealing only with the propriety, feasibility,
37 advisability of the Court approving these transactions. Of course, excepting out the issue
38 regarding Patterson.
39

40 So really, the Patterson issue, I think I can deal with separately, but I would like to hear
41 from anyone else with respect to whether the *Soundair* principles have been met or not.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

Submissions by Mr. Hutchison (Delta Dental Corp.)

MR. HUTCHISON: Good afternoon, Justice Mah. It's Dean Hutchison of Caron & Partners. For the record, we are counsel for the Bank of Nova Scotia who hold --

THE COURT: Yes.

MR. HUTCHISON: -- the first -- first mortgage on the 52 Wellness Centre property, as well as the general security agreement.

As it relates to your question about the *Soundair* principles, our client supports the relief that the Receiver is seeking. We would agree with the Receiver's submissions that they have met all of the principles of *Soundair*, and that a sale approval and vesting order as sought by the Receiver is appropriate in the circumstances.

We certainly have some submission as well with -- related to the Patterson issues, depending on how Your Lordship decides to proceed with that further, but I think I can hold off on those for the time being.

THE COURT: All right. Thank you, Mr. Hutchison.

MR. HUTCHISON: Thank you.

THE COURT: Anyone else.

MS. TRACE: Good afternoon, My Lord.

THE COURT: Yes.

Submissions by Ms. Trace (Delta Dental Corp.)

MS. TRACE: Good aft -- yeah, thank you, My Lord. Susy Trace, counsel for Royal Bank of Canada. I -- I can tell the Court that the Royal Bank of Canada also supports all of the sales that are before this Honourable Court today. We agree with -- I agree with my friends, Mr. Hutchison and Mr. Saini and Mr. Maerov that the sound -- *Soundair* factors have been met. We don't believe that remarketing these assets will generate a higher price, or will be in the best interests of the estate, and therefore do support the sales.

1 And I would just also like to say likewise with my friend Mr. Hutchison, I also have some
2 submissions on Patterson's applications which I will also stand down until that -- until that
3 matter comes back before you, My Lord.

4

5 THE COURT: Okay. Anyone else?

6

7 **Submissions by Mr. Quinlan (Delta Dental Corp.)**

8

9 MR. QUINLAN: Good afternoon, My Lord. Ryan Quinlan with -
10 - for the Jovica Group, as they are referred to in the Receiver's materials. I don't plan on
11 repeating what others have said, but I'll just -- I'll just simply note our client's support for
12 the sales as well. Thank you, My Lord.

13

14 THE COURT: Thank you, Mr. Quinlan. Last call.

15

16 Okay. What I am going to do is give a ruling -- or rather give reasons that apply to all three
17 of the transactions, but give a ruling only on the Delta property. If we are able to come to
18 some kind of accommodation with Patterson, then later in the hearing I will give a ruling
19 on the other two -- the other two transactions. But the reasons that I am now giving will
20 apply to all three, so far as *Soundair* is concerned. I hope that is clear.

21

22 **Decision (Delta Dental Corp.)**

23

24 THE COURT: So, as all counsel know, the *Soundair* principles
25 have to be met and the 4 factors as counsel has indicated, are that sufficient effort has been
26 expended to get the best price. That the interests of all parties, not just the main creditor
27 and debtor, have been considered. That there is efficacy and integrity in the process by the
28 offers obtained, and that there has been no unfairness in the implementation of the process.

29

30 The material received from the Receiver and from submissions today provide considerable
31 detail as to the market efforts that were undertaken and the nature, extent and quality of the
32 offers that were produced.

33

34 We are in a situation here where it is kind of an all or nothing proposition. That is, the one
35 purchaser is proposing to purchase all 3 sets of assets. I am sort of in the position where I
36 am only, I guess, conditionally making this ruling because if the Patterson issue turns out
37 to be a complete fly in the ointment and -- and NDC, the purchaser may not wish to
38 complete. So, I just wanted to be clear about what I am doing. I am -- I suppose I am
39 provisionally giving a ruling on the Delta property, and I am reserving until we hear back
40 from Patterson on the other two. If we are able to resolve on the -- the other -- on the
41 Patterson issue, then I think that, at least for the purposes of today, we will be able to

1 approve all 3 transactions and then the Patterson interest can just be withheld for later
2 adjudication.

3

4 So, I am satisfied that the *Soundair* factors have been met. In particular, it seems like in
5 aggregate, the best purchase price has been produced. And I am cognizant that the assets
6 are related dental practices. Related in the sense that they are operated by the -- the same
7 individual. And that it might be less advantageous to break up these assets into --into their
8 separate -- into separate parcels and sell them to different purchasers. So, I am convinced
9 base on what I am -- what I have been told and what I have read from the Receiver's reports,
10 that the offer from NDC is the best offer in respect of all 3 of the sets of assets.

11

12 So, I am going to provisionally approve the sale of the Delta assets. We will wait to hear
13 back from Patterson's counsel before I formally move on to approve the other two sets --
14 the other two proposed transactions, and I guess we need to see where we are.

15

16 **Discussion**

17

18 THE COURT: So, any questions about that? I know that may
19 have been a bit rambling and confusing, but I just want to be -- I just want to be sure that I
20 am -- because Patterson's not here right now, I just want to be sure that I am not doing
21 anything that is going to adversely affect them.

22

23 MS. AMANTEA: My Lord, I am -- I have returned.

24

25 THE COURT: Okay.

26

27 MS. AMANTEA: I apologize.

28

29 THE COURT: No, that is all right.

30

31 MS. AMANTEA: I -- I have -- I have been able to speak with my
32 client and unfortunately, they are not willing to consent to the holdback.

33

34 THE COURT: Okay. All right. That is -- that is unfortunate,
35 but let me ask counsel. How would you like to proceed now? We can continue the -- we
36 continue the application and I can hear argument from everyone about the nature of both
37 Patterson's interest and Dr. Mouhamad's interest in these dental assets, or is there some
38 other way you would like to proceed?

39

40 MR. MAEROV: I guess --

41

1 MS. AMANTEA: Whatever pleases the Court for us.

2

3 MR. MAEROV: My Lord, I'm happy to hear from other counsel
4 as well, but I guess I'm still scratching my head as to why Patterson is not prepared to
5 consent to -- to the holdback. I don't know if we've heard the answer to that, but -- so, I
6 would be interested in hearing that, but I'm also interested in hearing submissions from
7 other counsel present.

8

9 MS. AMANTEA: To answer my friend's question, it's still my
10 client's position that they would be best to market and resell the asset -- these specific
11 assets. Again, that they are not under the receivership order and as it stands, we're -- we
12 haven't seen any other evidence of -- of a claim against Dr. Mouhamad in his personal
13 capacity.

14

15 And it would still be my -- my client's position that -- that by consenting to the sale as part
16 of this process, he is, in fact, in default under the security lease with my client, entitling
17 them to possession -- or rather, repossession.

18

19 THE COURT: Okay. But just before we move on, I want to be
20 clear. NDC is not prepared to go ahead with a single transaction. It has to be, as I said
21 before, an all or nothing kind of thing. Is that right?

22

23 MR. MAEROV: I'm not sure I've heard that definitively, My
24 Lord. So, perhaps those -- I'm -- I'm not -- and the Receiver can correct me if I'm wrong.
25 I think that's a real concern but I'm -- I don't know that I'd be -- say that definitively. But
26 perhaps NDC would like to comment on it.

27

28 MR. ARDELL: Would you like me to go, Scott?

29

30 MR. NEWMAN: Yeah, it's the same answer.

31

32 MR. ARDELL: Okay. Our opinion is proceeding with a single
33 transaction presents significantly more risk operationally to the employees and to the assets
34 themselves. So, it is -- it would be very difficult for us to make that decision today. And
35 it would be our preference to proceed with all assets, as that is how our offer was presented.

36

37 THE COURT: Okay. I think I understand that.

38

39 So, my view is that -- quite apart from the Patterson issue, the way the way the Receiver
40 went about getting the offers, and the offers that have been presented are all satisfactory to
41 the Court, and but for the Patterson issue, the -- all of the transactions would have been

1 approved. So, now we have to -- now that we know where we stand, we have to resolve
2 this issue with -- with Patterson. And once we do, if Patterson somehow is successful, then
3 I guess none of the transactions are -- are going to go ahead, because NDC has indicated,
4 at least the way I interpret the comments, that it has to be all three. If Patterson is not
5 successful, then all three transactions are approved. So, now we are fairly focused on
6 resolving this Patterson matter.

7
8 So, I have heard from Mr. Maerov. He may have a response to what Ms. Amantea had to
9 say, but maybe what I will do at this point is call on Mr. Hutchison, Ms. Trace and any
10 others, Mr. Quinlan, who might want to weigh in on this, on the Patterson issue.

11
12 MR. HUTCHISON: If -- if I can, Justice Mah. It's Mr. Hutchison
13 here, for the record.

14
15 We -- we would take issue, as I mentioned earlier, with respect to the application brought
16 by Patterson. One thing that has not gotten much attention in the submissions thus far is
17 the fact that the Receiver did go to -- and the Receiver's generally not required to do this
18 if they have the power of sale in their receivership order, which the Receiver does here --
19 is to seek approval -- court approval of a sales process. And the reason why the Receiver
20 does that is to stop the kind of issues that we have here today.

21
22 So, the point of going and getting an order which the Receiver did back in front of Justice
23 Neilson on November 4th is to say look, interested parties, we are going to sell the assets.
24 This is how we are going to do it. This is what we are going to sell, and if you have an
25 issue with that, now is the time to speak up. And I -- I act for Receivers and I can tell you
26 that we bring those applications specifically to avoid issues that we're having here today,
27 is for any interested parties then to come back at the sale approval and vesting order
28 applications so the Receiver go through the sales process that the Court has approved. Find
29 a buyer and have some -- have the sale approved, is to avoid this.

30
31 So, as I understand it, the Receiver did serve Patterson with the materials concerning that
32 application that was heard on November 4. They did not attend. They did not express any
33 issues with respect to the sales process that the Receiver was taking, the assets that were
34 being sold. And the -- I would submit to you, Sir, that that was the time for them to bring
35 up these issues. If they think that they did not want their equipment included in the sales
36 process, that would have been the time to speak up and say so.

37
38 Now, I suspect there might be some issues as to whether or not they knew about that their
39 assets were clo -- included. Well, as I under -- I haven't seen any evidence to see what sort
40 of diligence, if any, that Patterson did in determining what -- what was happening with
41 those assets. And we have a situation here, as my -- as the Receiver indicated, where assets

1 were intertwined. Where legal entities were not keeping themselves separate, but that was
2 known from day one within the materials filed by RBC, who brought the receivership
3 application in the first place.
4

5 I note that the Receiver's Brief makes reference to the affidavit of Ms. Beriault, indicating
6 that there was issues with -- in their time limits. I know that Patterson was involved. They
7 were in the notice of statements to creditors early in the day in these proceedings, and they
8 had the opportunity if they had concerns to bring them up with the Receiver. And I haven't
9 seen any evidence before this Court or any explanation as to whether they did that. And if
10 they didn't, why not? And if -- why they didn't speak up about this in November when the
11 Receiver brought its application to have court approval of -- of the sales process, which it
12 -- which it followed. And now -- now we're hearing at the 11th hour that they take -- they
13 take issue with this.
14

15 Another issue, My Lord, is the fact that this is -- we've heard from Patterson that they're -
16 - you asked about, what's the nature of the relationship between Patterson and the doctor,
17 and that was clearly one of an equipment financing lease. So, this isn't a true lease where
18 the first party leased it to a second party, and then the second party did a true lease to the -
19 - to the third party. It's a -- it's an equipment financing lease.
20

21 And as Mr. Maerov brought in, well, what's -- what's your -- what's your rights and
22 remedies then as an equipment financier on default. And it is either you sell it and you get
23 the -- get the monetary amount of your claim, or you can -- you can take the -- your
24 equipment back and sell it yourself. And the time to take that equipment back again was
25 in November when -- if they had any issue when the Court brought the -- the Receiver
26 brought the application to -- for approval of the sales process. So, Sir, I would say that
27 those are the two main reasons that I think there's issues with Patterson.
28

29 And then third is the fact that we have a sale here for all of the assets. We have a buyer
30 that's buying it in a very economic fashion. And the upsetting of one of those transactions
31 is going to upset everything. And there's -- there's economies that are happening here.
32 There's continuing burn rate for the Receiver to continue to operate this. Mr. Maerov made
33 mention about the loss of customers with regards to the dental practices if this continues to
34 be delayed.
35

36 One issue that's near and dear to my client's heart is an issue with respect to the fact that
37 certain tenants in the 52 Wellness building, including 52 Dental are not currently paying
38 rent. Our client has an assignment of rents and leases as part of that. We're not overly
39 fussed about it at this point if the sale concludes right away and we get paid out from the
40 sales proceeds, which it looks like will happen if the proposed sale occurs. But if that does
41 not happen, then we're like, okay, well, what's happening with rent and what's happening

1 with our security regarding that. So, more problems get created if this sale does not close
2 in an expeditious fashion.

3
4 So -- so, My Lord, for those reasons we think that Patterson's application should be denied,
5 or at least as it relates to trying to block the sale and getting the equipment back to them.
6 And like Mr. Maerov, I do not understand why the -- holding back the amount that you
7 believe you can sell this for does not address any -- any prejudice that might occur by
8 allowing the sales to -- to proceed.

9
10 So, subject to any questions you have, Sir, those are -- those are my submissions.

11
12 THE COURT: Okay. Thank you, Mr. Hutchison. Ms. Trace.

13
14 MS. TRACE: Thank you, My Lord. I -- I won't repeat what
15 both my friends, Mr. Maerov and Mr. Hutchison have said on this issue, but -- other than
16 to say I agree whole-heartedly with all of their submissions. I was going to say the same
17 things and I -- RBC adopts those submissions today.

18
19 There's a few other things though that I just wanted to point out. And first is that in addition
20 to the November 4th application where the Receiver served Patterson and applied to this
21 Honourable Court to sell the assets, Patterson was also served with all of the initial
22 receivership applications that were made by RBC, and there were several.

23
24 First, there was -- the initial receivership application was adjourned. An interim Receiver
25 was appointed and there was -- it was adjourned for almost -- I think it was 20 some days
26 or so to allow -- to allow responding materials. And then when it was heard, part -- a
27 portion of that application was adjourned again for another week or 2 weeks. Patterson
28 had notice of this. They didn't -- they didn't attend the Court and say hey, those are our
29 assets, they shouldn't be subject to this receivership, at any time. Just as -- just as they
30 didn't -- didn't take any objection to the assets being sold by the Receiver when it sought
31 court approval for the sales process.

32
33 And to that point, any suggestion that they didn't know their assets were located at the
34 Calgary office, I think is difficult to make out by their own evidence. Because in their
35 affidavit, they do attach their -- their conditional sales contracts and while most of the
36 contract -- most of the -- I guess the material times of the contract are illegible. I can't read
37 them either -- they have a Schedule 'A' attached which lists the equipment, and the
38 Schedule 'A' identifies the address as being the Calgary building. So, they must have
39 known that the assets were there. You know, this is -- in my mind, I don't understand, you
40 know, the -- the point here. All of the prejudice right now lies with all of the stakeholders
41 and creditors in this estate who have an interest in seeing these sales go through. I mean,

1 Patterson has absolutely zero prejudice because the Receiver has agreed to their terms and
2 made sure that they're protected so that these issues can be properly argued.

3
4 Now, there's a few other points I'd like to make this afternoon, My Lord, on this and -- and
5 it's that in my view, any application by any creditor who has -- who's claiming a security
6 interest in personal property, at this -- you know, to have this Court or any other -- or the
7 Receiver declare their security interest to not only be valid and enforceable, but also have
8 priority is premature. Given the facts of this file, My Lord, you might remember going
9 through the two affidavits that were filed by Ms. -- that were sworn by Ms. Beriault. They
10 were substantial in nature and evidenced several -- several irregular, unusual financial
11 transactions totalling in the millions of dollars that occurred over the past 2 years that were
12 initiated by Faissal, who is the principal behind all of these companies and/or his wife.

13
14 The -- the -- there has been a blur -- blurring of the lines, so to speak, between all of the
15 corporate entities and Faissal himself, and that was one of the reasons why this Honourable
16 Court appointed a Receiver in the first place, because of -- because of these unusual
17 transactions and the need for a Court officer to come in and sort out what's going on. So,
18 those issues are still alive today vis-à-vis who has a claim over what.

19
20 So, when you look -- you know, being served with an application like this last night. I
21 think I -- I think I got it around 9 PM. I read it this morning. And expecting not only, you
22 know, myself and the Receiver to -- to review this material and decide whether or not
23 Patterson's interest not only is valid and enforceable as against as these assets but as
24 priority, is -- is not reasonable. And it's certainly not reasonable to expect the Court to do
25 the same in these circumstances.

26
27 There's a few things about the affidavit that I'd like to point out and -- and Mr. Maerov has
28 already identified one of them. Is that there's not even a legible copy of the agreement
29 before the Court right now. So, how could anybody arrive at a conclusion of what their
30 particular agreement is?

31
32 They haven't provided any evidence as to the advances made by Patterson to enable the
33 purchase of the equipment. They haven't provided evidence of when the equipment was
34 delivered, and therefore it's not possible to determine if it has a valid purchase money
35 security interest.

36
37 They've alleged that Faissal was credited by Patterson for part of the purchase price, but
38 there's no -- there's no evidence for where -- the nature, origination or amount of these
39 credits. Like, what are these credits?

40
41 The -- in our view, the app -- the application made by Patterson can absolutely and ought

1 to be done on a later date when the Court has, or at least all of the interested parties have
2 had a reasonable opportunity to review all of the documentation to this matter.

3
4 To that end, just wait one sec. I -- RBC has had -- in light of Patterson's position, we have
5 requested that the Receiver -- we don't believe that the Receiver is going to be in a position,
6 as is -- as is ordinary in the course of a receivership which you would normally see. We
7 don't think the Receiver's going to be in the position to give this Honourable Court a
8 recommendation as to validity, enforceability, or priority of these opinions, given -- given
9 the fluid nature of -- of -- of how Faissal treated these companies. We don't know who
10 really truly owns them and we don't know who has a security interest in them, and we
11 don't know what priority that has. Those are things that -- that typically are assumed in a
12 security opinion given by a Receiver.

13
14 So, we've asked that the Receiver deal with secured creditor claims in a claims process,
15 and this will enable and allow creditors who claim an interest to produ -- to put their best
16 foot forward. Produce the necessary documentation they need to produce to demonstrate
17 to the Court and to all interested stakeholders that they do have entitlement to these
18 proceeds, they do have entitlement to priority over the proceeds, and this will allow all
19 parties to be on an even playing field and to have a transparent, efficient process. And so
20 that, My Lord, is how I think the -- this receivership should treat the -- treat security claims
21 when it comes to the personal property, and including Patterson's claim.

22
23 And so, all of this, My Lord, in my view, is premature. I think it's unfair to ask the Court
24 -- I think it's unfair of Patterson to ask the Court for this, not only in such late notice, but
25 with the evidence that is put before you. And it's -- the potential prejudice or outcome of
26 this application is that we lose these sales, and who is going to pay? Who is going to pay
27 the cost of this receivership to continue to administer -- to -- to run these practices and to
28 run another sales process? Who is going to pay for all of that? Is Patterson going to pay
29 for that if they're wrong?

30
31 So, you know, I just -- I think this is premature. I think everybody's claim needs to have a
32 fair opportunity to be assessed, including Patterson's, including my clients, and I don't
33 think doing so is necessary in the circumstances, given that all of the potential prejudice to
34 Patterson has been addressed by concessions by the Receiver.

35
36 So, those would be my submissions on Patterson's application, My Lord, subject to any
37 questions you might have.

38
39 THE COURT:

All right, Ms. Trace. Thank you. Mr. Quinlan,

40 did you want to contribute?

41

1 MR. QUINLAN: Yes, Justice Mah. Well, just briefly. I do want
2 to make clear that to the best of my knowledge, our clients do not have any per se interest
3 in the 52 Dental property. But by virtue of the fact that we hear from the potential purchaser
4 that it -- they will -- if not -- will pull out of these sales, then it does become an issue of
5 prejudice to our client, the Jovica Group, who has security interests in relation to the Delta
6 sale which you've already heard about today.

7
8 Again, our client did support those sales. They are, in our view, good prices, particularly
9 for the building being offered. And as Ms. Trace points out, if this falls through, there's
10 no guarantee of the -- of the same purchase price being obtained. And there is guarantee
11 that extra costs will be incurred in respect of those properties and as Mr. -- my friend Mr.
12 Maerov knows, you know, our client is of the view that we've got some priority to those
13 items and there might be an issue about that, which is referred to in the report. But we can
14 deal with that, as Ms. Trace points out, through a claims process down the road.

15
16 But certainly, our client would feel that if this sale falls through in terms of the Delta
17 property, that there would likely be prejudice to it in terms of its recoveries and its
18 positions. So, I do want to put that on the record.

19
20 As I said, our client doesn't have any particular -- or as far as we know, any direct interest
21 in the 52 Delta property, so I just simply will now speak as an officer of the Court, which
22 is that frankly I do agree with my friends Mr. Maeov, Mr. Hutchison and Ms. Trace that
23 I'm not sure how it is that Patterson is of the view it can get more than what it's owed in
24 the circumstances of this case, given the paperwork that we see and the statements made
25 by its coun -- its counsel.

26
27 So, if those funds are going to sit in trust for its claim, potentially to be paid to it down the
28 road, I certainly don't see any prejudice to Patterson, Sir. And I just simply say that as an
29 officer of the Court now and not specifically in relation to my client.

30
31 If you have any questions, I'm happy to answer them. Otherwise, Justice Mah, those are
32 my submissions.

33
34 THE COURT: All right. Thank you, Mr. Quinlan. Anyone else
35 who has not spoken yet who wishes to address the Court?

36
37 Okay. Mr. Maerov, back to you. Let me, first of all, just tell counsel and those in
38 attendance what I am proposing to accomplish today. After I hear any remaining comments
39 from Mr. Maerov and Ms. Amantea, I am going to adjourn for a very short period of time,
40 maybe 15 minutes or so. And then when I come back, I am going to give a decision on
41 whether or not all 3 of the transactions will be approved. And if they are approved, all

1 Patterson's interests will be protected.

2

3 Having heard from all counsel who -- who cared to chime in and in view of the -- the
4 lateness of Patterson's material, I am not in the position -- I have concluded I am not in the
5 position to give a decision on Patterson's priority vis-à-vis any other creditor in these
6 proceedings.

7

8 So, the end point for today is going to be a decision on whether or not the sale is approved.
9 If it is approved, then how Patterson's interest will be protected. And then if it is not
10 approved, well, then we are back to square one.

11

12 So, Mr. Maerov?

13

14 MR. MAEROV: My Lord, I think you're looking at this exactly
15 right and -- and this -- Patterson's application does not need to be determined today in order
16 for these transactions to proceed. It is very clear that there are -- I would submit that their
17 interests are protected by our order and our agreement to hold back \$417,000. In the event
18 that you deem additional protections to be appropriate, we are entirely open to that.

19

20 The important thing here is that the stakeholder group and the creditors generally are not
21 prejudiced by Patterson's very late -- the point has been made -- assertion that somehow
22 they should be entitled to more than they're owed, and the creditors generally should have
23 to pay for an ongoing receivership for -- for months at a time.

24

25 As the point has been made, I won't belabour it, but I will add to the submissions of my
26 friend, Mr. Hutchison and my friend Ms. Trace -- the Receiver at initial discussions with
27 Patterson -- this is found in paragraph 12 of the Receiver's Report -- third report -- it had
28 discussions with Patterson about these agreements shortly following the commencement
29 of the receivership. That was September and here we are the night before this hearing. It's
30 very interesting timing that this application gets served on us, and I would submit --

31

32 THE COURT: Sorry, where --

33

34 MR. MAEROV: Oh, sorry, that was -- that's paragraph 12 of the
35 supplement of the third report, I should have said.

36

37 I think it -- I think it's very interesting timing and I just do not think that the creditors
38 should be prejudiced by Patterson sitting on its hands until today.

39

40 THE COURT: Okay. Ms. Amantea, any final words from you?

41

1 MS. AMANTEA: Thank you, My Lord.

2

3 To be clear, this application comes on the heels of an -- of several attempts to have these
4 conversations prior to today. This is not -- this should not have come as a surprise and in
5 fact, the very fact that supplemental materials were filed and -- and a Brief filed in such
6 short order should -- should speak to the fact that this is not a one-off conversation and this
7 was not, you know -- this was not for lack of trying to have these conversations prior to
8 today and -- and in fact, for several weeks. We've had no engagement from -- from certain
9 counsel. Not to say the Receiver by any means, but we -- we've had -- this -- we have been
10 attempting to have this conversation.

11

12 At the end of the day, and I can't speak to what happened in September because I only
13 received this file at the end of the year last year. Realistically, this relates to -- to questions
14 that have been raised about trying to defeat my client's security because of the fact that the
15 -- there were issues surrounding ownership. And so, yes, it has come at the end and yes, it
16 has come at the end for those reasons. And -- and I -- I would respectfully submit if -- if
17 we're unable to make a determination of those things, that we're unable to make a
18 determination of that true ownership today, my client -- my client's position is that they
19 are entitled to realized on their security against Dr. Mouhamad, who again is not the subject
20 of this receivership. And with that, Sir, those would be my submissions to the Court.

21

22 THE COURT: Okay, thank you. Everyone, I am going to
23 adjourn until approximately 4 PM and then I will come back and give you a ruling.

24

25 MR. MAEROV: Thank you, My Lord.

26

27 MS. AMANTEA: Thank you, My Lord.

28

29 MR. SAINI: Thank you, Sir.

30

31 THE COURT: Madam clerk, I will sign back on around 4:00. If
32 for some reason you do not -- you do not see me signing on, can you send me a Teams
33 message?

34

35 THE COURT CLERK: Will do, Sir. Thank you.

36

37 THE COURT: Thank you.

38

39 THE COURT CLERK: You're welcome.

40

41 (ADJOURNMENT)

1
2 THE COURT: Okay, thank you.

3
4 THE COURT CLERK: Thank you.

5
6 **Decision (52 Dental Corp., 52 Wellness Centre Inc.)**

7
8 THE COURT: First of all, I would like to thank counsel for all
9 of the submissions made today in what has been a somewhat difficult afternoon.

10
11 So, here, the Receiver applies for court approval of the sale to a single purchaser, NDC, of
12 three groups of assets consisting of what is referred to as the Delta property, both a dental
13 practice in Red Deer and a building, 52 Dental, which is a dental practice, and the 52
14 building.

15
16 Earlier in the hearing I gave reasons to the effect that in respect of all three of the proposed
17 transactions, I was satisfied that the principles in *Soundair* had been met.

18
19 I also heard from a representative of the purchaser that in essence, this is an all or nothing
20 proposition, and that the three groups of assets must be acquired -- must be all acquired or
21 none at all.

22
23 Patterson Dental Canada has intervened in the application to stop it, because it does not
24 want assets it claims under what I will call a conditional sales agreement to be included in
25 the sale of the 52 Dental practice. It says those assets are owned by Faissal Mouhamad,
26 who is himself not in receivership, and as he is in default under that agreement, the assets
27 should be returned to Patterson for resale. I understand that Patterson believes that it can
28 resell the assets because it is in that business, for a price higher than its indebtedness, and
29 therefore yield a greater profit. Faissal Mouhamad has in these proceedings, consented to
30 inclusion of those particular assets in the proposed sale.

31
32 Patterson's application in the form of a Notice of Application and affidavit were filed just
33 prior to the hearing, and seeks a halt to the sale and a declaration that it has priority to the
34 dental equipment in question.

35
36 As I said, if I grant Patterson's application in total, I will, in effect, scuttle all three
37 transactions.

38
39 Just prior to the break, I indicated that I would make a decision on whether or not the sale,
40 that is, all three of them, would be approved today. And if so, how Patterson's interest
41 would be protected. I have come to the conclusion that the three transactions should be

1 approved and are approved for the following reasons.

2
3 As stated, the Receiver has met the burden set out in the *Soundair* case.

4
5 Second, the nature of the assets, being operating dental clinics and the buildings that house
6 them, mean that they become less viable every day under receivership, and an opportunity
7 is presented by the Receiver's application to ensure continuity of the practices for the
8 benefit of creditors, debtors and patients.

9
10 Accordingly, time is of the essence. There is no sure thing that an equivalent offer will
11 emerge later and there will be, to be sure, increased professional costs affecting all
12 stakeholders if the transactions are not approved.

13
14 Third, I realize that Patterson claims an interest in specific assets, but the proposal to protect
15 Patterson's interest by holding back the appropriate sum from the sale of 52 Dental
16 adequately preserves Patterson's rights, as well as its opportunity to argue its position
17 respecting priority.

18
19 I stated that I would not decide the priority issue today and there are several reasons for
20 that.

21
22 First, there is the lateness of Patterson's application. It is not -- it is not my intention to
23 blame anyone for that, but the Court has prescribed practice standards in that regard.

24
25 Second, I am concerned about the state of the record. There is not even a legible version
26 of the agreement between Faissal Mouhamad and Patterson in the evidence. Mr. Maerov
27 averted to ambiguities. This is discussed in this Brief, that may require amplification
28 through questioning.

29
30 The affidavit of Mr. Lefleur is extensive and none of the opposing parties have had
31 adequate opportunity to review and prepare for today, including the Court. And there is,
32 in any event, a process in the receivership by which Patterson will be allowed to argue its
33 position fully and fairly.

34
35 In terms of how to protect Patterson's position, I appreciate Mr. Maerov's submissions
36 regarding the options available to a secured creditor under the *PPSA*, and how recovery
37 might be statutorily circumscribed, such that the extra profit that Patterson seeks may not
38 even be legally available. Ms. Amantea heard that as well, but I am not sure she has had
39 the opportunity to formulate a proper response.

40
41 Therefore, I am going to set the amount of the holdback from the 52 Dental sale at the

1 higher amount of \$417,000 given by Ms. Amantea. In my view, the Receiver's retention
2 of that amount to the credit of Patterson's claim adequately protects Patterson. The validity
3 of the claim and the quantum remain very much in issue and will be decided by the Court
4 at a later time.

5
6 Okay, I think there are some other aspects of the application that still require attention.

7
8 **Submissions by Mr. Stachniak (Sealing Order)**

9
10 MR. STACHNIAK: Thank you, Justice Mah. This is Mr. Stachniak
11 and I can speak to the remaining relief if that's -- the release is in the fourth form of order.
12 It's entitled Sealing Distributions - Approval of Fees and Activities.

13
14 I'd also just speak to the sealing relief first and then I'll just ask if you have any questions
15 about the distributions. The distributions arise from the sale of the real property, which
16 we've determined that there's -- that there's enforceable security and the distributions
17 thereto in accordance with -- with those -- those conclusions.

18
19 With respect to the second confidential report that contains commercially sensitive
20 information, including the opinions of value for -- and appraisals for the -- for the property
21 and redacted copies of the asset purchase agreements. And so, Justice Mah, we say that
22 the relief is necessary and appropriate and meets the Club in Sierra -- meets the test in
23 *Sierra Club v. (INDISCERNIBLE)*, because the disclosure of the confidential information
24 would be detrimental to any subsequent marketing efforts that may be required, should the
25 sales discussed today not close if the sealing order is not granted, or the recoveries may be
26 diminished.

27
28 Reasonable alternative measures will not permit the risk and the benefits of the sealing
29 order to all cred -- the process and all stakeholders outweigh the -- the negative effects on
30 the rights and interests of the public. So, we would seek that the sealing order of the second
31 confidential report be granted here today on a temporary basis.

32
33 THE COURT: Okay. Do any other -- any other counsel have
34 submissions with respect to the application for a sealing order?

35
36 **Decision (Sealing Order)**

37
38 THE COURT: Okay. Mr. Saini has correctly, in my view, cited
39 the law with respect the Court granting of a restricted access order. It has been recognized
40 in Alberta and elsewhere in Canada that commercial interests, particularly in the context
41 of court supervised insolvency proceedings are an important interest that require

1 protection. The risk is obvious, that if the sale or sales fall through, then disclosure would
2 affect the value to the detriment of all stakeholders. So, I am prepared to grant the sealing
3 order as requested.
4

5 **Submissions by Mr. Saini (Professional Fees and Disbursements)**
6

7 MR. SAINI: Thank you, Justice Mah. And so, the -- the other
8 relief is for the approval of professional fees and disbursements of the Receiver and our
9 firm as counsel. I can speak to -- about some of those.
10

11 The Receiver has incurred fees and disbursements of \$210,056 plus GST for a total of
12 \$220,558, and that's for the period from October 1st to November 30th.
13

14 And then our firm, Justice Mah, incurred fees and disbursements of \$87,332 plus GST for
15 a total of \$91,678, and that's imputed. And described further in the report and we
16 respectfully submit that the professional fees accurately reflect the work done by the
17 Receiver and our firm as counsel and are fair and reasonable in the circumstances. And
18 that the professional fees were charged at the standard hourly rates, comparable in the
19 Receiver's experience, to the standard rates of other providers of similar services in
20 Alberta, Justice Mah. So, with that we would ask that the professional fees be approved.
21

22 THE COURT: Are there any counsel who wish to make
23 submissions on the application to approve the professional fees, including the legal fees?
24

25 **Submissions by Ms. Trace (Professional Fees and Disbursements)**
26
27

28 MS. TRACE: Good afternoon, Justice Mah. I -- I -- RBC is --
29 has no objection to the Receiver's application to approve the professional fees. We agree
30 that they are reasonable, considering the size and complexity of this -- of this receivership,
31 as well as the issues that are involved.
32

33 I just would like to put on the record that RBC hasn't had an opportunity to properly
34 consider the allocation of costs as between the different receivership estates, and reserves
35 its right to make submissions as to that -- that issue at a future date. Likely towards the
36 end of the receivership, but I just wanted that to be on the record.
37

38 THE COURT: Okay, understood. Anyone else?
39

40 **Decision (Professional Fees and Disbursements)**
41

1 THE COURT: All right. Based on the submissions I have heard
2 and the material that I have reviewed, I am satisfied that given the complexity of this
3 particular receivership and the effort required in its administration, that the professional
4 fees are fair and reasonable and I approve them, including the legal fees incurred by
5 Receiver's counsel.

6

7 Can we talk about the various orders now?

8

9 MR. SAINI: Yes. So, Justice Mah, we sent you revised forms
10 -- the -- the order of the various relief, that's not the sale approval. That's worded as -- as
11 the same.

12

13 THE COURT: Okay.

14

15 MR. SAINI: There hasn't been any changes to that. But we
16 did circulate to your office yesterday courtesy of the (INDISCERNIBLE), different --
17 amended forms of the three sale approval and vesting orders, along with black lines. Just
18 given your -- given your decision on the Patterson holdback, we need to revise that form
19 of order --

20

21 THE COURT: Right.

22

23 MR. SAINI: -- so we can send you clean copies of all of the
24 orders.

25

26 THE COURT: Okay. What I was going to say, Mr. Saini, is that
27 the -- the Court has received fairly clear direction from the Chief Justice that we are to
28 encourage counsel to use the electronic filing process so much as possible, even for orders
29 granted. And in view of the -- at least one of the sale and vesting orders having to be
30 revised, I am going to suggest that all of the orders that you need me to sign as a result of
31 today's hearing be uploaded for my signature and filing, using the electronic process. And
32 I can turn that around for you fairly quickly and you should have them -- well, it is 4:15
33 today. You should have them by tomorrow.

34

35 MR. SAINI: Thank you, Justice Mah. We'll do that.

36

37 THE COURT: Now -- now, in terms of approval, are there any
38 counsel who want to approve any of these orders?

39

40 MR. FINDLATER: If I may, Sir. It's Brad Findlater with Wilson
41 Laycraft. I act for an interested party, Mahmoud Mohamad.

1
2 My instructions are with respect to a certain part of the -- the order -- the proposed orders
3 which in the application spoke to the distribution of the sale proceeds. So, my
4 understanding was the Receiver was requesting the ability to -- essentially, they would
5 provide notice to all interested parties 7 day -- at least 7 days notice before any distribution
6 was made. And I'm requesting that that -- that timeline be extended to -- to 30 days or as
7 the -- as you deem appropriate, and -- and that's for the purpose so that there's sufficient
8 time for my client to assess whether or not it wants to oppose any of the distributions based
9 on priority. There may be a marshalling argument there. We simply don't know because
10 we don't know the amounts of the -- that are coming through and how much -- how much
11 the secured creditors are going to be paid out. And so, I just don't want to be on a -- on a
12 7-day timeline to bring that forward. I'm hoping that that can be extended.

13
14 THE COURT: Mr. Saini?

15
16 MR. MAEROV: My Lord, may -- maybe if I might. I was
17 involved in the discussions with --

18
19 THE COURT: Okay.

20
21 MR. MAEROV: -- the various parties that led to that provision in
22 the order. The intention being to provide creditors with reasonable notice and an
23 opportunity to make a determination. I -- I can acknowledge my friend's comment that 7
24 days might be too short. I would respectfully submit 30 days might be a bit long. We don't
25 necessarily want to hold up distributions to creditors. In this case, we have security in real
26 estate, first registered mortgages. It's pretty -- those are straightforward relative to the
27 personal property issues we've talked about today. So, I would respectfully submit that
28 maybe sometime between like 14 and 21 days is -- is appropriate.

29
30 THE COURT: Okay. Mr. Hutchison?

31
32 MR. HUTCHISON: Yes. My -- I would echo my friend, Mr.
33 Maerov's comment. One of the -- the relief that the bank is seeking is -- not the bank,
34 sorry. Rather, the Receiver is seeking is to make -- approve some distributions to -- to the
35 real property creditors, which the Bank of Nova Scotia is one. We don't want to see any
36 distributions to us tied up which are non-controversial any longer than they need to be. So,
37 30 days I think is excessive. I do hear my friend Mr. Findlater's point, so something around
38 14 or 15 days would seem much more reasonable in my mind, Sir.

39
40 THE COURT: Back to you, Mr. Findlater. Any -- any reaction
41 to what you have heard?

1
2 MR. FINDLATER: No, those are fair comments, Sir. I think we're
3 not far off in terms of the timelines. My instructions were to ask for 30 days, so if my
4 friends are -- are proposing as much as 21 days, then -- and you're inclined to grant that,
5 then that's what I would ask for.
6
7 THE COURT: Okay. I have landed on 21 days.
8
9 MS. AMANTEA: My Lord, just to answer your query earlier. I
10 would like to approve the orders, please.
11
12 THE COURT: Okay.
13
14 MS. TRACE: Thank you.
15
16 THE COURT: Anyone else?
17
18 MS. AMANTEA: My Lord, it's Ms. Amantea. We would
19 appreciate being able to approve the order, simply -- the -- only the order with respect to
20 the 52 Delta Corp.
21
22 THE COURT: Okay.
23
24 MR. HUTCHISON: And I guess if others are going to ask, the only
25 one we're concerned about, Sir -- it's Mr. Hutchison for the record -- is the one concerning
26 the approval of the 52 Wellness sale and the distribution order.
27
28 THE COURT: Okay.
29
30 MR. HUTCHISON: Thank you.
31
32 THE COURT: Did you catch -- did you catch all of that, Mr.
33 Saini, Mr. Maerov?
34
35 MR. SAINI: Yes.
36
37 MR. MAEROV: Yes, My Lord.
38
39 THE COURT: Okay. If there is nothing else, counsel, we will
40 adjourn for today.
41

1 MR. SAINI: Thank you, Sir.
2
3 MR. MAEROV: Thank you, My Lord.
4
5 THE COURT: Madam clerk, we are adjourned.
6
7 THE COURT CLERK: Thank you, Sir.
8

10
11 PROCEEDINGS CONCLUDED

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

1 **Certificate of Record**

2

3 I, Brendolyn Clarke, certify that this recorded hearing is the record of the evidence of
4 proceedings held in the Court of King's Bench in courtroom 415 at Edmonton, Alberta, on this
5 the 11th day of January, 2023, and that I, Brendolyn Clarke, was the court official in charge
6 of the sound-recording machine during the proceedings.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

1 **Certificate of Transcript**

2

3 I, Wendy Gretzinger, certify that

4

5 (a) I transcribed the record, which was recorded by a sound-recording machine, to the best of
6 my skill and ability and the foregoing pages are a complete and accurate transcript of the
7 contents of the record, and

8

9 (b) the Certificate of Record for these proceedings was included orally on the record and is
10 transcribed in this transcript.

11

12 Wendy Gretzinger, Transcriber

13 Order Number: TDS-1041806

14 Dated: September 26, 2023

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

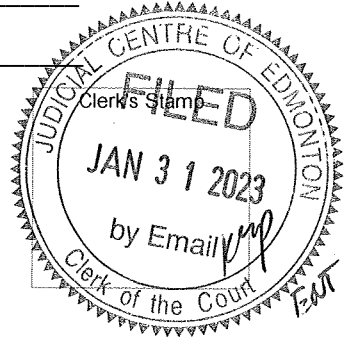
41

TAB 28

I hereby certify this to be a true copy of
the original order
Dated this 1 day of February, 2023



COURT FILE NUMBER 2203 12557 for Clerk of the Court
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA



DEFENDANT FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED

DOCUMENT **APPROVAL AND VESTING ORDER
(Sale by Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

McMillan LLP
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

**Attention: Adam Maerov/Kourtney Rylands/
Preet Saini**

Telephone: 403.531.4700
Fax: 403.531.4720
File No.: 293571

DATE ON WHICH ORDER WAS PRONOUNCED: January 11, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Mah

UPON THE APPLICATION by MNP Ltd. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Ltd. (collectively, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation (collectively, the "**Purchasers**") or their nominee dated December 20, 2022 and

appended to the Third Report of the Receiver dated January 3, 2023 (the "**Report**") and vesting in the Purchasers (or their nominee) the right, title and interest, if any, of the Debtors and Dr. Faissal Mouhamad in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated September 16, 2022 (the "**Receivership Order**"), the Report, the Supplement to the Report dated January 10, 2023 (the "**Supplement**") and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, and any other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

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

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchasers (or their nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the right, title and interest, if any, of any Debtors and/or Dr. Faissal Mouhamad in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchasers (or their nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;

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

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

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchasers or their nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title No. 162 262 370 for those lands and premises municipally described as 7151-50 Ave, Red Deer, Alberta T4N 4E4 and legally described as:

PLAN 2223KS
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Lands**")

- (ii) issue a new Certificate of Title for the Lands in the name of one of the Purchasers (or their nominee), namely, NDC Group Inc.;
 - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title

such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and

- (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands; and
 - (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of any Debtors or Dr. Faissal Mouhamad in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
 6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
 7. Upon delivery of the Receiver's Closing Certificate together with a copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity.
 8. For the purposes of determining the nature and priority of Claims, or the legal or beneficial ownership of any Purchased Assets, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) (the "**Proceeds**") shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against, or ownership

of, the Purchased Assets, and such Claims and interests may be asserted against the Proceeds with the same priority and to the same extent as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of Proceeds without further order of this Court, provided however the Receiver may apply any part of such Proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order. Nothing in this Order is intended to or shall constitute a determination as to the legal or beneficial ownership of any of the Purchased Assets or the validity or priority of any Claim or Encumbrance in or on any of the Purchased Assets. All of the provisions of this Order are without prejudice to the right of any creditor that has or wishes to assert an interest in the Purchased Assets to assert such interest against the Proceeds.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchasers (or their nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtors.
10. Upon completion of the Transaction, the Debtors, Dr. Faissal Mouhamad and all persons who claim by, through or under any Debtor or Dr. Faissal Mouhamad in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers (or their nominee).
11. The Purchasers (or their nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for their own use and benefit without any interference of or by any Debtor or Dr. Faissal Mouhamad or any person claiming by, through or against any Debtor or Dr. Faissal Mouhamad.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.

13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchasers (or their nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchasers (or their nominee) all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees. The Purchasers (or their nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtors was entitled.

MISCELLANEOUS MATTERS

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

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

16. The Receiver, the Purchasers (or their nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms

of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

18. Service of this Order shall be deemed good and sufficient by:
- (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchasers or the Purchasers' solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at:
<https://mnpdebt.ca/en/corporate/corporate-engagements/fmpc>

and service on any other person is hereby dispensed with.

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



Justice of the Court of King's Bench of Alberta

APPROVED AS TO FORM AND CONTENT BY:

Miller Thomson LLP

Per: 

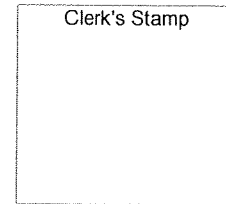
Susy M. Trace

Counsel for Royal Bank of Canada

Schedule "A"

Form of Receiver's Closing Certificate

COURT FILE NUMBER 2203 12557
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA
DEFENDANTS FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED



DOCUMENT RECEIVER'S CLOSING CERTIFICATE

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McMillan LLP
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Adam Maerov/Kourtney Rylands/
Preet Saini

Telephone: 403.531.4700
Fax: 403.531.4720
File No.: 293571

RECITALS

- A. Pursuant to an Order of the Honourable Justice D.R. Mah of the Court of King's Bench of Alberta, Judicial District of Edmonton, Alberta (the "Court") dated September 16, 2022, MNP Ltd. was appointed as the receiver (the "Receiver") of the undertakings, property and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Corporation (collectively, the "Debtors").

- B. Pursuant to an Order of the Court dated January 11, 2023 granted by the Honourable Justice D.R. Mah, the Court approved the agreement of purchase and sale made as of December 20, 2022 (the "**Sale Agreement**") between the Receiver and NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation (collectively, the "**Purchasers**") and/or their nominee and provided for the vesting in the Purchasers of the right, title and interest, if any, of the Debtors and/or Dr. Faissal Mouhamad in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchasers (or their nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers (or their nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, _____ 2023.

MNP Ltd., in its capacity as Receiver of the undertakings, property and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Corporation, and not in its personal capacity.

Per; _____
Name:
Title:

SCHEDULE B

LIST OF ASSETS

Personal Property:

1. Clinical equipment, as further set out in the attached listing
2. The Debtors' interest in any software, including Dentrix practice management software
3. Instruments and materials used for the provision of dental services
4. Leasehold improvements and cabinetry
5. Books and Records
6. Goodwill

Real Property:

PLAN 2223KS
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE C

CLAIMS

None.

SCHEDULE D

PERMITTED ENCUMBRANCES

1. Minor title defects or irregularities that do not, in the aggregate, materially impair the servicing, development, construction, operating, occupation, use, management, marketability or value of the Property.
2. Any subsisting reservations, limitations, provisos, conditions or executions, including royalties, contained in the original grant of the Property from the Crown.
3. Any reservations, exceptions, limitations, provisos and conditions to title contained in Section 61 of the *Land Titles Act* (Alberta) and reservations or exceptions of mines and minerals.
4. Those specific instruments more particularly set out below.

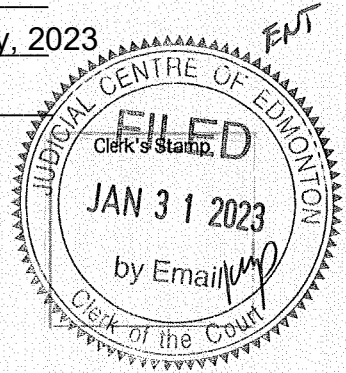
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
2976ML	11/12/1961	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER
1100RK	21/03/1969	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER
952 262 999	02/10/1995	RESTRICTIVE COVENANT

TAB 29

I hereby certify this to be a true copy of
the original Order

Dated this 1 day of February, 2023





COURT FILE NUMBER 2203 12557 for Clerk of the Court
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA

DEFENDANT FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED

DOCUMENT APPROVAL AND VESTING ORDER
(Sale by Receiver)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

McMillan LLP
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

**Attention: Adam Maerov/Kourtney Rylands/
Preet Saini**

Telephone: 403.531.4700
Fax: 403.531.4720
File No.: 293571

DATE ON WHICH ORDER WAS PRONOUNCED: **January 11, 2023**
LOCATION WHERE ORDER WAS PRONOUNCED: **Edmonton, Alberta**
NAME OF JUSTICE WHO MADE THIS ORDER: **The Honourable Justice Mah**

UPON THE APPLICATION by MNP Ltd., in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertakings, property and assets of 52 Dental Corporation (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation (collectively, the "Purchasers") or their nominee dated December 20, 2022 and appended to the Third Report of the Receiver dated January 3, 2023 (the "Report"), and vesting in the

Purchasers (or their nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated September 16, 2022 (the "**Receivership Order**"), the Report, the Supplement to the Third Report dated January 10, 2023 and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, Royal Bank of Canada, The Bank of Nova Scotia, Mahmoud Mohamad, Jovica Group (as defined in the Report), the Purchasers, Patterson Dental Canada Inc. ("**Patterson**"), and other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

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

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchasers (or their nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the right, title and interest, if any, of the Debtor and/or Dr. Faissal Mouhamad in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchasers (or their nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

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

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

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchasers or their nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing, the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor or Dr. Faissal Mouhamad in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. For the purposes of determining the nature and priority of Claims, or the legal or beneficial ownership of any Purchased Assets, the net proceeds from sale of the Purchased Assets (to be

held in an interest bearing trust account by the Receiver) (the "Proceeds"), the amount of \$417,000 of which Proceeds shall be held in relation to any Claims that may be asserted by Patterson (the "Holdback"), shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against, or ownership of, the Purchased Assets, and such Claims and interests may be asserted against the Proceeds with the same priority and to the same extent as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of Proceeds without further order of this Court, provided however the Receiver may apply any part of such Proceeds less the Holdback amount of \$417,000 to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order. Nothing in this Order is intended to or shall constitute a determination as to the legal or beneficial ownership of any of the Purchased Assets or the validity or priority of any Claim or Encumbrance in or on any Purchased Assets. All of the provisions of this Order are without prejudice to the right of any creditor that has or wishes to assert an interest in the Purchased Assets to assert such interests against the Proceeds.

8. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchasers (or their nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
9. Upon completion of the Transaction, the Debtor, Dr. Faissal Mouhamad and all persons who claim by, through or under the Debtor or Dr. Faissal Mouhamad in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers (or their nominee).
10. The Purchasers (or their nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for their own use and benefit without any interference of or by the Debtor or Dr.

Faissal Mouhamad, or any person claiming by, through or against the Debtor or Dr. Faissal Mouhamad.

11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchasers (or their nominee).
13. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchasers (or their nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchasers (or their nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

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

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

15. The Receiver, the Purchasers (or their nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
- (a) Serving the same on:
- (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchasers or the Purchasers' solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at:
<https://mnpdebt.ca/en/corporate/corporate-engagements/fmpec>
- and service on any other person is hereby dispensed with.
18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.


Justice of the Court of King's Bench of Alberta

APPROVED AS TO FORM AND CONTENT BY:

Miller Thomson LLP

Per: 

Susy M. Trace
Counsel for Royal Bank of Canada

DS Advocats Canada

Per: 

Lindsay Amantea
Counsel for Patterson Dental Canada Inc.

Schedule "A"

Form of Receiver's Closing Certificate

COURT FILE NUMBER 2203 12557

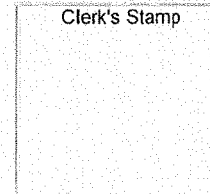
COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED

DOCUMENT RECEIVER'S CLOSING CERTIFICATE



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **McMillan LLP**
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

**Attention: Adam Maerov/Kourtney Rylands/
Preet Saini**

Telephone: 403.531.4700
Fax: 403.531.4720
File No.: 293571

RECITALS

- A. Pursuant to an Order of the Honourable Justice D.R. Mah of the Court of King's Bench of Alberta, Judicial District of Edmonton, Alberta (the "**Court**") dated September 16, 2022, MNP Ltd. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of 52 Dental Corporation (the "**Debtor**").

- B. Pursuant to an Order of the Court dated January 11, 2023 granted by the Honourable Justice D.R. Mah, the Court approved the agreement of purchase and sale made as of December 20, 2022 (the

"Sale Agreement") between the Receiver and NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation and/or nominee (collectively, the "Purchasers") and provided for the vesting in the Purchasers of the right, title and interest, if any, of the Debtor and/or Dr. Faissal Mouhamad, in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchasers (or their nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers (or their nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, _____ 2023.

**MNP Ltd., in its capacity as Receiver
of the undertakings, property and
assets of 52 Dental Corporation, and
not in its personal capacity.**

Per: _____
Name:
Title:

SCHEDULE B

LIST OF ASSETS

1. Clinical equipment, as further set out in the attached listing
2. The Debtor's interest in any software, including Dentrix practice management software
3. Instruments and materials used for the provision of dental services
4. Leasehold improvements and cabinetry
5. Books and Records

SCHEDULE C

CLAIMS

None.

SCHEDULE D
PERMITTED ENCUMBRANCES

None.

TAB 30

COURT FILE NUMBER 2203 12557
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA
DEFENDANTS FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED

DOCUMENT **ORDER (CLAIMS PROCEDURE)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT McMillan LLP
TD Canada Trust Tower
1700, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Adam Maerov/Kourtney Rylands/
Preet Saini
Telephone: 403.531.4700
Fax: 403.531.4720
File No. 293571

DATE ON WHICH ORDER WAS PRONOUNCED: Tuesday, February 14, 2022

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton Law Courts

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Mah

UPON THE APPLICATION of MNP Ltd., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of Faissal Mouhamad Professional Corporation, 52 Dental Corporation, Delta Dental Corp., Michael Dave Management Ltd., 52 Wellness Centre Inc. and 985842 Alberta Ltd.; AND UPON reviewing the First Report of the Interim Receiver dated September 9, 2022, the First Report of the Receiver dated September 29, 2022, the Second Report of the Receiver dated October 28, 2022 (the “**Second Report**”), the First Confidential Report of the Receiver dated October 28, 2022 (“**First**

Confidential Report”), the Third Report of the Receiver dated January 3, 2023 (the “**Third Report**”), the Second Confidential Report of the Receiver dated January 3, 2023, the Supplement to the Third Report dated January 10, 2023, the Fourth Report of the Receiver dated January 30, 2023 (the “**Fourth Report**”), the Third Confidential Report of the Receiver dated January 30, 2023 (the “**Third Confidential Report**”) and the Fifth Report of the Receiver dated February 6, 2023 (the “**Fifth Report**”); AND UPON reviewing the receivership order granted by the Honourable Justice Mah on September 16, 2022 (the “**Receivership Order**”) AND UPON noting that the Receiver seeks approval of the Claims Process attached as **Appendix “A”** hereto (the “Claims Process”); AND UPON noting that MNP Ltd. previously acted as interim receiver of Faissal Mouhamad Professional Corporation, 52 Dental Corporation, and Delta Dental Corp pursuant to an interim receivership order granted on August 23, 2022 by the Honourable Justice Hiller (in such capacity, the “**Interim Receiver**”); AND UPON reviewing the Affidavit of Service confirming service on the service list contained therein (“**Service List**”); AND UPON hearing counsel for the Receiver and any other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

DEFINED TERMS

2. Capitalized terms used herein or not otherwise defined shall have the meaning ascribed to them in the Claims Process.

APPROVAL OF CLAIMS PROCESS

3. The Claims Process for determining any and all Claims of any and all Creditors in the receivership proceedings of Faissal Mouhamad Professional Corporation, 52 Dental Corporation, Delta Dental Corp., Michael Dave Management Ltd. and 985842 Alberta Ltd. (collectively, the “**Debtors**”) is hereby approved and the Receiver is authorized and directed to implement the Claims Process in accordance herewith in order to identify all Creditors and assess the amount, nature and priority of Claims proven in accordance herewith.
4. The form of Notice of Claims Process, Notice of Revision or Disallowance, Notice of Dispute, and Newspaper Notice, all as set forth in the attached **Appendices “B”, “C”, “D” and “E”**, respectively, are approved.

CLAIMS BAR DATE

5. Any Creditor who has a Claim against any one or more of the Debtors as of the Filing Date and who has not, as of the Claims Bar Date, submitted a Proof of Claim to the Receiver in respect of such Claim, in accordance with the Claims Process, shall have their Claim forever extinguished, unless otherwise ordered by the Court.

NOTICE OF TRANSFEREES

6. If a Creditor or any subsequent holder of a Claim who has been acknowledged by the applicable Debtor(s) as the holder of the Claim transfers or assigns such Claim to another Person, the Receiver shall not be required to give notice to or otherwise deal with the transferee or assignee of the Claim

as the holder of such Claim unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been delivered to the Receiver. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the holder of such Claim and shall be bound by notices given and steps taken in respect of such Claim in accordance with the provisions of the Claims Process.

7. If a Creditor of any subsequent holder of a Claim who has been acknowledged by the Receiver as the holder of the Claim transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transferred or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Receiver shall not, in each such case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim provided such Creditor may, by notice in writing delivered to the Receiver, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and, in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Creditor in accordance with the provisions of the Claims Process.

NOTICE AND COMMUNICATION

8. Except as otherwise provided herein, the Receiver may deliver any notice or other communication to be given under this Order to any Creditor or other interested Person by forwarding true copies thereof by ordinary mail, courier, personal delivery, facsimile or email to such Creditor or Person at the address last shown on the books and records of the Debtors, and that any such notice by courier, personal delivery, facsimile or email shall be deemed to be received on the next Business Day following the date of forwarding thereof, or, if sent by ordinary mail on the third Business Day after mailing within Alberta, the fifth Business Day after mailing within Canada, and the tenth Business Day after mailing internationally.
9. Any notice or other communication to be given under this Order by a Creditor to the Receiver shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by registered mail, courier, email (in PDF format), personal delivery or facsimile transmission and addressed to:

MNP Ltd., Receiver and Manager of Faissal Mouhamad Professional Corporation, 985842 Alberta Ltd., 52 Dental Corporation, Delta Dental Corp. and Michael Dave Management Ltd.

Attention: Temitope Muraina
1500, 640 – 5th Avenue SW
Calgary, AB T2P 3G4

Phone: 403-537-8424
Email: Temitope.Muraina@mnp.ca
Fax: 403-537-8393

10. In the event that the day on which any notice or communication required to be delivered pursuant to the Claims Process is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

GENERAL

11. The Receiver is hereby authorized and directed to do all such acts and things, and execute such deeds and documents, as are necessary or appropriate to give full effect to the provisions of this Order.
12. The Receiver is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claim are submitted, completed and executed and may, if satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of the Claims Process and this Order as to the submission, completion and execution of the Proofs of Claim.
13. Notwithstanding:
 - a. any application(s) for bankruptcy order(s) issued against a Debtor pursuant to BIA, or any bankruptcy order made pursuant to such application(s);
 - b. the filing of any assignment by a Debtor for the general benefit of creditors made pursuant to the BIA; or
 - c. any proceedings commenced by or in respect of a Debtor pursuant to the CCAA;

the Claims Process and any distributions, steps, revisions, or disallowances made pursuant to the Claims Process shall be binding on any trustee, trustee in bankruptcy, or monitor that may be appointed in respect of such Debtor pursuant to the BIA, the CCAA, or any other applicable legislation.

14. References in this Order to the singular shall include the plural, references to the plural shall include the singular, and to any gender shall include the other gender.
15. Notwithstanding the terms of this Order, the Receiver or any interested Person may apply to this Court from time to time for such further order or orders as it considers necessary or desirable to apply for such further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order or to amend, supplement or modify the Claims Process or this Order.
16. Service of this Order on the Service List by email, facsimile, registered mail, courier or personal delivery shall constitute good and sufficient service of this Order, and no Persons, other than those on the Service List, are entitled to be served with a copy of this Order. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
17. Service of this Order on any party not attending this application is hereby dispensed with.



J.C.C.K.B.A.

APPENDIX “A” TO CLAIMS PROCESS ORDER

CLAIMS PROCESSES

DEFINITIONS

1. For purpose of this Claims Process the following terms should have the following meanings:
 - (a) “**985842**” means 985842 Alberta Ltd.
 - (b) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. 8-3, as amended;
 - (c) “**Business Day**” means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Calgary, Alberta;
 - (d) “**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
 - (e) “**Claim**” means any right or claim or any Person that may be asserted or made in whole or in part against one or more Debtors, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, regulatory, equitable or fiduciary duty or obligation) or by reason of any right of ownership or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a debt provable in bankruptcy within the

meaning of the BIA had such Debtor become bankrupt on the Filing Date, provided, however, that “Claim” shall not include an Excluded Claim;

- (f) “**Claims Bar Date**” means 5:00 p.m. (Mountain Time) on Monday, April 10, 2023 or such other date as may be ordered by the Court;
- (g) “**Claims Package**” means the document package which shall include a Proof of Claim and such other materials as the Receiver considers necessary or appropriate;
- (h) “**Claims Process**” means the procedures outlined herein in connection with the assertion of any Claim against the Debtors;
- (i) “**Claims Process Order**” means the Order pronounced by Justice D.H. Mah of the Court on February 14, 2023 approving the Claims Process;
- (j) “**Court**” means the Court of King’s Bench of Alberta;
- (k) “**Creditor**” means any Person that asserts a Claim;
- (l) “**Debtors**” means Faissal Mouhamad Professional Corporation, 52 Dental Corporation, Delta Dental Corp., Michael Dave Management Ltd., and 985842 and “**Debtor**” means any one of them;
- (m) “**Excluded Claim**” means Claims:
 - (i) secured by a registered mortgage or charge on real property;
 - (ii) secured by the Receiver’s Charge;
 - (iii) made by or on behalf of the beneficiaries of the Receiver’s Borrowing Charge;
- (n) “**Filing Date**” means, the case of each of the Debtors other than 985842, September 16, 2022, and in the case of 985842, September 29, 2022;
- (o) “**Known Creditors**” means Creditors which the books and records of a Debtor disclose as having a Claim against a Debtor as of the Filing Date for such Debtor;

- (p) “**Newspaper Notice**” means the notice of the Claims Process to be published in the newspapers in accordance with the Claims Process in substantially the form attached to the Claims Process Order as Appendix “E”;
- (q) “**Notice to Creditors**” means the notice to be sent by the Receiver to all Known Creditors on or before February 21, 2023, setting out the method by which any Person may file a Proof of Claim in the prescribed form with the Receiver, which notice shall be substantially in the form attached to the Claims Process Order as Appendix “B”;
- (r) “**Notice of Dispute**” means the form to be sent to the Receiver by any Person objecting to the classification or quantum of their Claim, which notice shall be substantially in the form attached to the Claims Process Order as Appendix “D”;
- (s) “**Notice of Revision or Disallowance**” means the form sent by the Receiver revising or disallowing a Proof of Claim submitted by any Person, which notice shall be substantially in the form attached to the Claims Process Order as Appendix “C”;
- (t) “**Person**” shall be broadly interpreted and includes an individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, corporation, unincorporated association or organization, syndicate, committee, the government or a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, however designated or constituted, and the trustees, executors, administrators, or other legal representatives of any individual;
- (u) “**Proof of Claim**” means the form setting forth a Creditor’s Claim, which proof of claim shall be substantially in the form attached to the Notice of Creditors (Appendix “B” to the Claims Process Order);
- (v) “**Proven Claim**” means the quantum and classification of the Claim of a Creditor as finally determined in accordance with the Claims Process, provided that a Proven Claim will be “finally determined” in accordance with the Claims Process when: (i) it has been accepted in part or in full by the Receiver and the applicable time period for challenging a Notice of Revision or Disallowance by submitting a Notice of Dispute has expired; or (ii) to the extent permitted by the court and applicable, any court of competent jurisdiction has made a determination with respect to the classification and quantum of the Claim and

no appeal or applications for leave to appeal therefrom shall have been taken or served on either party, or if any appeals(s) or applications(s) for leave to appeal or further appeal shall have been taken therefrom or served on either party, any and all such appeal(s) or application(s) shall have been dismissed, determined or withdrawn;

(w) “**Receiver**” means MNP Ltd., in its capacity as the Court appointed receiver and manager of the Debtors, and not in its personal capacity or corporate capacity; and

(x) “**Website**” means the website established by the Receiver and located at <https://mnpdebt.ca/en/corporate/corporate-engagements/fmpc>.

NOTICE OF CLAIMS PROCESS

2. The Receiver shall cause a Claims Package to be sent to each Known Creditor by regular prepaid mail, courier, facsimile, personal delivery or email on or prior to February 21, 2023.
3. The Receiver shall cause the Newspaper Notice to be published in the Calgary Herald and any other newspaper the Receiver considers advisable, on or prior to February 21, 2023.
4. The Receiver shall cause the Claims Package to be posted on the Website as soon as practicable after the granting of this Claims Process Order;
5. The Receiver shall cause a copy of a Proof of Claim to be sent to any Person requesting such material as soon as practicable.

PERSON ASSERTING CLAIMS

6. Any other Person who has a Claim against one or more Debtors, as of the Filing Date, other than an Excluded Claim, and who wishes to assert such Claim against such Debtor(s), shall, on or before the Claims Bar Date, send a completed Proof of Claim to the Receiver setting out the classification and quantum of its Claim.
7. A Proof of Claim filed in respect of a secured Claim must include an affidavit sworn or solemn declaration affirmed by an individual representative of the Person asserting the Claim setting out the basis for the Claim and full particulars of the security granted therefore, including the date on, and the manner in, which the security was given, the date on which the security was perfected, all facts relevant to the priority of the security and the value at which the Person assesses the security.

8. Any Person who fails to comply with Paragraph 6 or Paragraph 7 of this Claims Process shall be forever barred, enjoined and estopped from asserting such Claim against the Debtors and such Claim or security shall be forever extinguished, except as otherwise may be ordered by the Court.
9. Upon the request of any Creditor that files a Proof of Claim prior to the Claims Bar Date in accordance with the Claims Process (the “**Requesting Creditor**”), the Receiver is authorized and directed to make available to such Requesting Creditor any Proof of Claim filed by a Creditor that is not the Requesting Creditor so as to provide the Requesting Creditor with a reasonable opportunity to examine such Proof of Claim and question the affiant in respect of such Proof of Claim in accordance with paragraph 10 of this Order.
10. Any Creditor on being paid the proper conduct money and on being served with a copy of this Order and of an appointment of any duly qualified or authorized person to hold examinations shall attend and submit to be questioned *viva voce* upon oath on that Creditor’s filed Proof of Claim at a place and at a time agreed by such Creditor and the Requesting Creditor, each acting reasonably, for the purpose of assisting the Receiver in determining whether to accept, revise or disallow a Proof of Claim submitted in accordance with this Order. Any questioning pursuant to this paragraph may take the form of a cross-examination.

RESOLUTION OF CLAIMS

11. The Receiver shall review any Proof of Claim that is submitted to it on or before the Claims Bar Date and, subject to the terms of this Order, may accept, revise or disallow the Proof of Claim.
12. The Receiver may attempt to consensually resolve the classification or quantum of any Proof of Claim submitted by any Person prior to the Receiver accepting, revising or disallowing such Proof of Claim.
13. In the event that the Receiver elects to accept the quantum and classification of the Claim as set forth in the Proof of Claim, the Creditor shall have a Proven Claim in the quantum and with the classification specified in the Proof of Claim submitted by the Person.
14. In the event that the Receiver elects to revise or disallow the Proof of Claim, the Receiver shall send a Notice of Revision or Disallowance setting out the revision or disallowance of the Proof of Claim.

15. Any Person who wishes to dispute the Notice of Revision or Disallowance received from the Receiver shall, within 10 days of delivery of the Notice of Revision or Disallowance from the Receiver, send a Notice of Dispute the Receiver setting out the particulars of the Dispute.
16. Any Person who receives a Notice of Revision or Disallowance from the Receiver and who fails to comply with Paragraph 15 of this Claims Process shall (i) be deemed to have accepted the classification and quantum of its Claim as set forth in the Notice of Revision or Disallowance, (ii) to the extent applicable, shall have a Proven Claim in the quantum and with the classification specified in the Notice of Revision or Disallowance, and (iii) shall be forever barred, enjoined and estopped from challenging the classification and quantum of its Claim as set forth in the Notice of Revision or Disallowance delivered to it by the Receiver and the balance of its Claim shall be extinguished, except as otherwise may be ordered by the Court.

CURRENCY OF CLAIMS

17. Any Claim set out in a Proof of Claim shall be denominated in Canadian dollars, failing which such Claim shall be converted to and shall constitute obligations in Canadian dollars and such calculation will be effected using the noon spot rate of the Bank of Canada as of the Filing Date.

APPENDIX "B" TO THE CLAIMS PROCESS ORDER
NOTICE TO CREDITORS

COURT FILE NO.	2203-12557	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
	IN BANKRUPTCY AND INSOLVENCY	
JUDICIAL CENTRE	EDMONTON	
PLAINTIFF	ROYAL BANK OF CANADA	
DEFENDANTS	FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENT LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD AND FETOUN AHMAD also known as FETOUN AHMED	
DOCUMENT	NOTICE OF CLAIMS PROCESS IN THE MATTER OF THE RECEIVERSHIPS OF FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP. AND MICHAEL DAVE MANAGEMENT LTD.	

1. As you are likely aware, MNP Ltd. acts as Receiver and Manager (the "Receiver") of the assets, undertakings, and properties of Faissal Mouhamad Professional Corporation o/a Delta Dental, 985842 Alberta Ltd., 52 Dental Corporation, Delta Dental Corp. and Michael Dave Management Ltd. (the "Debtors").
2. Pursuant an Order granted by the Court of King's Bench of Alberta on February 14, 2023 (the "Claims Process Order"), a claims process (the "Claims Process") was approved that authorized and directed the Receiver to solicit claims from all creditors of the Debtors for the purpose of determining the claims that will be eligible to share in any distribution(s) made in the receivership proceedings. A copy of the Claims Process Order is available on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/fmpc> (the "Receiver's Website").
3. Any creditor having a claim against any one or more of the Debtors at the Filing Date (as defined in the Claims Process) of any nature whatsoever, including an unsecured, secured, contingent or unliquidated claim (a "Claim") is required to file, in the manner set out in the Claims Process, a proof of claim in the prescribed form (which has been provided to you with this Claims Notice) with the Receiver in order to participate in any distribution in the receivership proceedings.

4. Additional copies of the prescribed proof of claim form can be obtained by contacting the Receiver via telephone at 403-537-8393 or via email at Temitope.Muraina@mnp.ca or it can be downloaded from the Receiver's Website.
5. Any creditor who chooses to file a proof of claim is required to provide whatever documentation it may have to support its Claim, such as contracts, invoices, bills of lading, shipping receipts, security of other agreements and proof of relevant security registrations, in relation to the goods and/or services provided or funds advanced to the Debtors, with all amounts being presented in the appropriate currency under which its Claim arose (the "Claim Support").
6. Any creditor that asserts that it has a secured Claim must append to its proof of claim an affidavit a sworn or solemn declaration affirmed (a "Secured Claim Affidavit") by an individual representative of the creditor asserting the Claim setting out the basis for the Claim and full particulars of the security granted therefore, including the date on, and the manner in, which the security was given, the date on which the security was perfected, all facts relevant to the priority of the security and the value at which the Person assesses the security.
7. All proofs of claim, together with supporting documentation Claim Support and Secured Claim Affidavits, must be delivered by mail or courier service to MNP Ltd., 1500, 640 – 5th Avenue SW, Calgary, AB T2P 3G4 or via email at Temitope.Muraina@mnp.ca to the attention of Temitope Muraina on or before 4:00 p.m. Mountain Time on Monday, April 10, 2023 (the "Claims Bar Date").
8. Creditors that do not submit a proof of claim to the Receiver by the specified time on the Claims Bar Date, or such later date as the Court may order, shall not be entitled to receive any further notice of the receivership proceedings, shall not be entitled to receive any distribution in the receivership proceedings and shall be forever barred from making or enforcing any Claim against any of the Debtors related to the period prior to the Filing Date.
9. Where a Creditor objects to a Disallowance Notice, the creditor must notify the Receiver of its objection in writing (the "Dispute Notice") by registered mail, courier service or email within 10 days from the date of the Disallowance Notice.

10. A creditor who does not file a Dispute Notice to a Disallowance Notice issued by the Receiver shall, unless otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of its Claim as set out in the Disallowance Notice.

Dated February 14, 2023

MNP Ltd., in its capacity as Receiver of Faissal Mouhamad Professional Corporation o/a Delta Dental, 985842 Alberta Ltd., 52 Dental Corporation, Delta Dental Corp. and Michael Dave Management Ltd.



Per:

Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President

District of: Alberta
Division No. 02 - Calgary
Court No. 2203-12557

FORM 31 / 36
Proof of Claim

Select the Debtor Entity:

- Faissal Mouhamad Professional Corporation in the City of Red Deer in the Province of Alberta
- 98542 Alberta Ltd. of the Town of Drayton Valley in the Province of Alberta
- 52 Dental Corporation of the City of Calgary in the Province of Alberta
- Delta Dental Corp. of the City of Red Deer in the Province of Alberta
- Michael Dave Management Ltd. of the City of Red Deer in the Province of Alberta

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the receivership of _____ of the _____ of _____ in and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____ do hereby certify:

1. That I am a creditor of the above-named debtor (or I am _____ (position/title) of _____, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the Filing Date, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.) **Please note that proofs of claim in respect of all secured claims must include a sworn affidavit [or solemn declaration] that includes full particulars of the security claimed, including the date on which the security was given, the date on, and the manner in, which the security was perfected, all facts relevant to the priority of the security and the value at which you assess the security.**

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____
Fax Number: _____
E-mail Address: _____

MNP Ltd. - Licensed Insolvency Trustee
Per:

Vanessa Allen - Receiver
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 537-8393 Fax: (403) 537-8437
E-mail: calgary.insolvency@mnp.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: There are severe penalties for making any false claim, proof, declaration or statement of account.

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form in a complete and accurate manner. Please specifically check each requirement.

PROOF OF CLAIM

- ▶ The signature of a witness is required;
- ▶ The claim must be signed personally by the individuals;
- ▶ If the creditor is a corporation, the full and complete legal name of the company or firm must be stated;
- ▶ Give the complete address, including postal code, where all notices or correspondence is to be forwarded, the name of the person to contact, the phone number and fax number.

PARAGRAPH 1

- ▶ Please state your name, city of residence, and if you are completing the declaration for a corporation or another person, your position or title.

PARAGRAPH 3

- ▶ State the amount of your claim;
- ▶ A detailed statement of account must be attached and must show the date, number and amount of all the invoices, charged credits or payments;
- ▶ A statement of account is not complete if it begins with an amount brought forward;
- ▶ The amount of the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 4

- ▶ An ordinary creditor must check subparagraph A. A preferred creditor must set out on an attached schedule the particulars of your priority;
- ▶ A secured creditor must check subparagraph C. those creditors advancing secured claims against personal property will be required to provide documentation in support of their claims, such as contracts, invoices, bills of lading, shipping receipts, security of other agreements and proof of relevant security registrations, in relation to the goods and/or services provided or funds advanced, by way of a sworn affidavit or solemn declaration filed in these proceedings. The sworn affidavit or solemn declaration will also be required to include full particulars of the security, including the date on, and the manner in, which the security was given, the date on which the security was perfected, all facts relevant to the priority of the security and the value at which the creditor assesses the security

PARAGRAPH 5

Strike out "are" or "are not" as applicable to you. You would be considered a related person if:

- ▶ You are related to blood or marriage to the debtor;
- ▶ If the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

PARAGRAPH 6

All creditors must attach a detailed list of all payments or credits received or granted, as follows:

- ▶ Within the 3 months preceding the receivership, if the creditor and the debtor are not related;
- ▶ Within 12 months preceding the receivership, if the creditor and debtor are related.

**APPENDIX "C" TO CLAIMS PROCESS ORDER
NOTICE OF REVISION OR DISALLOWANCE**

COURT FILE NO.	2203-12557	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
	IN BANKRUPTCY AND INSOLVENCY	
JUDICIAL CENTRE	EDMONTON	
PLAINTIFF	ROYAL BANK OF CANADA	
DEFENDANTS	FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENT LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD AND FETOUN AHMAD also known as FETOUN AHMED	
DOCUMENT	NOTICE OF REVISION OR DISALLOWANCE IN THE MATTER OF THE RECEIVERSHIPS OF FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP. AND MICHAEL DAVE MANAGEMENT LTD.	

1. As you are likely aware, MNP Ltd. acts as Receiver and Manager (the "Receiver") of all of the assets, undertakings, and properties of Faissal Mouhamad Professional Corporation o/a Delta Dental, 985842 Alberta Ltd., 52 Dental Corporation, Delta Dental Corp. and Michael Dave Management Ltd. (the "Debtors").
2. Pursuant to an Order granted by the Court of King's Bench of Alberta on February 14, 2023 (the "Claims Process Order"), a claims process (the "Claims Process") was approved that directed the Receiver to solicit claims from all creditors of the Debtors for the purpose of determining the claims that will be eligible to share in any distribution(s) that may be available in the receivership proceedings.
3. Pursuant to the Claims Process Order, the Receiver hereby gives you notice that it has reviewed your proof of claim filed in the receivership proceedings and has revised or disallowed your claim.

4. Subject to further disputes by you in accordance with the Claims Process Order, your claim will be allowed as follows:

Amount allowed by the Receiver:

Type:	Debtor(s)/Collateral	Proof of claim amount:	Admitted amount:
Unsecured Claim			
Secured Claim			

Reasons for the Revision or Disallowance:

5. If you intend to dispute this Notice of Revision or Disallowance (the "Disallowance Notice"), you must within 10 days from the date of this Disallowance Notice, deliver to the Receiver, a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier to MNP Ltd., 1500, 640 – 5th Avenue SW, Calgary, AB T2P 3G4 or via email to Temitope.Muraina@mp.ca to the attention of Temitope Muraina.

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN TEN (10) DAYS OF THE DATE ON THIS DISALLOWANCE NOTICE, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS DISALLOWANCE NOTICE.

Dated: _____, 2023

MNP Ltd., in its capacity as Receiver of Faissal Mouhamad Professional Corporation o/a Delta Dental, 985842 Alberta Ltd., 52 Dental Corporation, Delta Dental Corp. and Michael Dave Management Ltd. and not in its personal or corporate capacity

Per: _____
Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President

APPENDIX "D" TO CLAIMS PROCESS ORDER

NOTICE OF DISPUTE

COURT FILE NO. **2203-12557**

Clerk's Stamp

COURT **COURT OF KING'S BENCH OF ALBERTA**

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE **EDMONTON**

PLAINTIFF **ROYAL BANK OF CANADA**

DEFENDANTS **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENT LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD AND FETOUN AHMAD also known as FETOUN AHMED**

DOCUMENT **NOTICE OF DISPUTE IN THE MATTER OF THE RECEIVERSHIPS OF FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP. AND MICHAEL DAVE MANAGEMENT LTD.**

1. I, _____(name), of _____ (city/town), in the Province of _____, and _____ (title) of _____(creditor name) dispute the amount stated in the attached Notice of Revision or Disallowance provided in respect of _____ (debtor).

2. I dispute the amount stated in the Notice of Revision or Disallowance for the following reasons and attach all applicable documents:

(use additional pages if necessary).

Dated at _____ (city/town), this _____ day of _____, 2023.

Witness

Signature of individual completing the form

APPENDIX "E" TO CLAIMS PROCESS ORDER

NEWSPAPER NOTICE

NOTICE TO CREDITORS OF FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP. AND MICHAEL DAVE MANAGEMENT LTD.

MNP Ltd. acts as Receiver and Manager (the "Receiver") of the assets, undertakings, and properties of Faissal Mouhamad Professional Corporation o/a Delta Dental, 985842 Alberta Ltd., 52 Dental Corporation, Delta Dental Corp. and Michael Dave Management Ltd. (the "Debtors").

On February 14, 2023, the Court of King's Bench of Alberta granted an Order (the "Claims Process Order") establishing a process (the "Claims Process") by which the identify and the status of all creditors of the Debtors and the amounts of their claims would be established for the purpose of the receivership proceedings (the "Claims Process Order"). A copy of the Claims Process Order may be viewed on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/fmpc> (the "Receiver's Website") or obtained by contacting the Receiver via email at Temitope.Muraina@mnp.ca.

Pursuant to the Claims Process Order the Receiver was required, by February 21, 2023 to send a Notice to Creditors to each known creditor of the Debtors.

ANY CREDITOR HAVING A CLAIM AGAINST ONE OR MORE OF THE DEBTORS MUST FILE A PROOF OF CLAIM WITH THE RECEIVER IN THE PRESCRIBED FORM BEFORE 5:00 PM (MST) ON APRIL 10, 2023. CLAIMS NOT PROVEN IN ACCORDANCE WITH THE CLAIMS PROCESS SHALL BE DEEMED TO BE FOREVER BARRED AND EXTINGUISHED AND MAY NOT BE ADVANCED AGAINST THE DEBTORS, EXCEPT AS MAY BE OTHERWISE ORDERED BY THE COURT.

The prescribed "Proof of Claim" form may be found on the Receiver's Website or can otherwise be obtained by contacting:

MNP Ltd., Receiver and Manager of Faissal Mouhamad Professional Corporation, 985842 Alberta Ltd., 52 Dental Corporation, Delta Dental Corp. and Michael Dave Management Ltd.

Attention: Temitope Muraina
1500, 640 – 5th Avenue SW
Calgary, AB T2P 3G4

Phone: 403-537-8424
Email: Temitope.Muraina@mnp.ca
Fax: 403-537-8393

TAB 31

COURT FILE NO. 2203-12557

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDENTS FAISSAL MOUHAMAD PROFESSIONAL CORPORATION,
MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52
DENTAL CORPORATION, DELTA DENTAL CORP., 52
WELLNESS CENTRE INC., PARADISE MCIVOR
DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD.,
FAISSAL MOUHAMAD AND FETOUN AHMAD also known as
FETOUN AHMED

DOCUMENT SIXTH REPORT OF THE RECEIVER AND MANAGER OF FAISSAL
MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORP.
MICHAEL DAVE MANAGEMENT LTD., 52 DENTAL CORPORATION, 52
WELLNESS CENTRE INC. AND 985842 ALBERTA LTD.

DATED February 28, 2023

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Counsel

McMillan LLP
Suite 1700, 421 7th Avenue SW
Calgary, AB T2P 4K9

Telephone: 403-215-2752/ 403-355-3326

Facsimile: 403-531-4720

Email: adam.maerov@mcmillan.ca;

kourtney.rylands@mcmillan.ca

Attention: Adam Maerov and Kourtney Rylands

Receiver and Manager

MNP Ltd.
Suite 1500, 640 5th Avenue SW
Calgary, AB T2P 3G4

Telephone: 403-477-9661

Facsimile: 403-269-8450

Email: vanessa.allen@mnp.ca

Attention: Vanessa Allen

Clerk's Stamp

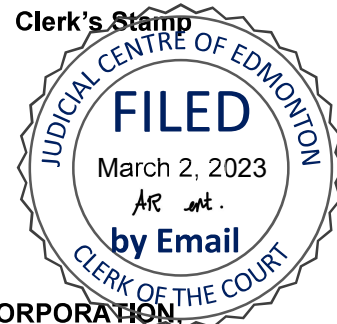


Table of Contents

INTRODUCTION AND BACKGROUND 1

NOTICE TO READER..... 2

PURPOSE OF THE REPORT 3

THE DELTA SALE 3

SALE OF THE 52 CLINIC AND THE 52 BUILDING 8

The 52 Clinic 8

The 52 Building 8

SEALING OF THE FOURTH CONFIDENTIAL REPORT 10

RECOMMENDATION AND CONCLUSION 10

SCHEDULES

- Schedule 1 Redacted Original Asset Purchase Agreement – Delta Clinic and Building
- Schedule 2 Redacted Bifurcated Real Property Purchase Agreement (Delta Building)
- Schedule 3 Redacted Bifurcated Asset Purchase Agreement – Delta Dental (Delta Clinic)

INTRODUCTION AND BACKGROUND

- 1 On August 23, 2022, the Court of King's Bench of Alberta, known as the Court of Queen's Bench of Alberta at the time (the "**Court**"), granted an Interim Receivership Order (the "**Interim Receivership Order**") appointing MNP Ltd. as Interim Receiver (the "**Interim Receiver**") over all of the current and future assets, undertakings and property (the "**IR Property**") of Faissal Mouhamad Professional Corporation ("**FMPC**"), Delta Dental Corp. ("**DDC**") and 52 Dental Corporation ("**52 Dental**", collectively, the "**IR Companies**"), as more particularly set out in the Interim Receivership Order.
- 2 The Interim Receivership Order was granted pursuant to an application (the "**RBC Application**") by Royal Bank of Canada ("**RBC**") which, at the Filing Date (as subsequently defined), was owed approximately \$632,600 by FMPC pursuant to various credit facilities (the "**RBC Loans**"). The RBC Loans are secured by a security interest in, among other things, the IR Property. RBC was also owed approximately \$2.5 million (the "**Mclvor Indebtedness**") by Mclvor Developments Ltd., a corporation related to the Companies (as subsequently defined). The Mclvor Indebtedness was guaranteed by FMPC and 985842 (also as subsequently defined).
- 3 The Receiver notes the following key events related to the RBC Application:
 - 3.1. The RBC Application was originally heard on August 23, 2022, at which time RBC sought the appointment of a Receiver and Manager over the IR Companies. At that time, the Interim Receivership Order was granted and the application to appoint a Receiver and Manager was adjourned until September 14, 2022 (the "**September 14 Hearing**");
 - 3.2. In advance of the September 14 Hearing, the RBC Application was amended (the "**Amended RBC Application**") to also include an application to appoint a Receiver over the current and future assets, undertakings and property of 52 Wellness Centre Inc. ("**52 Wellness**"), Michael Dave Management Ltd. ("**MDML**") and 985842 Alberta Ltd. ("**985842**").
 - 3.3. The Amended RBC Application was heard on September 14, 2022. On September 16, 2022 (the "**Filing Date**"), the Court granted an Order (the "**First Receivership Order**") appointing MNP Ltd. as the Receiver of all of the current and future assets, undertakings and property of the IR Companies, 52 Wellness and MDML. The Amended RBC Application with respect to 985842 was adjourned to September 29, 2022.
 - 3.4. At a hearing on September 29, 2022 (the "**September 29 Hearing**"), a further Order was granted appointing MNP as the Receiver and Manager over all of the current and future assets, undertakings and property of 985842 (the "**Second Receivership Order**"). The First Receivership Order and the Second Receivership Order will collectively be referred to as the "**Receivership Order**". The IR Companies, 52 Wellness, MDML and 985842 will collectively be referred to as the "**Companies**". The IR Property together with all of the current and future

assets, undertakings and property of 52 Wellness, MDML and 985842 will collectively be referred to as the “**Property**”. MNP Ltd., in its capacity as Receiver and Manager of the Companies will be referred to as the “**Receiver**”.

4. Copies of all orders granted by the Court in these proceedings as well as other publicly available documents in these proceedings can be found on the Receiver’s website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/fmpc>.

5. Below is a summary of the entities that are currently subject to the receivership proceedings:

Corporate entity	Directors/ Officers	Description of Operations
Faissal Mouhamad Professional Corporation o/a Delta Dental Delta Dental Corp.	F. Mouhamad is the sole director and shareholder F. Ahmed is the sole director and shareholder	Operates a dental clinic under the name “Delta Dental” (“ Delta Clinic ”). Has no independent operations; previously managed Delta Dental on behalf of FMPC; however, no corresponding agreement was in place.
52 Dental Corporation	F. Ahmed is the sole director and shareholder	Operates a dental clinic under the name “52 Dental” (“ 52 Clinic ”).
52 Wellness Centre Inc.	F. Mouhamad is the sole director and shareholder	Owns a building located at 3505 52nd Street SE, Calgary, Alberta (the “ 52 Building ”). The 52 Building houses 52 Dental and other commercial tenants.
Michael Dave Management Ltd.	F. Mouhamad is the sole director and shareholder	Owns a building located at 7151 50th Avenue in Red Deer, Alberta (the “ Delta Building ”) that houses Delta Dental.
985842 Alberta Ltd.	F. Mouhamad is the sole director and shareholder	Owned a commercial unit located in a building at 108, 5205 Power Center Boulevard in Drayton Valley, Alberta (the “ DV Unit ”).

6. As noted above, the key assets in the receivership proceedings included two operating dental clinics being the Delta Clinic and the 52 Clinic and three real properties, which are summarized below:

6.1. The 52 Building, which is owned by 52 Wellness, houses the 52 Clinic and three other commercial tenants and is legally described as Plan 9910835, Block 39, Lot 1 excepting thereout all mines and minerals;

6.2. The Delta Building, which is owned by MDML, houses the Delta Clinic and is legally described as Plan 2223KS, Block 1, Lot 4A excepting thereout all mines and minerals (the Delta Building and the Delta Clinic will collectively be referred to as the “**Delta Property**”); and

6.3. The DV Unit, which was owned by 985842, houses an unrelated dental practice and is legally described as Plan 0721291, Block 102, Lot 14 excepting thereout all mines and minerals. The sale of the DV Unit has now been completed.

NOTICE TO READER

7. In preparing this report and making comments herein, the Receiver has relied upon, certain unaudited, draft or internal financial information, including the Companies’ books and records, and information from other third-party sources (collectively, the “**Information**”). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or

other standards established by the Chartered Professional Accountants of Canada (the “**Standards**”). Additionally, none of the Receiver’s procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may have come to the Receiver’s attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this report.

8. All amounts included herein are in Canadian dollars unless otherwise stated.

PURPOSE OF THE REPORT

9. This report constitutes the Sixth Report of the Receiver (the “**Sixth Report**”). The Sixth Report is being filed in support of the Receiver’s application to this Honorable Court returnable on March 8, 2023 (the “**March 8 Hearing**”) requesting the following relief:

- 9.1 Approving the bifurcation of the transaction set out in the Asset Purchase Agreement (the “**Delta APA**”) for the Delta Property dated December 20, 2022 with NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation (collectively, the “**NDC Group**”) and approving the corresponding bifurcated agreements being a Real Property Purchase Agreement dated February 28, 2023 (the “**Bifurcated RPA**”), and an Asset Purchase Agreement, also dated February 28, 2023 (the “**Bifurcated APA**”). A redacted copy of the Delta APA is attached hereto as “Schedule 1”. Redacted copies of the Bifurcated RPA and the Bifurcated APA are attached hereto as “Schedule 2” and “Schedule 3” respectively. The Bifurcated RPA and the Bifurcated APA will collectively be referred to as the “**Bifurcated Agreements**”; and
- 9.2 Temporarily sealing the Fourth Confidential Report of the Receiver dated February 28, 2023 (the “**Fourth Confidential Report**”).

- 10 The Sixth Report also provides updates on the sales of the 52 Clinic and the 52 Building.

THE DELTA SALE

11. The marketing process for the Delta Property (the “**Delta Process**”) was completed by Tier Three, A Division of Henry Schein (“**Henry Schein**”) in association with CBRE Limited (“**CBRE**”) and is detailed in the Third Report of the Receiver dated January 3, 2023 (the “**Third Report**”). Based on the results of the Delta Process, the Receiver entered into the Delta APA, which provided for the sale of the Delta Clinic and the Delta Building to the NDC Group (the “**Delta Sale**”) and was approved by the Court pursuant to an Approval and Vesting Order (Sale by Receiver) (the “**SAVO**”) granted on January 11, 2023. A copy of the Delta APA with the purchase price and deposit information redacted

is attached hereto as “Schedule 1”. A unredacted copy of the Delta APA is attached as “Schedule 1” to the Fourth Confidential Report.

12. The Delta APA was amended by a First Asset Purchase Amending Agreement dated February 10, 2023 (the “**First Delta Amendment**”), which provided for the following:
 - 12.1. At the NDC Group’s request, an extension of the closing date from February 10, 2023 to February 24, 2023; and
 - 12.2. The payment of additional amounts totaling \$30,000 of which \$15,000 (the “**First Amendment Deposits**”) was applied to the purchase price and \$15,000 represented an increase to the purchase price (the “**First Amendment Prepayments**”). The first Amendment Prepayments were allocated \$10,000 to the Delta Clinic and \$5,000 to the Delta Building.
13. On February 21, 2023, the NDC Group advised that they were prepared to complete the purchase of the Delta Clinic pursuant to the Delta APA but required a further four-to-eight-week extension of the closing date for the Delta Building (the “**Delta Building Extension**”). The NDC Group advised the Receiver that they were unable to close their financing and now required the Delta Building Extension to seek alternate financing for the Delta Building.
14. The Delta APA contemplated the sale of the Delta Clinic and the Delta Building as a single transaction. At the March 8 Hearing, the Receiver is seeking to bifurcate the sale of the Delta Clinic and the Delta Building such that the sale of the Delta Clinic can be closed forthwith. In the Receiver’s view, there is no benefit in delaying the sale of the Delta Clinic. Moreover, continuing to operate the Delta Clinic in the receivership proceedings will further erode the value of the Delta Clinic, extend the risks to the estate of managing an active dental practice and unnecessarily increase professional fees. As such, the Receiver’s recommendation is to bifurcate the sale of the Delta Clinic from that of the Delta Building such that the sale of the Delta Clinic can proceed. The Receiver also recommends that the NDC Group be afforded a reasonable amount of time to complete the purchase of the Delta Building.
15. On February 24, 2023, the Delta APA was amended by a Second Asset Purchase Amending Agreement dated February 24, 2023 (the “**Second Delta Amendment**”). The Second Delta Amendment extended the closing date for the Delta APA to February 28, 2023 to allow the Receiver and its legal counsel, McMillan LLP (“**McMillan**”) additional time to consider and prepare the Bifurcated Agreements and to settle the Bifurcated Agreements with the NDC Group.
16. The Bifurcated Agreements were executed by the Receiver and the NDC Group on February 28, 2023 and are unconditional outside of the requirement for Court approval.
17. Also on February 28, 2023, the Delta APA was amended by a Third Asset Purchase Amending Agreement (the “**Third Delta Amendment**”), which provided for the extension of the closing date for the Delta APA from February 28, 2023 to March 9, 2023 at which time, subject to Court approval the

Delta Dental APA will be replaced by the Bifurcated Agreements. The Third Delta Amendment also required the payment of additional amounts totaling \$40,000 (the “**Third Amendment Prepayments**”) representing an increase to the purchase price.

18. The terms of the Delta APA are set out in paragraph 13 of the Third Report. The key terms of the Bifurcated RPA and the Bifurcated APA are largely consistent with those of the Delta APA with the key terms, differences and considerations being as follows:

18.1. The Delta APA included an allocation of the purchase price between the Delta Clinic and the Delta Building. The Bifurcated Agreements include purchase prices for the Delta Clinic and the Delta Building that are consistent with the purchase prices allocated to those assets in the Delta APA but have been increased by the First and Third Amendment Prepayments, which collectively had the effect of increasing the purchase price by \$55,000 of which \$30,000 was allocated to the Delta Clinic and \$25,000 was allocated to the Delta Building.

18.2. The Receiver notes that the additional prepayments and deposits were requested in order to mitigate the costs associated with the closing delays. As such, a higher portion of the First Amendment Deposits and Prepayments were allocated to the Delta Clinic compared to the Delta Building to reflect to the larger amount of professional fees that are attributable to managing the operating business as compared to holding the real property. The Third Amendment Prepayments were allocated evenly between the Delta Clinic and the Delta Building since the Receiver anticipates that the bulk of the related additional professional fees will be to prepare the material for the March 8 Hearing and the Bifurcated Agreements.

18.3. The original deposit due pursuant to the Delta APA represented 10% of the total purchase price (the “**Original Deposit**”), which is separate from the additional deposits and prepayments described above. The Original Deposit was allocated based on the purchase price allocation set out in the Delta APA with the amount being included in the Fourth Confidential Report. The Original Deposit, the First Amendment Deposits and the First and Third Amendment Prepayments are or will either be held by McMillan or will have been released to the Receiver in accordance with the various agreements. Pursuant to the Bifurcated Agreements, the NDC Group acknowledged that the Original Deposit, the First Amendment Deposits and the First and Third Amendment Prepayments are non-refundable and fully releasable.

18.4. The sales are being completed on an “as is, where is” basis with no representations or warranties being made by the Receiver.

18.5. The closing date for the Delta Clinic under the Bifurcated APA is March 8, 2023, with the intention being to close the transaction contemplated in the Bifurcated APA immediately following Court approval of the Bifurcated Agreements. The NDC Group has provided the Receiver with a trust statement from their legal counsel as well as a bank statement as of

February 28, 2023 indicating that they currently have access to sufficient funds to satisfy the purchase price for the Delta Clinic set out in the Bifurcated APA.

- 18.6. The closing date for the Delta Building under the Bifurcated RPA has been extended by four weeks from February 24 to March 24, 2023. The Receiver is advised that the NDC Group may require a further extension of up to four weeks to complete the purchase of the Delta Building. The Receiver has advised the NDC Group that, any further extension will come with a requirement for an additional non-refundable prepayment in addition to the purchase price, the amount of which will depend on the terms of any further extension and the Receiver's view of the associated closing risk.
- 18.7. Upon completing the sale of the Delta Clinic, the NDC Group will be required to enter into a short-term lease agreement with the Receiver with respect to the Delta Clinic's use of the Delta Building, pending the completion of the sale of the Delta Building.
- 18.8. The Bifurcated APA contains a covenant by the Purchaser such that they will not take any steps to close or terminate the operation of the Delta Clinic and/or relocate the associated assets until such time as the transaction contemplated in the Bifurcated RPA is closed. The Bifurcated RPA provides for the termination of that agreement if the Purchaser takes any steps to close, or terminate the operation of, or relocate the Delta Clinic and the associated assets (collectively, the "**Relocation Clauses**").
- 18.9. The Receiver will have the option to terminate the sale of the Delta Building, with the consent of the Jovica Group (as subsequently defined) in the event that the NDC Group fails to close the transaction under the Bifurcated APA. The Receiver may also terminate the Bifurcated RPA in the event that the sale of the Delta Building is not completed within 60 days of the execution of the Bifurcated RPA.
- 18.10. The Bifurcated RPA provides that, if the NDC Group receives a commitment letter or similar commitment with respect to securing financing for any portion of, or all, of the purchase price payable under the Bifurcated RPA, the NDC Group will provide the Receiver with a copy of same.
- 18.11. In order to mitigate the risk in the event that the NDC Group fails to close the purchase of the Delta Building, CBRE, which previously marketed the Delta Building will be conducting a soft remarketing of the Delta Building until such time as the sale of the Delta Building has been completed. Specifically, CBRE will reach out to interested parties to advise them that this property may be returning to market.
- 18.12. The Receiver has been advised by both Henry Schein, which marketed the Delta Property and the 52 Clinic and NAI Commercial Real Estate Inc. ("**NAI**"), which marketed the 52 Building,

that both had brokered previous sales involving Dr. Viet Tran, one of the principals of the NDC Group, and that the corresponding transactions had closed successfully.

19. After being advised that the NDC Group was unable to complete the sale of the Delta Property as contemplated, the Receiver engaged with RBC and members of the Jovica Group, Solar Star Holdings Inc. and 1245233 Alberta Inc., which hold the first registered mortgage on the Delta Building (collectively, the “**Jovica Group**”) regarding the possibility of amending the Delta APA such that the sale of the Delta Clinic could have closed on February 24, 2023, as contemplated and the sale of the Delta Building could be extended for a four-eight week period (the “**Proposed Amendment**”).
20. The Receiver was advised that RBC supported the Proposed Amendment. The Jovica Group indicated that they did not support the Proposed Amendment and that they would only support a scenario where the closing of the entire Delta Sale (including the Delta Clinic and the Delta Building) was postponed for four weeks and on the condition that, if the transaction did not close at that time, then the Jovica Group would be allowed to commence foreclosure proceedings to sell the Delta Building.
21. The Receiver understands the Jovica Group’s primary concern to be that the NDC Group may complete the sale of the Delta Clinic, relocate the Delta Clinic from the Delta Building and then fail to complete the sale of the Delta Building such that the Delta Building would then need to be remarketed without a tenant. While the Receiver agrees that the NDC Group’s inability to complete the Delta Sale as originally contemplated is cause for significant concern, the Receiver notes as follows:
 - 21.1. The NDC Group has paid significant deposits and prepayments in relation to the Delta Property, which have been or will be forfeited in the event that the transactions contemplated by the Bifurcated Agreements cannot be completed.
 - 21.2. Moving an operating dental practice is a significant undertaking and would result in the NDC Group having to incur significant out of pocket costs. In addition, moving the Delta Clinic would negatively impact its value since it would likely further erode the Delta Clinic’s existing client base, for some of whom the appeal of the Delta Clinic is its location.
 - 21.3. As noted above, the Relocation Clauses have been included in the Bifurcated RPA and the Bifurcated APA, which specifically addresses any concern that the NDC Group might move the Delta Clinic out of the Delta Building.
 - 21.4. In the Receiver’s view, there is significant risk associated with not completing the sale of the Delta Clinic in the short-term since its value will continue to erode the longer it is in the receivership proceedings. Both the Receiver and Henry Schein/ CBRE are of the view that the value of the Delta Building is significantly more resilient than that of the Delta Clinic and, as such, the best course of action is to complete the sale of the Delta Clinic as quickly as possible. The Receiver also notes that the NDC Group has a specific interest in dental practices and

has continually communicated to the Receiver their intention to grow the operation of the Delta Clinic in its current location.

- 21.5. The professional fees involved in managing the Delta Clinic as an operating business are well in excess of the professional fees associated with holding the Delta Building pending sale. As such, closing for the sale of the Delta Clinic will significantly reduce the go-forward professional fees incurred in the corresponding estates.
- 21.6. The Receiver is of the view that any foreclosure proceeding of the Delta Building is premature and can better be considered based on the results of CBRE's ongoing marketing efforts during the Delta Building Extension. In the Receiver's view, the potential prejudice to the creditors of not closing the sale of the Delta Clinic is significantly in excess of the potential prejudice to the creditors associated with any future re-marketing of the Delta Building.
22. Based on the concerns expressed above, the Receiver is seeking approval of the Bifurcated Agreements at the March 8 Hearing. The Receiver is advised that RBC is supportive of the Bifurcated Agreements.

SALE OF THE 52 CLINIC AND THE 52 BUILDING

The 52 Clinic

23. The 52 Clinic was marketed by Henry Schein and the 52 Building was marketed by NAI with the respective marketing processes being detailed in the Third Report. The Court granted Approval and Vesting Orders (Sale by Receiver) on January 11, 2023 approving the transactions contemplated in an Asset Purchase Agreement for the 52 Clinic (the "**52 Clinic APA**") and the transaction contemplated in an Offer to Purchase for the 52 Building (the "**52 Building OTP**"), both also with the NDC Group (respectively, the "**52 Clinic Sale**" and the "**52 Building Sale**").
24. The 52 Clinic APA was amended by a First Asset Purchase Amending Agreement dated February 10, 2023 that extended the closing date for the 52 Clinic Sale from February 10, 2023 to February 24, 2023 and provided for the payment of additional amounts totaling \$15,000, of which \$7,500 was applied to the purchase price and \$7,500 represented an increase to the purchase price. The 52 Clinic Sale was completed on February 24, 2023.

The 52 Building

25. The 52 Building OTP was amended by a First Offer to Purchase Amending Agreement dated January 13, 2023, which addressed the treatment of an insurance claim related to a flooding incident at the 52 Building as a result of a toilet overflowing on the morning of January 9, 2023.
26. The 52 Building OTP was then further amended by a Second Offer to Purchase Amending Agreement dated February 10, 2023 that extended the closing date for the 52 Building from February 10, 2023 to February 24, 2023 and provided for the payment of additional amounts totaling \$5,000,

of which \$2,500 was applied to the purchase price (the “**52 Second Amendment Deposit**”) and \$2,500 represented an increase to the purchase price (the “**52 Second Amendment Prepayment**”). On February 21, 2023, the NDC Group requested a further four-to-eight-week extension of the closing date for the 52 Building Sale. The Receiver is advised that the NDC Group requires the additional time to seek financing to complete the transaction.

27. On February 24, 2023, a Third Offer to Purchase Amending Agreement was executed (the “**Third 52 Amendment**”) on the following terms:

27.1. The closing date was extended by four weeks from February 24, 2023 to March 24, 2023; and

27.2. The purchase price was increased by \$25,000, which amount was immediately payable by way of a non-refundable and immediately releasable prepayment (the “**52 Third Amendment Prepayment**”).

28. On February 24, 2023, the NDC Group also entered into a short-term lease agreement with the Receiver with respect to the unit occupied by the 52 Clinic in the 52 Building and will pay per diem rent until such time as the sale of the 52 Building can be completed.

29. The Receiver notes the following regarding the 52 Building Sale:

29.1. The NDC Group paid an initial deposit equal to 10% of the initial purchase price for the 52 Building (the “**52 Original Deposit**”). The 52 Original Deposit, the 52 Second Amendment Deposit and the 52 Second and Third Amendment Prepayments (collectively, the “**52 Deposits and Prepayments**”) are all either being held by McMillan or have been released to the Receiver in accordance with the various agreements. Pursuant to the Bifurcated Agreements, the NDC Group acknowledged that the 52 Deposits and Prepayments are non-refundable and fully releasable.

29.2. The 52 Deposits and Prepayments will be forfeited by the Purchaser in the event that the sale of the 52 Building is not ultimately completed. The 52 Second and Third Amendment Prepayments have resulted in a cumulative increase of \$27,500 to the purchase price. Should an extension of more than four weeks be required to complete the sale of the 52 Building, the Receiver has advised the NDC Group that a further increase to the purchase price will be required, the amount of which will depend on the terms of any further extension and the Receiver’s view of the associated closing risk.

29.3. In order to mitigate the risk in the event that the NDC Group fails to close the purchase of the 52 Building, NAI, which previously marketed the 52 Building, will be conducting a soft remarketing of the 52 Building until such time as the 52 Building Sale is completed.

29.4. The Receiver consulted with Scotiabank, the first secured lender for the 52 Building, who has indicated that they support the Third 52 Amendment as set out above.

29.5. There have been no other changes to the 52 Building OTP outside of those described above.

SEALING OF THE FOURTH CONFIDENTIAL REPORT

30. The Fourth Confidential Report contains unredacted copies of the Bifurcated Agreements, which disclose the purchase prices, prepayment and deposit information for the Delta Clinic and the Delta Building (the "**Confidential Information**").
31. At the March 8 Hearing, the Receiver is seeking to temporarily seal the Fourth Confidential Report until the sale of the Delta Property closes or until a further Order of this Honourable Court. The Receiver is of the view that the disclosure of the Confidential Information would be detrimental to any subsequent marketing efforts that may be required should the Delta Sale not be completed. There are no reasonable alternative measures to sealing this information. The Receiver is of the view that, if the requested Sealing Order is not granted, creditor recoveries may be reduced in any future marketing process.

RECOMMENDATION AND CONCLUSION

32. The Sixth Report has been prepared to provide the Court with information about the Receiver's application, scheduled to be heard at the March 8 Hearing, seeking approval of the Bifurcated Agreements and the Sealing of the Fourth Confidential Report, which the Receiver is recommending for the reasons set out herein. It also provides updates on the 52 Clinic Sale and the 52 Building Sale.

All of which is respectfully submitted this 28th day of February 2023.

MNP Ltd., in its capacity as Receiver and Manager of Faissal Mouhamad Professional Corporation, Delta Dental Corporation, 52 Dental Corporation, 52 Wellness Centre Inc., Michael Dave Management Ltd. and 985842 Alberta Ltd. and not in its personal or corporate capacity

Per: _____



Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President

SCHEDULES

SCHEDULE 1

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 20th day of December, 2022.

BETWEEN: **MNP LTD.**, in its capacity as court-appointed receiver and manager of **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORPORATION, AND MICHAEL DAVE MANAGEMENT LTD.** and not in its personal or corporate capacity

(the "**Receiver**");

- and -

NDC GROUP INC. and V. TRAN AND T. SIVANANTHA PROFESSIONAL CORPORATION (collectively the "**Purchaser**");

WHEREAS:

- A. On September 16, 2022, the Court (as hereinafter defined) granted an order (the "**Receivership Order**") appointing MNP Ltd. as receiver and manager of the property, undertakings and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Ltd. (collectively, the "**Debtors**").
- B. The Receiver wishes to sell to the Purchaser all of the right, title, and interest of the Debtors in and to the Purchased Assets (as hereinafter defined) subject to the terms and conditions of this Agreement.

IN CONSIDERATION of the premises and covenants, agreements, representations, warranties, and payments contained in this Agreement, the Receiver and the Purchaser agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The following terms have the following meanings:

- (a) "**Accounts Receivable**" means any and all (i) accounts receivable, notes receivable and other amounts receivable owed to the Debtors (whether current or non-current), together with all security or collateral therefor and any interest or unpaid financing charges accrued thereon, including all Claims pertaining to the collection of amounts payable, or that may become payable, to the Debtors, (ii) amounts receivable owing or payable to the Debtors from any Governmental Authority, and (iii) other amounts due to the Seller which have historically been classified as accounts receivable in the consolidated balance sheet of the Debtors;

- (b) "**Agreement**" means this asset purchase agreement, including all Schedules hereto, as it may be supplemented, amended, restated or replaced from time to time by written agreement of the Parties;
- (c) "**Allocation Statement**" has the meaning ascribed thereto in Section 2.5;
- (d) "**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (a) and (b), "**Law**") in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation;
- (e) "**Books and Records**" means all books, records, files and papers used or intended for use in connection with the Business or the ownership of the Purchased Assets, including title documentation, manuals, sales and advertising materials, patient records, patient information, and all other documents and data (technical or otherwise) relating to the Purchased Assets, and all copies and recordings of the foregoing;
- (f) "**Business**" means the general dentistry practice carried on by one or more of the Debtors at 7151 50 Ave Red Deer AB T4N 4E4;
- (g) "**Business Day**" any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Alberta or the federal laws of Canada applicable in the Province of Alberta, on which the principal commercial banks in the City of Calgary, Alberta are open for business;
- (h) "**Cash and Cash Equivalents**" means cash, bank balances, monies in possession of banks and other depositories, term or time deposits, marketable securities, short term investments, funds, bankers' acceptances, commercial paper, security entitlements, securities accounts and any other cash equivalents of, the Debtors;
- (i) "**Claim**" means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened;
- (j) "**Closing**" means the completion of the Transaction on the Closing Date at the Closing Time in accordance with this Agreement;
- (k) "**Closing Date**" means ~~later of thirty days after the granting of the Vesting Order or February 28, 2023;~~ *February 10, 2023 or such other date as may be agreed in writing between the parties provided that on such date*
- (l) "**Closing Time**" means 12:00 noon on the Closing Date; *the Vesting Order is not subject to any outstanding appeal or application for leave to appeal. A*

- (m) "**Contracts**" means all contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which any of the Debtors is a party or by which any of the Debtors is bound or under which any of the Debtors has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied), as same may be amended and/or restated, and including any and all related quotations, orders, proposals or tenders which remain open for acceptance, warranties and guarantees and documents ancillary thereto;
- (n) "**Court**" means the Court of King's Bench of Alberta;
- (o) "**Deposit**" has the meaning ascribed thereto in Section 2.4(a);
- (p) "**Encumbrances**" means any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order; (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta).
- (q) "**ETA**" means the *Excise Tax Act*, RSC, 1985, c E-15 and the regulations thereto;
- (r) "**Excluded Assets**" means:
- (i) the Debtors' Cash and Cash Equivalents as of the Closing Date;
 - (ii) the Debtors' Accounts Receivable as of the Closing Date;
 - (iii) the Debtors' Contracts as of the Closing Date;
 - (iv) the Debtors' Permits as of the Closing Date; and
 - (v) the Debtors' rights under this Agreement;
- (s) "**Goodwill**" means the goodwill of the Debtors related to the Business at the Closing Time including the right to represent the Purchaser as carrying on the Business in continuation of, and in succession to, the Debtors;
- (t) "**Governmental Authority**" means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal, or local governmental authority, quasi-governmental authority, instrumentality, court, government, or self-regulatory organization, bureau, commission, tribunal, or organization or any regulatory, administrative, or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction with respect to the Debtors, the Purchased Assets, or any other matter that is the subject of this Agreement including the College of Dental Surgeons of Alberta;

- (u) "**GST**" means any goods and services tax imposed under Part IX of the ETA;
- (v) "**ITA**" means the *Income Tax Act* (Canada) RSC, 1985, c 1 (5th Supp.);
- (w) "**Legal Proceeding**" means any litigation, action, application, demand, suit, investigation, hearing, Claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review;
- (x) "**Party**" or "**Parties**" mean either the Receiver or the Purchaser, as appropriate in the context, or both;
- (y) "**Permits and Licences**" means all permits, consents, waivers, licences, sub-licences, certificates, approvals, authorizations, registrations, rights, privileges, certification, quotas and exemptions, or any item with a similar effect, issued or granted by any Governmental Authority for or related to the Purchased Assets;
- (z) "**Permitted Encumbrances**" means those encumbrances registered on title to the Real Property, as more particularly set out in Schedule "B" hereto;
- (aa) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (bb) "**Purchase Price**" has the meaning ascribed thereto in Section 2.3 hereof;
- (cc) "**Purchased Assets**" means those assets listed in Schedule "A" hereto;
- (dd) "**Purchaser**" has the meaning ascribed thereto in the recitals hereto;
- (ee) "**Purchaser's Solicitors**" means Bryan & Company LLP;
- (ff) "**Real Property**" means the real property municipally described at 7151 50th Avenue in Red Deer, Alberta, T4N 4E4 and having the legal descriptions set out in Schedule "A" hereto;
- (gg) "**Receiver**" has the meaning ascribed thereto in the recitals hereto;
- (hh) "**Receiver's Solicitors**" means McMillan LLP;
- (ii) "**Receivership Order**" has the meaning ascribed thereto in the recitals hereto;
- (jj) "**Receivership Proceedings**" means the proceedings commenced pursuant to the issuance of the Receivership Order;
- (kk) "**Taxes**" means all transfer taxes, sales taxes, uses taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees and any other similar or like taxes and charges of any kind whatsoever imposed or

charged by any Governmental Authority and any filing, registration, recording or transfer fees payable in connection with the sale, transfer or registration of the Purchased Assets, including GST;

- (ll) "**Transaction**" means the purchase and sale of all of the Debtors' right, title and interest, if any, in and to the Purchased Assets and all other transactions contemplated by this Agreement; and
- (mm) "**Vesting Order**" means an order of the Court made in the receivership proceeding substantially in the form attached as Schedule "C" hereto and otherwise in form and content satisfactory to the Purchaser and the Receiver, each acting reasonably, approving the entry into this Agreement by the Receiver and the consummation of the Transaction contemplated hereby, and vesting in the Purchaser or its nominee(s) all right, title, and interest of the Debtors in and to the Purchased Assets free and clear of all Encumbrances but subject to the Permitted Encumbrances.

1.2 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

Schedule "A"	Purchased Assets
Schedule "B"	Permitted Encumbrances
Schedule "C"	Form of Vesting Order
Schedule "D"	Allocation Statement

1.3 Certain Rules of Interpretation

In this Agreement:

- (a) headings are inserted for convenience of reference only and will not affect the interpretation of this Agreement;
- (b) the division into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (c) the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this Agreement and not to any particular portion of this Agreement;
- (d) "**including**" or "**includes**" means "**including (or includes) but is not limited to**" and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;

- (e) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and
- (f) words in the singular include the plural and vice-versa and words in one gender include all genders.

1.4 Business Day

If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

1.5 Currency and Payment

In this Agreement, unless specified otherwise, references to dollar amounts or "\$" are to Canadian dollars, and any payment is to be made by an official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of the Purchased Assets

Subject to the timely fulfillment or waiver of the conditions precedent set forth in Article 3 hereof, including the granting of the Vesting Order, and the terms and conditions of this Agreement, on the Closing Date, the Receiver agrees to sell, assign, and transfer to the Purchaser, and the Purchaser agrees to purchase from the Receiver, all right, title, and interest of the Debtors, if any, in and to the Purchased Assets. Such foregoing purchase shall be free and clear of all Encumbrances as provided for in the Vesting Order.

2.2 Excluded Assets

Notwithstanding anything to the contrary in Section 2.1 or elsewhere in this Agreement, the Purchased Assets shall not include the Excluded Assets, which shall remain the property of the Debtors and nothing herein shall be deemed to sell, transfer, assign or convey the Excluded Assets or any of the Debtors' right, title or interest therein or thereto.

2.3 Purchase Price

The amount payable by the Purchaser to the Receiver for the Purchased Assets will be [REDACTED] (the "Purchase Price"), as adjusted in accordance with Section 2.8 hereof.

2.4 Payment of the Purchase Price

The Purchaser will pay the Purchase Price, as adjusted in accordance with Section 2.8 hereof, to the Receiver as follows:

- (a) the sum of [REDACTED], representing 10% of the Purchase Price, will be paid by the

Purchaser upon execution of this Agreement by wire transfer in accordance with wire instructions delivered by the Receiver as a deposit (the "**Deposit**") to be held by the Receiver in trust until the Closing and will be credited toward the Purchase Price upon Closing; and

- (b) the balance of the Purchase Price will be paid by the Purchaser at Closing by wire transfer in accordance with wire instructions delivered by the Receiver.

The Receiver agrees to cause the Deposit to be placed into a non-interest bearing account. The Purchaser acknowledges and agrees that the Deposit is non-refundable except as provided in Section 5.7(e).

2.5 Allocation of Purchase Price

The Purchase Price shall be allocated by the Receiver and the Purchaser among the Purchased Assets in accordance with the allocation statement attached as Schedule "D" (the "**Allocation Statement**"). The Purchaser and the Receiver shall: (a) report the purchase and sale of the Purchased Assets in any income tax returns relating to the Transaction in accordance with the Allocation Statement; and (b) act in accordance with the Allocation Statement in the preparation, filing and audit of any Tax return.

2.6 Taxes

The Purchaser will pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial taxes eligible in connection with the purchase and sale of the Purchased Assets, including GST and any other provincial sales taxes and provide the Receiver with proof of payment of such taxes. Alternatively, where applicable, the Purchaser will have the option to furnish the Receiver with appropriate exemption certificates. The Purchaser agrees to indemnify and save the Receiver harmless from and against all Claims and demands for payment of all applicable taxes in connection with this Agreement and the Transaction, including penalties and interest and any liability or costs incurred as a result of any failure to pay those taxes when due.

2.7 As is, Where is.

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Receiver set forth in Section 4.1, it is entering into this Agreement, acquiring the Purchased Assets on an "**as is, where is**" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time and the sale of the Purchased Assets is made without legal warranty and at the risk of the Purchaser;
- (b) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets as it deemed appropriate, and based solely thereon, has determined to proceed with the Transaction;
- (c) the Purchaser acknowledges that it is aware of the land use classification for the Real Property and the surrounding property;

- (d) except as expressly stated in Section 4.1, neither the Receiver nor its representatives have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Debtors' right, title or interest in or to the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;
- (e) all written and oral information obtained from the Receiver or its representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain "**data rooms**", management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets has been obtained for the convenience of the Purchaser only, and neither the Receiver nor its representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information; and
- (f) any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Receiver or its representatives, or any other Person concerning the completeness or accuracy of such information or descriptions.

Notwithstanding anything to the contrary herein, the Purchaser hereby expressly acknowledges that if any consents of: (i) any Governmental Entities are required to effect the transfer of any of the Purchased Assets; or (ii) any lessees are required to effect the transfer of any of the leases or licences to be acquired by the Purchaser pursuant to this Agreement, then it is the sole responsibility of the Purchaser to obtain any such consents, and the granting of any such consents shall not be a condition precedent to the Purchaser's obligations under this Agreement, including the payment of the Purchase Price. At the request and cost of the Purchaser, both before and after the Closing Date, the Receiver will assist the Purchaser in its efforts to obtain any consents required of any Government Entities or lessees in order to complete the sale and transfer of the Purchased Assets pursuant to this Agreement.

2.8 Adjustments

The Purchase Price shall be subject to adjustment as at 12:00 p.m. (Alberta time) on the Closing Date and will include but not be limited to property taxes, utilities and any pre-paid expenses relating to the Purchased Assets. The adjustments will be made to the extent reasonably possible on Closing as of the Closing Date. The Receiver will prepare a statement of the adjustments for the Purchased Assets. The Purchaser and the Receiver agree that if the final cost or amount of any item which is to be adjusted under this Section 2.8 cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, and such amount shall be reasonably

estimated by the Receiver as at the end of the day preceding the adjustment date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. Notwithstanding any other provisions of this Agreement and for the avoidance of doubt, the parties agree that their respective rights to adjustment and/or readjustment of any item or matter in relation to this transaction after Closing, shall be limited to the period of thirty (30) days after Closing, and any specific claim for adjustment and/or re-adjustment not made within such period shall expire and be extinguished on the expiry of such period and neither party shall have any further right to claim for adjustment or re-adjustment of the Purchase Price for any reason whatsoever.

ARTICLE 3 CONDITIONS

3.1 Conditions in Favour of the Purchaser

The obligations of the Purchaser under this Agreement are subject to the fulfillment of the following conditions precedent on or before the Closing Time:

- (a) each of the representations and warranties of the Receiver contained in this Agreement shall be true and correct as if restated on and as of the Closing Date;
- (b) no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- (c) the Receiver shall have delivered or caused to be delivered to the Purchaser all items referred to in Section 5.3; and
- (d) the obligations contained in this Agreement shall have been complied with by the Receiver in all material respects.

The foregoing conditions are for the exclusive benefit of the Purchaser and non-satisfaction or non-performance of any such condition may only be waived by the Purchaser, in its sole discretion, in whole or in part, at any time and from time to time. Any such waiver is only binding on the Purchaser if it is made in writing and delivered forthwith to the Receiver's Solicitors.

3.2 Conditions in Favour of the Receiver

The obligations of the Receiver under this Agreement are subject to the fulfillment of the following conditions precedent on or before the Closing Time:

- (a) each of the representations and warranties of the Purchaser contained in this Agreement shall be true and correct as if restated on and as of the Closing Date;
- (b) no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- (c) the Purchaser shall have delivered or caused to be delivered to the Receiver all items referred to in Section 5.2; and
- (d) the obligations contained in this Agreement shall have been complied with by the Purchaser in all material respects.

The foregoing conditions are for the exclusive benefit of the Receiver and non-satisfaction or non-performance of any such condition may only be waived by the Receiver, in its sole discretion, in whole or in part, at any time and from time to time. Any such waiver is only binding on the Receiver if it is made in writing and delivered forthwith to the Purchaser's Solicitors.

3.3 Mutual Conditions

The obligations of the Parties under this Agreement are subject to the following mutual conditions precedent or before the Closing Time:

- (a) a Vesting Order will have been made by the Court approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest of the Debtors, if any, in and to the Purchased Assets, free and clear of all Encumbrances, except for the Permitted Encumbrances, such order to be substantially in the form attached hereto as Schedule "C"; and
- (b) the Vesting Order will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the Transaction.

The Parties may agree to amend or waive any the foregoing conditions. Any amendment or waiver by the Parties must be in writing and delivered to the Purchaser's Solicitors and the Receiver's Solicitors.

3.4 Non-Satisfaction of Conditions

If any condition set out in this Article 3 is not satisfied or performed prior to the time specified therefor, a Party for whose benefit the condition is inserted may, in writing:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party, the Purchaser's Solicitors and the Receiver's Solicitors and without prejudice to any of its rights of termination in the event of non-fulfilment of any other conditions in whole or in part; or
- (b) elect to terminate this Agreement before Closing.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Receiver

The Receiver represents and warrants to the Purchaser as follows, with the intent that the Purchaser will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction contemplated by this Agreement:

- (a) subject to obtaining and pursuant to the Vesting Order, the Receiver has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;

- (b) the Receiver is not a non-resident of Canada within the meaning of section 116 of the *Income Tax Act*;
- (c) the Receiver has taken no act to encumber the Purchased Assets other than allowing the charges created pursuant to the Receivership Order to exist or arise in the ordinary course; and
- (d) to the best of the Receiver's knowledge, no actions or proceedings are pending and none have been threatened to restrain or prohibit the completion of the Transaction.

4.2 Representations and Warranties of the Purchaser

Each of NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation, as Purchaser, on a joint and several basis, represents and warrants to the Receiver as follows, with the intent that the Receiver will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction contemplated by this Agreement:

- (a) the Purchaser has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;
- (b) the Purchaser is a corporation duly incorporated, validly existing, and in good standing under the *Business Corporations Act (Alberta)*;
- (c) the execution and delivery of this Agreement and the completion of the transaction contemplated by this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement constitutes a legal, valid, and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (d) there is no Legal Proceeding in progress, pending against or threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder;
- (e) the Purchaser is not a "non-Canadian" within the meaning of the *Investment Canada Act*, RSC 1985, c 28 (1st Supp);
- (f) the Purchaser is or will be upon Closing registered under Part IX of the ETA, and shall provide its registration numbers to the Receiver at or prior to Closing; and
- (g) the Receiver will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser.

ARTICLE 5 CLOSING

5.1 Closing

Subject to the terms and conditions of this Agreement, and the satisfaction or the waiver of the conditions precedent contained herein, the purchase and sale of the Debtors' right, title and interest, if any, in and to the Purchased Assets will be completed at the Closing Time. If required, the Purchaser shall obtain title insurance, at its own expense, with gap coverage, to allow for the adjusted balance of the Purchase Price to be fully releasable to the Receiver no later than 12:00 P.M. (Alberta time) on the Closing Date.

5.2 Purchaser's Deliveries on Closing

At the Closing Time, the Purchaser will deliver, or cause to be delivered to the Receiver:

- (a) payment of the balance of the Purchase Price, as adjusted in accordance with Section 2.8 hereof;
- (b) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date with the same effect as though made on and as of the Closing Date;
- (c) a certificate dated as of the Closing Date confirming that each of the conditions precedent in favour of the Purchaser contained in this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (d) if necessary, payment or evidence of payment of applicable taxes or, if applicable, appropriate tax exemption certificates in accordance with Section 2.6;
- (e) an undertaking to re-adjust all items on or omitted from the statement of adjustments in accordance with Section 2.8;
- (f) any other documentation as is referred to in this Agreement or as the Receiver may reasonably require to give effect to this Agreement or required by Applicable Law or any Governmental Authority.

5.3 Receiver's Deliveries on Closing

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

- (a) a receipt in respect of the payment of the Purchase Price;
- (b) a true copy of the filed Vesting Order;
- (c) a statement of adjustments in accordance with Section 2.8;
- (d) an undertaking to re-adjust all items on or omitted from the statement of adjustments in accordance with Section 2.8;

- (e) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Receiver contained in this Agreement are true as of the Closing Date with the same effect as though made on and as of the Closing Date; and
- (f) a certificate dated as of the Closing Date confirming that each of the conditions precedent in favour of the Receiver contained in this Agreement have been fulfilled, performed or waived as of the Closing Date.

5.4 Possession of Assets

The Receiver will remain in possession of the Books and Records and the Purchased Assets until Closing. On Closing, the Purchaser will take possession of the Books and Records and the Purchased Assets where situate at Closing. The Purchaser acknowledges that the Receiver has no obligation to deliver physical possession of the Books and Records and the Purchased Assets to the Purchaser. In no event will the Books and Records be delivered or the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the Purchaser has satisfied all delivery conditions in Section 5.2

5.5 Access to Assets

The Purchaser may have reasonable access to the Purchased Assets during normal business hours prior to Closing for the purpose of enabling the Purchaser to conduct any inspections of the Purchased Assets as it deems appropriate. Those inspections will only be conducted in the presence of a representative of the Receiver if so required at the discretion of the Receiver. For greater certainty, all communications and approvals to obtain access shall go through the Receiver, in advance. The Purchaser agrees to indemnify and save the Receiver harmless from and against all Claims, demands, losses, damages, actions and costs incurred or arising from or in any way directly related to the inspection of the Purchased Assets.

5.6 Risk

The Purchased Assets will be at the Receiver's risk until the completion of the transaction contemplated herein on the Closing Date and thereafter at the Purchaser's risk. If, before the Closing, any of the Purchased Assets is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, then:

- (a) the Parties shall agree on an adjustment to the Purchase Price to account for such loss, damage, destruction, appropriation, expropriation or seizure; or
- (b) if such loss, damage, destruction, appropriation, expropriation or seizure is materially adverse to the Purchaser, as determined by the Purchaser, acting reasonably, then the Purchaser, at its sole discretion may terminate this Agreement.

5.7 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of the Receiver and the Purchaser; or

- (b) by either the Receiver or the Purchaser if the Closing has not occurred on or before January 31, 2023; provided, however, that a Party may not exercise such termination right if they are in material breach of their obligations under this Agreement.

If either the Receiver or the Purchaser validly terminates this Agreement under the provisions of this Section 5.7 or Section 3.4 or Section 5.6:

- (c) all the obligations of the Receiver and the Purchaser under this Agreement will be at an end;
- (d) neither Party will have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other; and
- (e) the Deposit shall be forfeited to the Receiver unless the termination results from the Receiver not satisfying the conditions in Section 3.3 in which case the Deposit shall be refunded to the Purchaser as liquidated damages upon termination of the Agreement.

5.8 Breach by the Purchaser

If the Purchaser fails to comply with its obligations under this Agreement, the Receiver may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, other than as provided in Section 5.7, the Deposit and any other payments made by the Purchaser will be forfeited to the Receiver on account of its liquidated damages, and the Purchased Assets may be resold by the Receiver. In addition, the Purchaser will pay to the Receiver, on demand, the deficiency, if any, arising upon such resale (after deducting the Deposit, the interest on the Deposit and the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

ARTICLE 6 GENERAL

6.1 Receiver's Liability

The Purchaser hereby expressly acknowledges and agrees that MNP Ltd. is acting only in its representative capacity as Court-appointed receiver and manager of the Debtors and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement.

6.2 Obligations to Survive

The obligations and covenants of the Parties set out in the following Sections of this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter: Section 2.6 Taxes, Section 2.7 As is, Where is, Section 6.3 Further Assurances and Section 6.5 Expenses.

6.3 Further Assurances

The Parties will execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

6.4 Notice

All notices required or permitted to be given under this Agreement will be in writing and delivered by courier or email as follows:

To the Receiver at:

MNP Ltd., in its capacity as receiver of
the property, assets and undertaking of
Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael
Dave Management Ltd.
1500, 640 5 Avenue SW
Calgary, AB T2P 3G4

Attention: Vanessa Allen
Email: vanessa.allen@mnp.ca

With a copy to:

McMillan LLP
TD Canada Trust Tower, Suite 1700
421 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Adam Maerov and Mitchell Allison
Email: adam.maerov@mcmillan.ca; mitchell.allison@mcmillan.ca

To the Purchaser at:

Bryan & Company LLP
2900 Manulife Place, 10180 101 Street
Edmonton, AB T5J 3V5

Attention: Jordan Mertz
Email: jmertz@bryanco.com

With a copy to:

NDC Group Inc. o/a National Dental Care
1734 24A Street SW
Calgary, AB T3C 1J4

Attention: Viet Tran, Scott Newman, Andrew Ardell
Email: viet@nationaldental.ca; scott@nationaldental.ca; andrew@nationaldental.ca

6.5 Expenses

Each Party shall pay all of its own expenses (including taxes imposed on those expenses) incurred in the authorization, negotiation, preparation, execution and performance of this

Agreement and the Transaction, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

6.6 No Third Party Beneficiary

This Agreement is solely for the benefit of the Parties and no third party accrues any benefit, Claim or right of any kind pursuant to, under, by or through this Agreement.

6.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

6.8 Amendment

No amendment of this Agreement will be binding unless made in writing by both Parties.

6.9 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited, or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition, or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances.

6.10 Assignment

This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party hereto, which consent may be arbitrarily withheld, provided that the Purchaser may designate one or more nominees to take title in and to the Purchased Assets, or any part thereof, by giving the Receiver written notice of such assignment at least two clear Business Days prior to the date of the hearing of the application for the Vesting Order. This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No assignment shall relieve the assigning Party of any of its obligations hereunder.

6.11 Time of the Essence

Time will be of the essence of this Agreement.

6.12 Disclosure of Agreement

Each of the Parties agree that this Agreement shall be filed in the Receivership Proceedings with redactions as agreed upon between the Parties and the Court.

6.13 Applicable Law and Court Jurisdiction

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 the Parties hereby attorn to the jurisdiction of the Alberta Court of King's Bench, Judicial District of Calgary.

6.14 Counterparts

This Agreement may be signed in counterparts and each such counterpart will constitute an original document, and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by email or any other form of electronic transmission.

6.15 Strict Construction

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavours either Party by virtue of authorship of any provision of this Agreement.


6.16 Joint and Several Liability

NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation, as Purchaser agree to be jointly severally liable for the obligations and liabilities of the Purchaser under this Agreement and all closing documents to be delivered by the Purchaser pursuant to this Agreement.

[Remainder of page intentionally left blank]

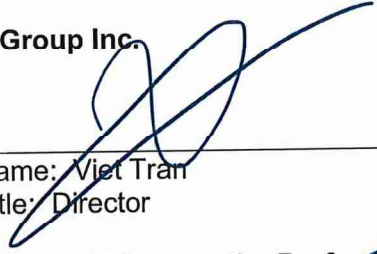
AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first written above.

MNP LTD., solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORPORATION AND MICHAEL DAVE MANAGEMENT LTD.**, and not in its personal or corporate capacity



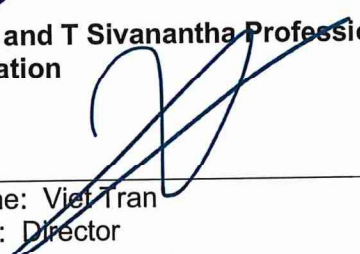
Name:
Title:

NDC Group Inc.



Name: Viet Tran
Title: Director

V. Tran and T Sivanantha Professional Corporation



Name: Viet Tran
Title: Director

SCHEDULE "A"
PURCHASED ASSETS

Personal Property:

1. Clinical equipment, as further set out in the attached listing
2. The Debtors' interest in any software, including Dentrix practice management software
3. Instruments and materials used for the provision of dental services
4. Leasehold improvements and cabinetry
5. Books and Records
6. Goodwill

Real Property:

PLAN 2223KS
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS

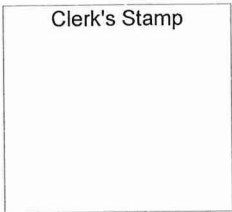
SCHEDULE "B"
PERMITTED ENCUMBRANCES

1. Minor title defects or irregularities that do not, in the aggregate, materially impair the servicing, development, construction, operating, occupation, use, management, marketability or value of the Property.
2. Any subsisting reservations, limitations, provisos, conditions or executions, including royalties, contained in the original grant of the Property from the Crown.
3. Any reservations, exceptions, limitations, provisos and conditions to title contained in Section 61 of the *Land Titles Act* (Alberta) and reservations or exceptions of mines and minerals.
4. Those specific instruments more particularly set out below.

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
2976ML	11/12/1961	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER
1100RK	21/03/1969	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER
952 262 999	02/10/1995	RESTRICTIVE COVENANT

SCHEDULE "C"
FORM OF VESTING ORDER

COURT FILE NUMBER 2203 12557
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ROYAL BANK OF CANADA



DEFENDANT FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED

DOCUMENT **APPROVAL AND VESTING ORDER
(Sale by Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

McMillan LLP
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

**Attention: Adam Maerov/Kourtney Rylands/
Preet Saini**

Telephone: 403.531.4700
Fax: 403.531.4720
File No.: 293571

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: _____

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON THE APPLICATION by MNP Ltd. in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertakings, property and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Corporation (collectively referred to as the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation (collectively, the "Purchasers") or its nominee dated

December 20, 2022 and appended to the [x] Report of the Receiver dated [Date] (the "Report"), and vesting in the Purchasers (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

AND UPON HAVING READ the Receivership Order dated September 16, 2022 (the "Receivership Order"), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, and any other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

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

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchasers (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "Receiver's Closing Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchasers (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"))

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

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchasers or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title No. 162 262 370 for those lands and premises municipally described as 7151-50 Ave, Red Deer, Alberta T4N 4E4 and legally described as:

PLAN 2223KS
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Lands**")

- (ii) issue a new Certificate of Title for the Lands in the name of the **[Name]** (or its nominee), namely, **[Name]**;
 - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and

- (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands; and
 - (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
- 5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
- 6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
- 7. Upon delivery of the Receiver's Closing Certificate together with a copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
- 8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise

ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchasers (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers (or its nominee).
11. The Purchasers (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchasers (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchasers (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchasers (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is

in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:

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

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

16. The Receiver, the Purchasers (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

18. Service of this Order shall be deemed good and sufficient by:

- (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;

- (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchasers or the Purchasers' solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at:
<https://mnpdebt.ca/en/corporate/corporate-engagements/fmpe>

and service on any other person is hereby dispensed with.

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

Justice of the Court of King's Bench of Alberta

Schedule "A"

Form of Receiver's Closing Certificate

COURT FILE NUMBER 2203 12557

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52 DENTAL CORPORATION, DELTA DENTAL CORP., 52 WELLNESS CENTRE INC., PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN AHMAD also known as FETOUN AHMED



DOCUMENT **RECEIVER'S CLOSING CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **McMillan LLP**
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

**Attention: Adam Maerov/Kourtney Rylands/
Preet Saini**

Telephone: 403.531.4700
Fax: 403.531.4720
File No.: 293571

RECITALS

A. Pursuant to an Order of the Honourable Justice D.R. Mah of the Court of King's Bench of Alberta, Judicial District of Edmonton, Alberta (the "**Court**") dated September 16, 2022, MNP Ltd. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Corporation (collectively referred to as the "**Debtor**").

- B. Pursuant to an Order of the Court dated **[Date]**, the Court approved the agreement of purchase and sale made as of December 20, 2022 (the "**Sale Agreement**") between the Receiver and NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation (collectively, the "**Purchasers**") and/or nominee and provided for the vesting in the Purchasers of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchasers (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

MNP Ltd., in its capacity as Receiver of the undertakings, property and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Corporation, and not in its personal capacity.

Per; _____
Name:
Title:

SCHEDULE B

LIST OF ASSETS

Personal Property:

1. Clinical equipment, as further set out in the attached listing
2. The Debtors' interest in any software, including Dentrix practice management software
3. Instruments and materials used for the provision of dental services
4. Leasehold improvements and cabinetry
5. Books and Records
6. Goodwill

Real Property:

PLAN 2223KS
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE C

CLAIMS

None.

SCHEDULE D

PERMITTED ENCUMBRANCES

1. Minor title defects or irregularities that do not, in the aggregate, materially impair the servicing, development, construction, operating, occupation, use, management, marketability or value of the Property.
2. Any subsisting reservations, limitations, provisos, conditions or executions, including royalties, contained in the original grant of the Property from the Crown.
3. Any reservations, exceptions, limitations, provisos and conditions to title contained in Section 61 of the *Land Titles Act* (Alberta) and reservations or exceptions of mines and minerals.
4. Those specific instruments more particularly set out below.

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
2976ML	11/12/1961	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER
1100RK	21/03/1969	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER
952 262 999	02/10/1995	RESTRICTIVE COVENANT

SCHEDULE "D"
ALLOCATION STATEMENT



SCHEDULE 2

REAL PROPERTY PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 28th day of February, 2023.

BETWEEN: **MNP LTD.**, in its capacity as court-appointed receiver and manager of **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORPORATION, AND MICHAEL DAVE MANAGEMENT LTD.** and not in its personal or corporate capacity

(the "**Receiver**");

- and -

NDC GROUP INC. and V. TRAN AND T. SIVANANTHA PROFESSIONAL CORPORATION AND/OR ITS AFFILIATED COMPANIES (collectively, the "**Purchaser**");

WHEREAS:

- A. On September 16, 2022, the Court (as hereinafter defined) granted an order (the "**Receivership Order**") appointing MNP Ltd. (the "**Receiver**") as receiver and manager of the property, undertakings and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Ltd. (collectively, the "**Debtors**").
- B. Pursuant to an agreement of purchase and sale, dated December 20, 2022, as amended by a amending agreement dated February 10, 2023, as further amended by a second amending agreement dated February 24, 2023 and as further amended by a third amending agreement dated February 28, 2023 (collectively, the "**Original Purchase Agreement**"), the Receiver agreed to sell to the Purchaser all of the right, title and interest of the Debtors in and to the all of the assets, being the personal property and real property, of the Debtors.
- C. The Original Purchase Agreement was approved by the Court pursuant to a Sale Approval and Vesting Order granted on January 11, 2023 (the "**Original SAVO**").
- D. The Purchaser has advised the Receiver that the Purchaser has not secured certain financing and is therefore unable to close the transaction for the real property of the Debtors as contemplated under the Original Purchase Agreement.
- E. In order to facilitate the immediate purchase and sale of all of the personal property of the Debtors and the later sale of the real property of the Debtors, the parties are desirous to enter into two agreements wherein they would amend, restate and replace the Original Purchase Agreement with two separate and independent purchase and sale agreements closing at separate times.
- F. This Agreement shall govern the purchase and sale of the Real Property (as hereinafter defined) of the Debtors and a second asset purchase agreement dated as of the date

hereof shall govern the purchase and sale of all of the personal property of the Debtors (the "**Asset Purchase Agreement**").

- G. The closing of the transactions contemplated under this Agreement and the transactions contemplated under the Asset Purchase Agreement are not conditional upon the closing of the other.
- H. In consideration of the foregoing, the Receiver wishes to sell to the Purchaser all of the right, title, and interest of the Debtors in and to the Purchased Assets (as hereinafter defined) subject to the terms and conditions of this Agreement.

IN CONSIDERATION of the premises and covenants, agreements, representations, warranties, and payments contained in this Agreement, the Receiver and the Purchaser agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The following terms have the following meanings:

- (a) "**Agreement**" means this asset purchase agreement, including all Schedules hereto, as it may be supplemented, amended, restated or replaced from time to time by written agreement of the Parties;
- (b) "**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (a) and (b), "**Law**") in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation;
- (c) "**Asset Purchase Agreement**" has the meaning ascribed thereto in the recitals hereto;
- (d) "**Business Day**" any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Alberta or the federal laws of Canada applicable in the Province of Alberta, on which the principal commercial banks in the City of Calgary, Alberta are open for business;
- (e) "**Claim**" means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened;

- (f) "**Closing**" means the completion of the Transaction on the Closing Date at the Closing Time in accordance with this Agreement;
- (g) "**Closing Date**" means March 24, 2023;
- (h) "**Closing Time**" means 12:00 noon on the Closing Date;
- (i) "**Court**" means the Court of King's Bench of Alberta;
- (j) "**Deposit**" has the meaning ascribed thereto in Section 2.3(a);
- (k) "**Encumbrances**" means any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order; (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta).
- (l) "**ETA**" means the *Excise Tax Act*, RSC, 1985, c E-15 and the regulations thereto;
- (m) "**Governmental Authority**" means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal, or local governmental authority, quasi-governmental authority, instrumentality, court, government, or self-regulatory organization, bureau, commission, tribunal, or organization or any regulatory, administrative, or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction with respect to the Debtors, the Purchased Assets, or any other matter that is the subject of this Agreement including the College of Dental Surgeons of Alberta;
- (n) "**GST**" means any goods and services tax imposed under Part IX of the ETA;
- (o) "**ITA**" means the *Income Tax Act* (Canada) RSC, 1985, c 1 (5th Supp.);
- (p) "**Leases**" means all agreements to lease, leases, renewals of leases and all other rights, licences and agreements granted which entitle any person to possess or occupy any portion of the Real Property, together with all security, guarantees and indemnities of the tenants', subtenants', licensees', or occupants' obligations thereunder;
- (q) "**Legal Proceeding**" means any litigation, action, application, demand, suit, investigation, hearing, Claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review;

- (r) "**Original SAVO**" has the meaning ascribed thereto in the recitals hereto;
- (s) "**Party**" or "**Parties**" mean either the Receiver or the Purchaser, as appropriate in the context, or both;
- (t) "**Permitted Encumbrances**" means those encumbrances registered on title to the Real Property, as more particularly set out in Schedule "B" hereto;
- (u) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (v) "**Prepayment Amount**" has the meaning ascribed thereto in Section 2.3(b) hereof;
- (w) "**Purchase Price**" has the meaning ascribed thereto in Section 2.2 hereof;
- (x) "**Purchased Assets**" means the Real Property;
- (y) "**Purchaser**" has the meaning ascribed thereto in the recitals hereto;
- (z) "**Purchaser's Solicitors**" means Bryan & Company LLP;
- (aa) "**Real Property**" means the real property municipally described at 7151 50th Avenue in Red Deer, Alberta, T4N 4E4 and having the legal descriptions set out in Schedule "A" hereto;
- (bb) "**Receiver**" has the meaning ascribed thereto in the recitals hereto;
- (cc) "**Receiver's Solicitors**" means McMillan LLP;
- (dd) "**Receivership Order**" has the meaning ascribed thereto in the recitals hereto;
- (ee) "**Receivership Proceedings**" means the proceedings commenced pursuant to the issuance of the Receivership Order;
- (ff) "**Taxes**" means all transfer taxes, sales taxes, uses taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees and any other similar or like taxes and charges of any kind whatsoever imposed or charged by any Governmental Authority and any filing, registration, recording or transfer fees payable in connection with the sale, transfer or registration of the Purchased Assets, including GST;
- (gg) "**Transaction**" means the purchase and sale of all of the Debtors' right, title and interest, if any, in and to the Purchased Assets and all other transactions contemplated by this Agreement; and
- (hh) "**Vesting Order**" means an order of the Court made in the receivership proceeding substantially in the form attached as Schedule "C" hereto and otherwise in form and content satisfactory to the Purchaser and the Receiver, each acting reasonably, approving the entry into this Agreement by the Receiver and the

consummation of the Transaction contemplated hereby, and vesting in the Purchaser or its nominee(s) all right, title, and interest of the Debtors in and to the Purchased Assets free and clear of all Encumbrances but subject to the Permitted Encumbrances.

1.2 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

Schedule "A"	Real Property Legal Description
Schedule "B"	Permitted Encumbrances
Schedule "C"	Form of Vesting Order

1.3 Certain Rules of Interpretation

In this Agreement:

- (a) headings are inserted for convenience of reference only and will not affect the interpretation of this Agreement;
- (b) the division into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (c) the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this Agreement and not to any particular portion of this Agreement;
- (d) "**including**" or "**includes**" means "**including (or includes) but is not limited to**" and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
- (e) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and
- (f) words in the singular include the plural and vice-versa and words in one gender include all genders.

1.4 Business Day

If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

1.5 Currency and Payment

In this Agreement, unless specified otherwise, references to dollar amounts or "\$" are to Canadian dollars, and any payment is to be made by an official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of the Purchased Assets

Subject to the timely fulfillment or waiver of the conditions precedent set forth in Article 3 hereof, including the granting of the Vesting Order, and the terms and conditions of this Agreement, on the Closing Date, the Receiver agrees to sell, assign, and transfer to the Purchaser, and the Purchaser agrees to purchase from the Receiver, all right, title, and interest of the Debtors, if any, in and to the Purchased Assets. Such foregoing purchase shall be free and clear of all Encumbrances except for the Permitted Encumbrances, as provided for in the Vesting Order.

2.2 Purchase Price

The amount payable by the Purchaser to the Receiver for the Purchased Assets will be [REDACTED] (the "Purchase Price").

2.3 Payment of the Purchase Price

The Purchaser will pay the Purchase Price, as adjusted in accordance hereof, to the Receiver as follows:

- (a) the sum of [REDACTED], which is acknowledged has been previously paid by the Purchaser in accordance with the Original Purchase Agreement (the "Deposit"), to be held by the Receiver, or the Receiver's solicitors, in trust until the Closing and will be credited toward the Purchase Price upon Closing;
- (b) the sum of [REDACTED], which is acknowledged has been previously paid by the Purchaser in accordance with the Original Purchase Agreement, representing a non-refundable and immediately releasable prepayment of the Purchase Price (the "Prepayment Amount") to be held by the Receiver, or the Receiver's solicitors, in trust until the Closing and will be credited toward the Purchase Price upon Closing; and
- (c) the balance of the Purchase Price will be paid by the Purchaser at Closing by wire transfer in accordance with wire instructions delivered by the Receiver.

The Receiver agrees to cause the Deposit and the Prepayment Amount to be placed into, or remain in, a non-interest bearing account. The Purchaser acknowledges and agrees that the Deposit and the Prepayment Amount are both immediately releasable and entirely non-refundable.

2.4 Taxes

The Purchaser will pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial taxes eligible in connection with the purchase and sale of the Purchased Assets, including GST and any other provincial sales taxes and provide the Receiver with proof of payment of such taxes. Alternatively, where applicable, the Purchaser will have the option to furnish the Receiver with appropriate exemption certificates. The Purchaser agrees to indemnify and save the Receiver harmless from and against all Claims and demands for payment of all applicable taxes in connection with this Agreement and the Transaction, including penalties and interest and any liability or costs incurred as a result of any failure to pay those taxes when due.

2.5 As is, Where is.

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Receiver set forth in Section 4.1, it is entering into this Agreement, acquiring the Purchased Assets on an "**as is, where is**" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time and the sale of the Purchased Assets is made without legal warranty and at the risk of the Purchaser;
- (b) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets as it deemed appropriate, and based solely thereon, has determined to proceed with the Transaction;
- (c) the Purchaser acknowledges that it is aware of the land use classification for the Real Property and the surrounding property;
- (d) except as expressly stated in Section 4.1, neither the Receiver nor its representatives have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Debtors' right, title or interest in or to the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;
- (e) all written and oral information obtained from the Receiver or its representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain "**data rooms**", management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets has been obtained for the convenience of the Purchaser only, and neither the Receiver nor its representatives have made any representation or warranty, express or implied,

statutory or otherwise as to the accuracy or completeness of any such information;
and

- (f) any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Receiver or its representatives, or any other Person concerning the completeness or accuracy of such information or descriptions.

Notwithstanding anything to the contrary herein, the Purchaser hereby expressly acknowledges that if any consents of: (i) any Governmental Entities are required to effect the transfer of any of the Purchased Assets; or (ii) any lessees are required to effect the transfer of any of the leases or licences to be acquired by the Purchaser pursuant to this Agreement, then it is the sole responsibility of the Purchaser to obtain any such consents, and the granting of any such consents shall not be a condition precedent to the Purchaser's obligations under this Agreement, including the payment of the Purchase Price. At the request and cost of the Purchaser, both before and after the Closing Date, the Receiver will assist the Purchaser in its efforts to obtain any consents required of any Government Entities or lessees in order to complete the sale and transfer of the Purchased Assets pursuant to this Agreement.

2.6 Adjustments

The Purchase Price shall be subject to adjustment as at 12:00 p.m. (Alberta time) on the Closing Date and will include but not be limited to property taxes, utilities and any pre-paid expenses relating to the Purchased Assets. The adjustments will be made to the extent reasonably possible on Closing as of the Closing Date. The Receiver will prepare a statement of the adjustments for the Purchased Assets. The Purchaser and the Receiver agree that if the final cost or amount of any item which is to be adjusted under this Section 2.6 cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, and such amount shall be reasonably estimated by the Receiver as at the end of the day preceding the adjustment date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. Notwithstanding any other provisions of this Agreement and for the avoidance of doubt, the parties agree that their respective rights to adjustment and/or readjustment of any item or matter in relation to this transaction after Closing, shall be limited to the period of thirty (30) days after Closing, and any specific claim for adjustment and/or re-adjustment not made within such period shall expire and be extinguished on the expiry of such period and neither party shall have any further right to claim for adjustment or re-adjustment of the Purchase Price for any reason whatsoever.

ARTICLE 3 CONDITIONS

3.1 Conditions in Favour of the Purchaser

The obligations of the Purchaser under this Agreement are subject to the fulfillment of the following conditions precedent on or before the Closing Time:

- (a) each of the representations and warranties of the Receiver contained in this Agreement shall be true and correct as if restated on and as of the Closing Date;

- (b) no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- (c) the Receiver shall have delivered or caused to be delivered to the Purchaser all items referred to in Section 5.3; and
- (d) the obligations contained in this Agreement shall have been complied with by the Receiver in all material respects.

The foregoing conditions are for the exclusive benefit of the Purchaser and non-satisfaction or non-performance of any such condition may only be waived by the Purchaser, in its sole discretion, in whole or in part, at any time and from time to time. Any such waiver is only binding on the Purchaser if it is made in writing and delivered forthwith to the Receiver's Solicitors.

3.2 Conditions in Favour of the Receiver

The obligations of the Receiver under this Agreement are subject to the fulfillment of the following conditions precedent on or before the Closing Time:

- (a) each of the representations and warranties of the Purchaser contained in this Agreement shall be true and correct as if restated on and as of the Closing Date;
- (b) no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- (c) the Purchaser shall have delivered or caused to be delivered to the Receiver all items referred to in Section 5.2; and
- (d) the obligations contained in this Agreement shall have been complied with by the Purchaser in all material respects.

The foregoing conditions are for the exclusive benefit of the Receiver and non-satisfaction or non-performance of any such condition may only be waived by the Receiver, in its sole discretion, in whole or in part, at any time and from time to time. Any such waiver is only binding on the Receiver if it is made in writing and delivered forthwith to the Purchaser's Solicitors.

3.3 Mutual Conditions

The obligations of the Parties under this Agreement are subject to the following mutual conditions precedent or before the Closing Time:

- (a) a Vesting Order will have been made by the Court approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest of the Debtors, if any, in and to the Purchased Assets, free and clear of all Encumbrances, except for the Permitted Encumbrances, such order to be substantially in the form attached hereto as Schedule "C"; and
- (b) the Vesting Order will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the Transaction.

The Parties may agree to amend or waive any the foregoing conditions. Any amendment or waiver by the Parties must be in writing and delivered to the Purchaser's Solicitors and the Receiver's Solicitors.

It is expressly acknowledged and confirmed between the parties that the mutual conditions contained in Section 3.3. of the Original Purchase Agreement respecting the Court granting a vesting order approving the transactions contemplated by the Original Purchase Agreement, have been satisfied by the Court granting the Original SAVO. For clarity, the mutual conditions contained in Section 3.3 of this Agreement are with respect to the Court approving the proposal to enter into this Agreement and the Asset Purchase Agreement to replace the Original Purchase Agreement as contemplated in the recitals hereto.

3.4 Non-Satisfaction of Conditions

If any condition set out in this Article 3 is not satisfied or performed prior to the time specified therefor, a Party for whose benefit the condition is inserted may, in writing:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party, the Purchaser's Solicitors and the Receiver's Solicitors and without prejudice to any of its rights of termination in the event of non-fulfilment of any other conditions in whole or in part; or
- (b) elect to terminate this Agreement before Closing.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Receiver

The Receiver represents and warrants to the Purchaser as follows, with the intent that the Purchaser will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction contemplated by this Agreement:

- (a) subject to obtaining and pursuant to the Vesting Order, the Receiver has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;
- (b) the Receiver is not a non-resident of Canada within the meaning of section 116 of the *Income Tax Act*;
- (c) the Receiver has taken no act to encumber the Purchased Assets other than allowing the charges created pursuant to the Receivership Order to exist or arise in the ordinary course; and
- (d) to the best of the Receiver's knowledge, no actions or proceedings are pending and none have been threatened to restrain or prohibit the completion of the Transaction.

4.2 Representations and Warranties of the Purchaser

Each of NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation, as Purchaser, on a joint and several basis, represents and warrants to the Receiver as follows, with the intent that the Receiver will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction contemplated by this Agreement:

- (a) the Purchaser has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;
- (b) the Purchaser is a corporation duly incorporated, validly existing, and in good standing under the *Business Corporations Act* (Alberta);
- (c) the execution and delivery of this Agreement and the completion of the transaction contemplated by this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement constitutes a legal, valid, and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (d) there is no Legal Proceeding in progress, pending against or threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder;
- (e) the Purchaser is not a "non-Canadian" within the meaning of the *Investment Canada Act*, RSC 1985, c 28 (1st Supp);
- (f) the Purchaser is or will be upon Closing registered under Part IX of the ETA, and shall provide its registration numbers to the Receiver at or prior to Closing; and
- (g) the Receiver will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser.

In addition to the foregoing, the Purchaser hereby covenants and agrees with the Receiver that from and after the date of execution of this Agreement, if the Purchaser enters into a commitment letter or similar commitment with respect to securing financing for any portion of, or all, of the Purchase Price payable pursuant to this Agreement, the Purchaser shall forthwith provide the Receiver with an executed copy of the commitment letter or similar document for the Receiver's records.

ARTICLE 5 CLOSING

5.1 Closing

Subject to the terms and conditions of this Agreement, and the satisfaction or the waiver of the conditions precedent contained herein, the purchase and sale of the Debtors' right, title and interest, if any, in and to the Purchased Assets will be completed at the Closing Time. If required, the Purchaser shall obtain title insurance, at its own expense, with gap coverage, to allow for the adjusted balance of the Purchase Price to be fully releasable to the Receiver no later than 12:00 P.M. (Alberta time) on the Closing Date.

5.2 Purchaser's Deliveries on Closing

At the Closing Time, the Purchaser will deliver, or cause to be delivered to the Receiver:

- (a) payment of the balance of the Purchase Price, as adjusted in accordance with Section 2.6 hereof;
- (b) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date with the same effect as though made on and as of the Closing Date;
- (c) a certificate dated as of the Closing Date confirming that each of the conditions precedent in favour of the Purchaser contained in this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (d) if necessary, payment or evidence of payment of applicable taxes or, if applicable, appropriate tax exemption certificates, including indemnities in favour of the Receiver, delivered in accordance with Section 0;
- (e) an undertaking to re-adjust all items on or omitted from the statement of adjustments in accordance with Section 2.6;
- (f) an assignment of Leases, if applicable; and
- (g) any other documentation as is referred to in this Agreement or as the Receiver may reasonably require to give effect to this Agreement or required by Applicable Law or any Governmental Authority.

5.3 Receiver's Deliveries on Closing

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

- (a) a receipt in respect of the payment of the Purchase Price;
- (b) a true copy of the filed Vesting Order;
- (c) a statement of adjustments in accordance with Section 2.6;

- (d) an undertaking to re-adjust all items on or omitted from the statement of adjustments in accordance with Section 2.6;
- (e) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Receiver contained in this Agreement are true as of the Closing Date with the same effect as though made on and as of the Closing Date;
- (f) an assignment of Leases, if applicable; and
- (g) a certificate dated as of the Closing Date confirming that each of the conditions precedent in favour of the Receiver contained in this Agreement have been fulfilled, performed or waived as of the Closing Date.

5.4 Possession of Assets

The Receiver will remain in possession of the Purchased Assets until Closing. On Closing, the Purchaser will take possession of the Purchased Assets. In no event will the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the Purchaser has satisfied all delivery conditions in Section 5.2

5.5 Access to Assets

The Purchaser may have reasonable access to the Purchased Assets during normal business hours prior to Closing for the purpose of enabling the Purchaser to conduct any inspections of the Purchased Assets as it deems appropriate, subject to the rights of any tenants under the Leases, if any. Those inspections will only be conducted in the presence of a representative of the Receiver if so required at the discretion of the Receiver. For greater certainty, all communications and approvals to obtain access shall go through the Receiver, in advance. The Purchaser agrees to indemnify and save the Receiver harmless from and against all Claims, demands, losses, damages, actions and costs incurred or arising from or in any way directly related to the inspection of the Purchased Assets.

5.6 Risk

The Purchased Assets will be at the Receiver's risk until the completion of the transaction contemplated herein on the Closing Date and thereafter at the Purchaser's risk. If, before the Closing, any of the Purchased Assets is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, then:

- (a) the Parties shall agree on an adjustment to the Purchase Price to account for such loss, damage, destruction, appropriation, expropriation or seizure; or
- (b) if such loss, damage, destruction, appropriation, expropriation or seizure is materially adverse to the Purchaser, as determined by the Purchaser, acting reasonably, then the Purchaser, at its sole discretion may terminate this Agreement.

5.7 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of the Receiver and the Purchaser;
- (b) by the Receiver if the Closing has not occurred on or before the day that is sixty (60) days from the effective date of this Agreement; provided, however, that the Receiver may not exercise such termination right if they are in material breach of their obligations under this Agreement;
- (c) by the Receiver, with the written consent of the of the first position mortgagees of the Real Property being collectively, Solar Star Holdings Inc. and 1245233 Alberta Inc., if the Purchaser fails to close the transactions contemplated under the Asset Purchase Agreement; or
- (d) by the Receiver, if the Purchaser takes any steps to close, or terminate the operation of, or relocate the dental clinic practice and assets located at the Real Property and acquired by the Purchaser under the closing of the Asset Purchase Agreement.

If either the Receiver or the Purchaser validly terminates this Agreement under the provisions of this Section 5.7 or Section 3.4 or Section 5.6:

- (e) all the obligations of the Receiver and the Purchaser under this Agreement will be at an end; and
- (f) neither Party will have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other; and
- (g) the Deposit and the Prepayment Amount shall be forfeited to the Receiver.

5.8 Breach by the Purchaser

If the Purchaser fails to comply with its obligations under this Agreement or the Asset Purchase Agreement, the Receiver may, with the written consent of the of the first position mortgagees of the Real Property being collectively, Solar Star Holdings Inc. and 1245233 Alberta Inc., and by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit and the Prepayment Amount will be forfeited to the Receiver and the Purchased Assets may be resold by the Receiver. In addition, the Purchaser will pay to the Receiver, on demand, the deficiency, if any, arising upon such resale (after deducting the Deposit, the interest on the Deposit, the Prepayment Amount and the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

ARTICLE 6 GENERAL

6.1 Receiver's Liability

The Purchaser hereby expressly acknowledges and agrees that MNP Ltd. is acting only in its representative capacity as Court-appointed receiver and manager of the Debtors and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement.

6.2 Obligations to Survive

The obligations and covenants of the Parties set out in the following Sections of this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter: Section 2.4 Taxes, Section 2.5 As is, Where is, Section 6.3 Further Assurances and Section 6.5 Expenses.

6.3 Further Assurances

The Parties will execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

6.4 Notice

All notices required or permitted to be given under this Agreement will be in writing and delivered by courier or email as follows:

To the Receiver at:

MNP Ltd., in its capacity as receiver of
the property, assets and undertaking of
Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael
Dave Management Ltd.
1500, 640 5 Avenue SW
Calgary, AB T2P 3G4

Attention: Vanessa Allen
Email: vanessa.allen@mnp.ca

With a copy to:

McMillan LLP
TD Canada Trust Tower, Suite 1700
421 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Adam Maerov and Nick W. Barton
Email: adam.maerov@mcmillan.ca; nick.barton@mcmillan.ca

To the Purchaser at:

Bryan & Company LLP
2900 Manulife Place, 10180 101 Street
Edmonton, AB T5J 3V5

Attention: Jordan Mertz
Email: jmertz@bryanco.com

With a copy to:

NDC Group Inc. o/a National Dental Care

1734 24A Street SW
Calgary, AB T3C 1J4

Attention: Viet Tran, Scott Newman, Andrew Ardell
Email: viet@nationaldental.ca; scott@nationaldental.ca; andrew@nationaldental.ca

6.5 Expenses

Each Party shall pay all of its own expenses (including taxes imposed on those expenses) incurred in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transaction, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

6.6 No Third Party Beneficiary

This Agreement is solely for the benefit of the Parties and no third party accrues any benefit, Claim or right of any kind pursuant to, under, by or through this Agreement.

6.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

6.8 Amendment

No amendment of this Agreement will be binding unless made in writing by both Parties.

6.9 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited, or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition, or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances.

6.10 Assignment

This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party hereto, which consent may be arbitrarily withheld, provided that the Purchaser may designate one or more nominees to take title in and to the Purchased Assets, or any part thereof, by giving the Receiver written notice of such assignment at least two clear Business Days prior to the date of the hearing of the application for the Vesting Order. This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No assignment shall relieve the assigning Party of any of its obligations hereunder.

6.11 Time of the Essence

Time will be of the essence of this Agreement.

6.12 Disclosure of Agreement

Each of the Parties agree that this Agreement shall be filed in the Receivership Proceedings with redactions as agreed upon between the Parties and the Court.

6.13 Applicable Law and Court Jurisdiction

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 the Parties hereby attorn to the jurisdiction of the Alberta Court of King's Bench, Judicial District of Calgary.

6.14 Counterparts

This Agreement may be signed in counterparts and each such counterpart will constitute an original document, and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by email or any other form of electronic transmission.

6.15 Strict Construction

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring either Party by virtue of authorship of any provision of this Agreement.

6.16 Joint and Several Liability

NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation, as Purchaser agree to be jointly and severally liable for the obligations and liabilities of the Purchaser under this Agreement and all closing documents to be delivered by the Purchaser pursuant to this Agreement.

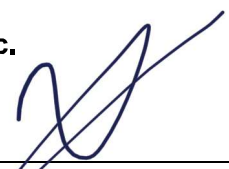
[Remainder of page intentionally left blank]

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first written above.

MNP LTD., solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORPORATION AND MICHAEL DAVE MANAGEMENT LTD.**, and not in its personal or corporate capacity

Name:
Title:

NDC Group Inc.



Name: Viet Tran
Title: Director

V. Tran and T Sivanantha Professional Corporation



Name: Viet Tran
Title: Director

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first written above.

MNP LTD., solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORPORATION AND MICHAEL DAVE MANAGEMENT LTD.**, and not in its personal or corporate capacity

Name: *V. Allen*
Title: *Senior V. P.*

NDC Group Inc.

Name: Viet Tran
Title: Director

V. Tran and T Sivanantha Professional Corporation

Name: Viet Tran
Title: Director

SCHEDULE "A"
REAL PROPERTY LEGAL DESCRIPTION

PLAN 2223KS
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE "B"
PERMITTED ENCUMBRANCES

1. Minor title defects or irregularities that do not, in the aggregate, materially impair the servicing, development, construction, operating, occupation, use, management, marketability or value of the Property.
2. Any subsisting reservations, limitations, provisos, conditions or executions, including royalties, contained in the original grant of the Property from the Crown.
3. Any reservations, exceptions, limitations, provisos and conditions to title contained in Section 61 of the *Land Titles Act* (Alberta) and reservations or exceptions of mines and minerals.
4. Those specific instruments more particularly set out below.

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
2976ML	11/12/1961	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER
1100RK	21/03/1969	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF RED DEER
952 262 999	02/10/1995	RESTRICTIVE COVENANT

SCHEDULE "C"
FORM OF VESTING ORDER

SCHEDULE 3

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 28th day of February, 2023.

BETWEEN: **MNP LTD.**, in its capacity as court-appointed receiver and manager of **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORPORATION, AND MICHAEL DAVE MANAGEMENT LTD.** and not in its personal or corporate capacity

(the "**Receiver**");

- and -

NDC GROUP INC. and V. TRAN AND T. SIVANANTHA PROFESSIONAL CORPORATION AND/OR ITS AFFILIATED COMPANIES (collectively, the "**Purchaser**");

WHEREAS:

- A. On September 16, 2022, the Court (as hereinafter defined) granted an order (the "**Receivership Order**") appointing MNP Ltd. (the "**Receiver**") as receiver and manager of the property, undertakings and assets of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael Dave Management Ltd. (collectively, the "**Debtors**").
- B. Pursuant to an agreement of purchase and sale, dated December 20, 2022, as amended by a amending agreement dated February 10, 2023, as further amended by a second amending agreement dated February 24, 2023 and as further amended by a third amending agreement dated February 28, 2023 (collectively, the "**Original Purchase Agreement**"), the Receiver agreed to sell to the Purchaser all of the right, title and interest of the Debtors in and to the all of the assets, being the personal property and real property, of the Debtors.
- C. The Original Purchase Agreement was approved by the Court pursuant to a Sale Approval and Vesting Order granted on January 11, 2023 (the "**Original SAVO**").
- D. The Purchaser has advised the Receiver that the Purchaser has not secured certain financing and is therefore unable to close the transaction for the real property of the Debtors as contemplated under the Original Purchase Agreement.
- E. In order to facilitate the immediate purchase and sale of all of the personal property and the later sale of the real property of the Debtors, the parties are desirous to enter into two agreements wherein they would amend, restate and replace the Original Purchase Agreement with two separate and independent purchase and sale agreements closing at separate times.
- F. This Agreement shall govern the purchase and sale of all of the personal property of the Debtors and a second real property purchase agreement dated as of the date hereof shall

govern the purchase and sale of the Real Property (as hereinafter defined) of the Debtors (the "**Real Property Agreement**").

- G. The closing of the transactions contemplated under this Agreement and the transactions contemplated under the Real Property Agreement are not conditional upon the closing of the other.
- H. In consideration of the foregoing, the Receiver wishes to sell to the Purchaser all of the right, title, and interest of the Debtors in and to the Purchased Assets (as hereinafter defined) subject to the terms and conditions of this Agreement.

IN CONSIDERATION of the premises and covenants, agreements, representations, warranties, and payments contained in this Agreement, the Receiver and the Purchaser agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The following terms have the following meanings:

- (a) "**Accounts Receivable**" means any and all (i) accounts receivable, notes receivable and other amounts receivable owed to the Debtors (whether current or non-current), together with all security or collateral therefor and any interest or unpaid financing charges accrued thereon, including all Claims pertaining to the collection of amounts payable, or that may become payable, to the Debtors, (ii) amounts receivable owing or payable to the Debtors from any Governmental Authority, and (iii) other amounts due to the Seller which have historically been classified as accounts receivable in the consolidated balance sheet of the Debtors;
- (b) "**Agreement**" means this asset purchase agreement, including all Schedules hereto, as it may be supplemented, amended, restated or replaced from time to time by written agreement of the Parties;
- (c) "**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (a) and (b), "**Law**") in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation;
- (d) "**Books and Records**" means all books, records, files and papers used or intended for use in connection with the Business or the ownership of the Purchased Assets, including title documentation, manuals, sales and advertising materials, patient records, patient information, and all other documents and data

(technical or otherwise) relating to the Purchased Assets, and all copies and recordings of the foregoing;

- (e) "**Business**" means the general dentistry practice carried on by one or more of the Debtors at 7151 50th Avenue, Red Deer, Alberta, T4N 4E4;
- (f) "**Business Day**" any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Alberta or the federal laws of Canada applicable in the Province of Alberta, on which the principal commercial banks in the City of Calgary, Alberta are open for business;
- (g) "**Cash and Cash Equivalents**" means cash, bank balances, monies in possession of banks and other depositories, term or time deposits, marketable securities, short term investments, funds, bankers' acceptances, commercial paper, security entitlements, securities accounts and any other cash equivalents of, the Debtors;
- (h) "**Claim**" means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened;
- (i) "**Closing**" means the completion of the Transaction on the Closing Date at the Closing Time in accordance with this Agreement;
- (j) "**Closing Date**" means March 8, 2023;
- (k) "**Closing Time**" means 12:00 noon on the Closing Date;
- (l) "**Contracts**" means all contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which any of the Debtors is a party or by which any of the Debtors is bound or under which any of the Debtors has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied), as same may be amended and/or restated, and including any and all related quotations, orders, proposals or tenders which remain open for acceptance, warranties and guarantees and documents ancillary thereto;
- (m) "**Court**" means the Court of King's Bench of Alberta;
- (n) "**Deposit**" has the meaning ascribed thereto in Section 2.4(a);
- (o) "**ETA**" means the *Excise Tax Act*, RSC, 1985, c E-15 and the regulations thereto;
- (p) "**Excluded Assets**" means:
 - (i) the Real Property;
 - (ii) the Debtors' Cash and Cash Equivalents as of the Closing Date;
 - (iii) the Debtors' Accounts Receivable as of the Closing Date;
 - (iv) the Debtors' Contracts as of the Closing Date;

- (v) the Debtors' Permits as of the Closing Date; and
- (vi) the Debtors' rights under this Agreement and the Debtors' rights under the Real Property Agreement;
- (q) "**Goodwill**" means the goodwill of the Debtors related to the Business at the Closing Time including the right to represent the Purchaser as carrying on the Business in continuation of, and in succession to, the Debtors;
- (r) "**Governmental Authority**" means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal, or local governmental authority, quasi-governmental authority, instrumentality, court, government, or self-regulatory organization, bureau, commission, tribunal, or organization or any regulatory, administrative, or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction with respect to the Debtors, the Purchased Assets, or any other matter that is the subject of this Agreement including the College of Dental Surgeons of Alberta;
- (s) "**GST**" means any goods and services tax imposed under Part IX of the ETA;
- (t) "**ITA**" means the *Income Tax Act* (Canada) RSC, 1985, c 1 (5th Supp.);
- (u) "**Lease**" means that certain lease entered into and delivered at Closing, as between the Receiver, as landlord, and the Purchaser, as tenant with respect to the Real Property on the form and terms and conditions as attached hereto as Schedule "C";
- (v) "**Legal Proceeding**" means any litigation, action, application, demand, suit, investigation, hearing, Claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review;
- (w) "**Original SAVO**" has the meaning ascribed thereto in the recitals hereto;
- (x) "**Party**" or "**Parties**" mean either the Receiver or the Purchaser, as appropriate in the context, or both;
- (y) "**Permits and Licences**" means all permits, consents, waivers, licences, sub-licences, certificates, approvals, authorizations, registrations, rights, privileges, certification, quotas and exemptions, or any item with a similar effect, issued or granted by any Governmental Authority for or related to the Purchased Assets;
- (z) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (aa) "**Prepayment Amount**" has the meaning ascribed thereto in Section 2.4(b);

- (bb) "**Purchase Price**" has the meaning ascribed thereto in Section 2.3 hereof;
- (cc) "**Purchased Assets**" means those assets listed in Schedule "A" hereto;
- (dd) "**Purchaser**" has the meaning ascribed thereto in the recitals hereto;
- (ee) "**Purchaser's Solicitors**" means Bryan & Company LLP;
- (ff) "**Real Property**" means the real property municipally described at 7151 50th Avenue, Red Deer, Alberta, T4N 4E4;
- (gg) "**Real Property Agreement**" has the meaning ascribed thereto in the recitals hereto;
- (hh) "**Receiver**" has the meaning ascribed thereto in the recitals hereto;
- (ii) "**Receiver's Solicitors**" means McMillan LLP;
- (jj) "**Receivership Order**" has the meaning ascribed thereto in the recitals hereto;
- (kk) "**Receivership Proceedings**" means the proceedings commenced pursuant to the issuance of the Receivership Order;
- (ll) "**Taxes**" means all transfer taxes, sales taxes, uses taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees and any other similar or like taxes and charges of any kind whatsoever imposed or charged by any Governmental Authority and any filing, registration, recording or transfer fees payable in connection with the sale, transfer or registration of the Purchased Assets, including GST;
- (mm) "**Transaction**" means the purchase and sale of all of the Debtors' right, title and interest, if any, in and to the Purchased Assets and all other transactions contemplated by this Agreement; and
- (nn) "**Vesting Order**" means an order of the Court made in the receivership proceeding substantially in the form attached as Schedule "B" hereto and otherwise in form and content satisfactory to the Purchaser and the Receiver, each acting reasonably, approving the entry into this Agreement by the Receiver and the consummation of the Transaction contemplated hereby, and vesting in the Purchaser or its nominee(s) all right, title, and interest of the Debtors in and to the Purchased Assets.

1.2 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

Schedule "A"

Purchased Assets

Schedule "B" Form of Vesting Order

Schedule "C" Lease

1.3 **Certain Rules of Interpretation**

In this Agreement:

- (a) headings are inserted for convenience of reference only and will not affect the interpretation of this Agreement;
- (b) the division into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (c) the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this Agreement and not to any particular portion of this Agreement;
- (d) "**including**" or "**includes**" means "**including (or includes) but is not limited to**" and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
- (e) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and
- (f) words in the singular include the plural and vice-versa and words in one gender include all genders.

1.4 **Business Day**

If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

1.5 **Currency and Payment**

In this Agreement, unless specified otherwise, references to dollar amounts or "\$" are to Canadian dollars, and any payment is to be made by an official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds.

ARTICLE 2 PURCHASE AND SALE

2.1 **Purchase and Sale of the Purchased Assets**

Subject to the timely fulfillment or waiver of the conditions precedent set forth in Article 3 hereof, including the granting of the Vesting Order, and the terms and conditions of this Agreement, on the Closing Date, the Receiver agrees to sell, assign, and transfer to the Purchaser, and the

Purchaser agrees to purchase from the Receiver, all right, title, and interest of the Debtors, if any, in and to the Purchased Assets.

2.2 Excluded Assets

Notwithstanding anything to the contrary in Section 2.1 or elsewhere in this Agreement, the Purchased Assets shall not include the Excluded Assets, which shall remain the property of the Debtors and nothing herein shall be deemed to sell, transfer, assign or convey the Excluded Assets or any of the Debtors' right, title or interest therein or thereto.

2.3 Purchase Price

The amount payable by the Purchaser to the Receiver for the Purchased Assets will be [REDACTED] (the "Purchase Price").

2.4 Payment of the Purchase Price

The Purchaser will pay the Purchase Price, as adjusted in accordance hereof, to the Receiver as follows:

- (a) the sum of [REDACTED], which is acknowledged has been previously paid by the Purchaser in accordance with the Original Purchase Agreement (the "**Deposit**"), to be held by the Receiver, or the Receiver's solicitors, in trust until the Closing and will be credited toward the Purchase Price upon Closing;
- (b) the sum of [REDACTED] which is acknowledged has been previously paid by the Purchaser in accordance with the Original Purchase Agreement, representing a non-refundable and immediately releasable prepayment of the Purchase Price (the "**Prepayment Amount**") to be held by the Receiver, or the Receiver's solicitors, in trust until the Closing and will be credited toward the Purchase Price upon Closing; and
- (c) the balance of the Purchase Price will be paid by the Purchaser at Closing by wire transfer in accordance with wire instructions delivered by the Receiver.

The Receiver agrees to cause the Deposit and the Prepayment Amount to be placed into, or remain in, a non-interest bearing account. The Purchaser acknowledges and agrees that the Deposit and the Prepayment Amount are both immediately releasable and entirely non-refundable.

2.5 Taxes

The Purchaser will pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial taxes eligible in connection with the purchase and sale of the Purchased Assets, including GST and any other provincial sales taxes and provide the Receiver with proof of payment of such taxes. Alternatively, where applicable, the Purchaser will have the option to furnish the Receiver with appropriate exemption certificates. The Purchaser agrees to indemnify and save the Receiver harmless from and against all Claims and demands for payment of all applicable taxes in connection with this Agreement and the Transaction, including penalties and interest and any liability or costs incurred as a result of any failure to pay those taxes when due.

2.6 As is, Where is.

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Receiver set forth in Section 4.1, it is entering into this Agreement, acquiring the Purchased Assets on an "**as is, where is**" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time and the sale of the Purchased Assets is made without legal warranty and at the risk of the Purchaser;
- (b) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets as it deemed appropriate, and based solely thereon, has determined to proceed with the Transaction;
- (c) except as expressly stated in Section 4.1, neither the Receiver nor its representatives have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Debtors' right, title or interest in or to the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;
- (d) all written and oral information obtained from the Receiver or its representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain "**data rooms**", management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets has been obtained for the convenience of the Purchaser only, and neither the Receiver nor its representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information; and
- (e) any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Receiver or its representatives, or any other Person concerning the completeness or accuracy of such information or descriptions.

Notwithstanding anything to the contrary herein, the Purchaser hereby expressly acknowledges that if any consents of: (i) any Governmental Entities are required to effect the transfer of any of the Purchased Assets; or (ii) any lessees are required to effect the transfer of any of the leases or licences to be acquired by the Purchaser pursuant to this Agreement, then it is the sole

responsibility of the Purchaser to obtain any such consents, and the granting of any such consents shall not be a condition precedent to the Purchaser's obligations under this Agreement, including the payment of the Purchase Price. At the request and cost of the Purchaser, both before and after the Closing Date, the Receiver will assist the Purchaser in its efforts to obtain any consents required of any Government Entities or lessees in order to complete the sale and transfer of the Purchased Assets pursuant to this Agreement.

2.7 Adjustments

The Purchase Price shall be subject to adjustment as at 12:00 p.m. (Alberta time) on the Closing Date and will include but not be limited to operational or any pre-paid expenses relating to the Purchased Assets. The adjustments will be made to the extent reasonably possible on Closing as of the Closing Date. The Receiver will prepare a statement of the adjustments for the Purchased Assets. The Purchaser and the Receiver agree that if the final cost or amount of any item which is to be adjusted under this Section 2.7 cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, and such amount shall be reasonably estimated by the Receiver as at the end of the day preceding the adjustment date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. Notwithstanding any other provisions of this Agreement and for the avoidance of doubt, the parties agree that their respective rights to adjustment and/or readjustment of any item or matter in relation to this transaction after Closing, shall be limited to the period of thirty (30) days after Closing, and any specific claim for adjustment and/or re-adjustment not made within such period shall expire and be extinguished on the expiry of such period and neither party shall have any further right to claim for adjustment or re-adjustment of the Purchase Price for any reason whatsoever.

ARTICLE 3 CONDITIONS

3.1 Conditions in Favour of the Purchaser

The obligations of the Purchaser under this Agreement are subject to the fulfillment of the following conditions precedent on or before the Closing Time:

- (a) each of the representations and warranties of the Receiver contained in this Agreement shall be true and correct as if restated on and as of the Closing Date;
- (b) no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- (c) the Receiver shall have delivered or caused to be delivered to the Purchaser all items referred to in Section 5.3; and
- (d) the obligations contained in this Agreement shall have been complied with by the Receiver in all material respects.

The foregoing conditions are for the exclusive benefit of the Purchaser and non-satisfaction or non-performance of any such condition may only be waived by the Purchaser, in its sole

discretion, in whole or in part, at any time and from time to time. Any such waiver is only binding on the Purchaser if it is made in writing and delivered forthwith to the Receiver's Solicitors.

3.2 Conditions in Favour of the Receiver

The obligations of the Receiver under this Agreement are subject to the fulfillment of the following conditions precedent on or before the Closing Time:

- (a) each of the representations and warranties of the Purchaser contained in this Agreement shall be true and correct as if restated on and as of the Closing Date;
- (b) no action or proceedings will be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement;
- (c) the Purchaser shall have delivered or caused to be delivered to the Receiver all items referred to in Section 5.2; and
- (d) the obligations contained in this Agreement shall have been complied with by the Purchaser in all material respects.

The foregoing conditions are for the exclusive benefit of the Receiver and non-satisfaction or non-performance of any such condition may only be waived by the Receiver, in its sole discretion, in whole or in part, at any time and from time to time. Any such waiver is only binding on the Receiver if it is made in writing and delivered forthwith to the Purchaser's Solicitors.

3.3 Mutual Conditions

The obligations of the Parties under this Agreement are subject to the following mutual conditions precedent or before the Closing Time:

- (a) a Vesting Order will have been made by the Court approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest of the Debtors, if any, in and to the Purchased Assets, such order to be substantially in the form attached hereto as Schedule "B"; and
- (b) the Vesting Order will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain or prohibit the completion of the Transaction.

The Parties may agree to amend or waive any the foregoing conditions. Any amendment or waiver by the Parties must be in writing and delivered to the Purchaser's Solicitors and the Receiver's Solicitors.

It is expressly acknowledged and confirmed between the parties that the mutual conditions contained in Section 3.3 of the Original Purchase Agreement respecting the Court granting a vesting order approving the transactions contemplated by the Original Purchase Agreement, have been satisfied by the Court granting the Original SAVO. For clarity, the mutual conditions contained in Section 3.3 of this Agreement are with respect to the Court approving the proposal to enter into this Agreement and the Real Property Agreement to replace the Original Purchase Agreement as contemplated in the recitals hereto.

3.4 Non-Satisfaction of Conditions

If any condition set out in this Article 3 is not satisfied or performed prior to the time specified therefor, a Party for whose benefit the condition is inserted may, in writing:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party, the Purchaser's Solicitors and the Receiver's Solicitors and without prejudice to any of its rights of termination in the event of non-fulfilment of any other conditions in whole or in part; or
- (b) elect to terminate this Agreement before Closing.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Receiver

The Receiver represents and warrants to the Purchaser as follows, with the intent that the Purchaser will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction contemplated by this Agreement:

- (a) subject to obtaining and pursuant to the Vesting Order, the Receiver has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;
- (b) the Receiver is not a non-resident of Canada within the meaning of section 116 of the *Income Tax Act*;
- (c) the Receiver has taken no act to encumber the Purchased Assets other than allowing the charges created pursuant to the Receivership Order to exist or arise in the ordinary course; and
- (d) to the best of the Receiver's knowledge, no actions or proceedings are pending and none have been threatened to restrain or prohibit the completion of the Transaction.

4.2 Representations and Warranties of the Purchaser

Each of NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation, as Purchaser, on a joint and several basis, represents and warrants to the Receiver as follows, with the intent that the Receiver will rely on these representations and warranties in entering into this Agreement, and in concluding the Transaction contemplated by this Agreement:

- (a) the Purchaser has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;
- (b) the Purchaser is a corporation duly incorporated, validly existing, and in good standing under the *Business Corporations Act (Alberta)*;

- (c) the execution and delivery of this Agreement and the completion of the transaction contemplated by this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement constitutes a legal, valid, and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (d) there is no Legal Proceeding in progress, pending against or threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder;
- (e) the Purchaser is not a "non-Canadian" within the meaning of the *Investment Canada Act*, RSC 1985, c 28 (1st Supp);
- (f) the Purchaser is or will be upon Closing registered under Part IX of the ETA, and shall provide its registration numbers to the Receiver at or prior to Closing; and
- (g) the Receiver will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser.

ARTICLE 5 CLOSING

5.1 Closing

Subject to the terms and conditions of this Agreement, and the satisfaction or the waiver of the conditions precedent contained herein, the purchase and sale of the Debtors' right, title and interest, if any, in and to the Purchased Assets will be completed at the Closing Time. If required, the Purchaser shall obtain title insurance, at its own expense, with gap coverage, to allow for the adjusted balance of the Purchase Price to be fully releasable to the Receiver no later than 12:00 P.M. (Alberta time) on the Closing Date.

5.2 Purchaser's Deliveries on Closing

At the Closing Time, the Purchaser will deliver, or cause to be delivered to the Receiver:

- (a) payment of the balance of the Purchase Price, as adjusted in accordance with Section 2.7 hereof;
- (b) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date with the same effect as though made on and as of the Closing Date;
- (c) a certificate dated as of the Closing Date confirming that each of the conditions precedent in favour of the Purchaser contained in this Agreement have been fulfilled, performed or waived as of the Closing Date;

- (d) if necessary, payment or evidence of payment of applicable taxes or, if applicable, appropriate tax exemption certificates, including indemnities in favour of the Receiver, delivered in accordance with Section 2.5;
- (e) an undertaking to re-adjust all items on or omitted from the statement of adjustments in accordance with Section 2.7;
- (f) the Lease; and
- (g) any other documentation as is referred to in this Agreement or as the Receiver may reasonably require to give effect to this Agreement or required by Applicable Law or any Governmental Authority.

5.3 Receiver's Deliveries on Closing

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

- (a) a receipt in respect of the payment of the Purchase Price;
- (b) a true copy of the filed Vesting Order;
- (c) a statement of adjustments in accordance with Section 2.7;
- (d) an undertaking to re-adjust all items on or omitted from the statement of adjustments in accordance with Section 2.7;
- (e) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Receiver contained in this Agreement are true as of the Closing Date with the same effect as though made on and as of the Closing Date;
- (f) the Lease; and
- (g) a certificate dated as of the Closing Date confirming that each of the conditions precedent in favour of the Receiver contained in this Agreement have been fulfilled, performed or waived as of the Closing Date.

5.4 Possession of Assets

The Receiver will remain in possession of the Purchased Assets until Closing. On Closing, the Purchaser will take possession of the Purchased Assets where situate at Closing. The Purchaser acknowledges that the Receiver has no obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event will the Purchased Assets be delivered or sold, assigned, transferred or set over to the Purchaser until the Purchaser has satisfied all delivery conditions in Section 5.2

5.5 Access to Assets

The Purchaser may have reasonable access to the Purchased Assets during normal business hours prior to Closing for the purpose of enabling the Purchaser to conduct any inspections of the Purchased Assets as it deems appropriate. Those inspections will only be conducted in the presence of a representative of the Receiver if so required at the discretion of the Receiver. For

greater certainty, all communications and approvals to obtain access shall go through the Receiver, in advance. The Purchaser agrees to indemnify and save the Receiver harmless from and against all Claims, demands, losses, damages, actions and costs incurred or arising from or in any way directly related to the inspection of the Purchased Assets.

5.6 Risk

The Purchased Assets will be at the Receiver's risk until the completion of the transaction contemplated herein on the Closing Date and thereafter at the Purchaser's risk. If, before the Closing, any of the Purchased Assets is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, then:

- (a) the Parties shall agree on an adjustment to the Purchase Price to account for such loss, damage, destruction, appropriation, expropriation or seizure; or
- (b) if such loss, damage, destruction, appropriation, expropriation or seizure is materially adverse to the Purchaser, as determined by the Purchaser, acting reasonably, then the Purchaser, at its sole discretion may terminate this Agreement.

5.7 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of the Receiver and the Purchaser; or
- (b) by the Receiver if the Closing has not occurred on or before March 9, 2023, provided, however, that the Receiver may not exercise such termination right if they are in material breach of their obligations under this Agreement.

If either the Receiver or the Purchaser validly terminates this Agreement under the provisions of this Section 5.7 or Section 3.4 or Section 5.6:

- (c) all the obligations of the Receiver and the Purchaser under this Agreement will be at an end;
- (d) neither Party will have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other; and
- (e) the Deposit and the Prepayment Amount shall be forfeited to the Receiver.

5.8 Breach by the Purchaser

If the Purchaser fails to comply with its obligations under this Agreement or the Real Property Agreement, the Receiver may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit and the Prepayment Amount will be forfeited to the Receiver and the Purchased Assets may be resold by the Receiver. In addition, the Purchaser will pay to the Receiver, on demand, the deficiency, if any, arising upon such resale (after deducting the Deposit, the interest on the Deposit, the Prepayment Amount and the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

ARTICLE 6 GENERAL

6.1 Receiver's Liability

The Purchaser hereby expressly acknowledges and agrees that MNP Ltd. is acting only in its representative capacity as Court-appointed receiver and manager of the Debtors and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement.

6.2 Obligations to Survive

The obligations and covenants of the Parties set out in the following Sections of this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter: Section 2.5 Taxes, Section 2.6 As is, Where is, Section 6.3 Further Assurances and Section 6.5 Expenses.

6.3 Further Assurances

The Parties will execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

6.4 Notice

All notices required or permitted to be given under this Agreement will be in writing and delivered by courier or email as follows:

To the Receiver at:

MNP Ltd., in its capacity as receiver of
the property, assets and undertaking of
Faissal Mouhamad Professional Corporation, Delta Dental Corporation and Michael
Dave Management Ltd.
1500, 640 5 Avenue SW
Calgary, AB T2P 3G4

Attention: Vanessa Allen
Email: vanessa.allen@mnp.ca

With a copy to:

McMillan LLP
TD Canada Trust Tower, Suite 1700
421 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Adam Maerov and Nick W. Barton
Email: adam.maerov@mcmillan.ca; nick.barton@mcmillan.ca

To the Purchaser at:

Bryan & Company LLP
2900 Manulife Place, 10180 101 Street
Edmonton, AB T5J 3V5

Attention: Jordan Mertz
Email: jmertz@bryanco.com

With a copy to:

NDC Group Inc. o/a National Dental Care
1734 24A Street SW
Calgary, AB T3C 1J4

Attention: Viet Tran, Scott Newman, Andrew Ardell
Email: viet@nationaldental.ca; scott@nationaldental.ca; andrew@nationaldental.ca

6.5 Expenses

Each Party shall pay all of its own expenses (including taxes imposed on those expenses) incurred in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transaction, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

6.6 No Third Party Beneficiary

This Agreement is solely for the benefit of the Parties and no third party accrues any benefit, Claim or right of any kind pursuant to, under, by or through this Agreement.

6.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

6.8 Amendment

No amendment of this Agreement will be binding unless made in writing by both Parties.

6.9 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited, or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition, or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances.

6.10 Assignment

This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party hereto, which consent may be arbitrarily withheld, provided that the Purchaser may

designate one or more nominees to take title in and to the Purchased Assets, or any part thereof, by giving the Receiver written notice of such assignment at least two clear Business Days prior to the date of the hearing of the application for the Vesting Order. This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No assignment shall relieve the assigning Party of any of its obligations hereunder.

6.11 Time of the Essence

Time will be of the essence of this Agreement.

6.12 Disclosure of Agreement

Each of the Parties agree that this Agreement shall be filed in the Receivership Proceedings with redactions as agreed upon between the Parties and the Court.

6.13 Applicable Law and Court Jurisdiction

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 the Parties hereby attorn to the jurisdiction of the Alberta Court of King's Bench, Judicial District of Calgary.

6.14 Counterparts

This Agreement may be signed in counterparts and each such counterpart will constitute an original document, and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by email or any other form of electronic transmission.

6.15 Strict Construction

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring either Party by virtue of authorship of any provision of this Agreement.

6.16 Joint and Several Liability

NDC Group Inc. and V. Tran and T. Sivanantha Professional Corporation, as Purchaser agree to be jointly and severally liable for the obligations and liabilities of the Purchaser under this Agreement and all closing documents to be delivered by the Purchaser pursuant to this Agreement.

[Remainder of page intentionally left blank]

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first written above.

MNP LTD., solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORPORATION AND MICHAEL DAVE MANAGEMENT LTD.**, and not in its personal or corporate capacity

Name:
Title:

NDC Group Inc.

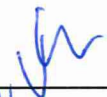
Name: Viet Tran
Title: Director

V. Tran and T Sivanantha Professional Corporation

Name: Viet Tran
Title: Director

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first written above.

MNP LTD., solely in its capacity as court-appointed receiver and manager of the property, assets and undertaking of **FAISSAL MOUHAMAD PROFESSIONAL CORPORATION, DELTA DENTAL CORPORATION AND MICHAEL DAVE MANAGEMENT LTD.**, and not in its personal or corporate capacity



Name: *V. Allen*
Title: *Senior V. P*

NDC Group Inc.

Name: Viet Tran
Title: Director

V. Tran and T Sivanantha Professional Corporation

Name: Viet Tran
Title: Director

SCHEDULE "A"
PURCHASED ASSETS

Personal Property:

1. Clinical equipment, as further set out in the attached listing
2. The Debtors' interest in any software, including Dentrix practice management software
3. Instruments and materials used for the provision of dental services
4. Leasehold improvements and cabinetry
5. Books and Records
6. Goodwill

SCHEDULE "B"
FORM OF VESTING ORDER

SCHEDULE "C"
THE LEASE

TAB 32

District of: Alberta
Division No. 02 - Calgary
Court No. 2203-12557

FORM 31 / 36
Proof of Claim

Select the Debtor Entity:

- Faissal Mouhamad Professional Corporation in the City of Red Deer in the Province of Alberta
- 98542 Alberta Ltd. of the Town of Drayton Valley in the Province of Alberta
- 52 Dental Corporation of the City of Calgary in the Province of Alberta
- Delta Dental Corp. of the City of Red Deer in the Province of Alberta
- Michael Dave Management Ltd. of the City of Red Deer in the Province of Alberta

All notices or correspondence regarding this claim must be forwarded to the following address:

Miller Thomson LLP, 2700, 10155 102 Street, Edmonton, AB T5J 4G8
Attn: Susy Trace, strace@millerthomson.com, Phone: 780.429.9713, Fax: 780.424.5866

In the matter of the receivership of **Faissal Mouhamad Professional Corporation** of the City of **Red Deer**, in the Province of Alberta, and the claim of **Royal Bank of Canada**, creditor.

I, **Jocelyn Beriault**, of the city of Calgary in the province of Alberta do hereby certify:

1. That I am a Senior Manager of Special Loans and Advisory Services of Royal Bank of Canada.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the Filing Date, and still is, indebted to the creditor in the sum of \$3,412,426.90, as specified in the

statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.) **plus interest from and after the Filing Date at the per diem rate of \$631.39, plus further costs, charges and expenses, including legal fees, incurred by RBC to collect the indebtedness from and after the Filing Date.**
Please note that proofs of claim in respect of all secured claims must include a sworn affidavit [or solemn declaration] that includes full particulars of the security claimed, including the date on which the security was given, the date on, and the manner in, which the security was perfected, all facts relevant to the priority of the security and the value at which you assess the security.

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ 60,000.00

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ 60,000.00, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$3,352,426.96 **plus interest from and after the Filing Date at the per diem rate of \$631.39, plus further costs, charges and expenses, including legal fees, incurred by RBC to collect the indebtedness from and after the Filing Date.**

That in respect of this debt, I hold assets of the debtor valued at \$3,352,426.96 as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

See attached Schedule "A", as well as the following materials not attached but filed in the action:

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____
Affidavit of Jocelyn Beriault, filed August 23, 2022
Supplemental Affidavit of Jocelyn Beriault, filed September 9, 2022
Affidavit of Faissal Mouhamad, filed August 24, 2022

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
Supplemental Affidavit of Faissal Mouhamad, filed September 8, 2022
(Attach a copy of sales agreement and delivery receipts.) Affidavit of Faissal Mouhamad, filed September 13, 2022

E. CLAIM BY WAGE EARNER OF \$ _____
Affidavit of Fetoun Ahmad, filed September 8, 2022

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____
First Report of the Interim Receiver, filed September 23, 2022

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____
First Report of the Receiver, filed October 31, 2022

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
Second Report of the Receiver, filed October 31, 2022

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____
Third Report of the Receiver, filed January 16, 2023

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____
Supplemental to the Third Report of the Receiver, filed January 16, 2023

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
Fourth Report of the Receiver, filed January 31, 2023

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____
Fifth Report of the Receiver, filed February 9, 2023

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____
Supplemental to the Fifth Report of the Receiver, filed March 7, 2023

G. CLAIM AGAINST DIRECTOR \$ _____
Sixth Report of the Receiver, filed March 2, 2023

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am not related to the debtor within the meaning of section 4 of the Act, and I have not dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

NIL

Dated at Calgary, this _____ day of April, 2023.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____
Fax Number: _____
E-mail Address: _____

MNP Ltd. - Licensed Insolvency Trustee
Per:

Vanessa Allen - Receiver
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 537-8393 Fax: (403) 537-8437
E-mail: calgary.insolvency@mnp.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: There are severe penalties for making any false claim, proof, declaration or statement of account.

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form in a complete and accurate manner. Please specifically check each requirement.

PROOF OF CLAIM

- ▶ The signature of a witness is required;
- ▶ The claim must be signed personally by the individuals;
- ▶ If the creditor is a corporation, the full and complete legal name of the company or firm must be stated;
- ▶ Give the complete address, including postal code, where all notices or correspondence is to be forwarded, the name of the person to contact, the phone number and fax number.

PARAGRAPH 1

- ▶ Please state your name, city of residence, and if you are completing the declaration for a corporation or another person, your position or title.

PARAGRAPH 3

- ▶ State the amount of your claim;
- ▶ A detailed statement of account must be attached and must show the date, number and amount of all the invoices, charged credits or payments;
- ▶ A statement of account is not complete if it begins with an amount brought forward;
- ▶ The amount of the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 4

- ▶ An ordinary creditor must check subparagraph A. A preferred creditor must set out on an attached schedule the particulars of your priority;
- ▶ A secured creditor must check subparagraph C. those creditors advancing secured claims against personal property will be required to provide documentation in support of their claims, such as contracts, invoices, bills of lading, shipping receipts, security of other agreements and proof of relevant security registrations, in relation to the goods and/or services provided or funds advanced, by way of a sworn affidavit or solemn declaration filed in these proceedings. The sworn affidavit or solemn declaration will also be required to include full particulars of the security, including the date on, and the manner in, which the security was given, the date on which the security was perfected, all facts relevant to the priority of the security and the value at which the creditor assesses the security

PARAGRAPH 5

Strike out "are" or "are not" as applicable to you. You would be considered a related person if:

- ▶ You are related to blood or marriage to the debtor;
- ▶ If the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

PARAGRAPH 6

All creditors must attach a detailed list of all payments or credits received or granted, as follows:

- ▶ Within the 3 months preceding the receivership, if the creditor and the debtor are not related;
- ▶ Within 12 months preceding the receivership, if the creditor and debtor are related.

TAB 33

District of: Alberta
Division No. 02 - Calgary
Court No. 2203-12557

FORM 31 / 36
Proof of Claim

Select the Debtor Entity:

- Faissal Mouhamad Professional Corporation in the City of Red Deer in the Province of Alberta
- 98542 Alberta Ltd. of the Town of Drayton Valley in the Province of Alberta
- 52 Dental Corporation of the City of Calgary in the Province of Alberta
- Delta Dental Corp. of the City of Red Deer in the Province of Alberta
- Michael Dave Management Ltd. of the City of Red Deer in the Province of Alberta

All notices or correspondence regarding this claim must be forwarded to the following address:

Miller Thomson LLP, 2700, 10155 102 Street, Edmonton, AB T5J 4G8
Attn: Susy Trace, strace@millerthomson.com, Phone: 780.429.9713, Fax: 780.424.5866

In the matter of the receivership of **Delta Dental Corp.** of the **City of Red Deer** in the Province of Alberta and the claim of **Royal Bank of Canada**, creditor.

I, **Jocelyn Beriault**, of the city of Calgary in the province of Alberta do hereby certify:

1. That I am a Senior Manager of Special Loans and Advisory Services of Royal Bank of Canada.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the Filing Date, and still is, indebted to the creditor in the sum of \$3,412,426.90, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.) **plus interest from and after the Filing Date at the per diem rate of \$631.39, plus further costs, charges and expenses, including legal fees, incurred by RBC to collect the indebtedness from and after the Filing Date.**
Please note that proofs of claim in respect of all secured claims must include a sworn affidavit [or solemn declaration] that includes full particulars of the security claimed, including the date on which the security was given, the date on, and the manner in, which the security was perfected, all facts relevant to the priority of the security and the value at which you assess the security.

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ 60,000.00

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ 60,000.00, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ 3,352,426.96 **plus interest from and after the Filing Date at the per diem rate of \$631.39, plus further costs, charges and expenses, including legal fees, incurred by RBC to collect the indebtedness from and after the Filing Date.**

That in respect of this debt, I hold assets of the debtor valued at \$ 3,352,426.96 as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

See attached Schedule "A", as well as the following materials not attached but filed in the action:

Affidavit of Jocelyn Beriault, filed August 23, 2022

Supplemental Affidavit of Jocelyn Beriault, filed September 9, 2022

Affidavit of Faissal Mouhamad, filed August 24, 2022

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.) Supplemental Affidavit of Faissal Mouhamad, filed September 8, 2022

Affidavit of Fetoun Ahmad, filed September 8, 2022

E. CLAIM BY WAGE EARNER OF \$ _____

First Report of the Interim Receiver, filed September 23, 2022

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,

First Report of the Receiver, filed October 31, 2022

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

Second Report of the Receiver, filed October 31, 2022

Third Report of the Receiver, filed January 16, 2023

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

Supplemental to the Third Report of the Receiver, filed January 16, 2023

Fourth Report of the Receiver, filed January 31, 2023

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____

Fifth Report of the Receiver, filed February 9, 2023

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

Supplemental to the Fifth Report of the Receiver, filed March 7, 2023

Sixth Report of the Receiver, filed March 2, 2023

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am not related to the debtor within the meaning of section 4 of the Act, and I have not dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

NIL

Dated at Calgary, this _____ day of April, 2023.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____
Fax Number: _____
E-mail Address: _____

MNP Ltd. - Licensed Insolvency Trustee
Per:

Vanessa Allen - Receiver
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 537-8393 Fax: (403) 537-8437
E-mail: calgary.insolvency@mnp.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: There are severe penalties for making any false claim, proof, declaration or statement of account.

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form in a complete and accurate manner. Please specifically check each requirement.

PROOF OF CLAIM

- ▶ The signature of a witness is required;
- ▶ The claim must be signed personally by the individuals;
- ▶ If the creditor is a corporation, the full and complete legal name of the company or firm must be stated;
- ▶ Give the complete address, including postal code, where all notices or correspondence is to be forwarded, the name of the person to contact, the phone number and fax number.

PARAGRAPH 1

- ▶ Please state your name, city of residence, and if you are completing the declaration for a corporation or another person, your position or title.

PARAGRAPH 3

- ▶ State the amount of your claim;
- ▶ A detailed statement of account must be attached and must show the date, number and amount of all the invoices, charged credits or payments;
- ▶ A statement of account is not complete if it begins with an amount brought forward;
- ▶ The amount of the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 4

- ▶ An ordinary creditor must check subparagraph A. A preferred creditor must set out on an attached schedule the particulars of your priority;
- ▶ A secured creditor must check subparagraph C. those creditors advancing secured claims against personal property will be required to provide documentation in support of their claims, such as contracts, invoices, bills of lading, shipping receipts, security of other agreements and proof of relevant security registrations, in relation to the goods and/or services provided or funds advanced, by way of a sworn affidavit or solemn declaration filed in these proceedings. The sworn affidavit or solemn declaration will also be required to include full particulars of the security, including the date on, and the manner in, which the security was given, the date on which the security was perfected, all facts relevant to the priority of the security and the value at which the creditor assesses the security

PARAGRAPH 5

Strike out “are” or “are not” as applicable to you. You would be considered a related person if:

- ▶ You are related to blood or marriage to the debtor;
- ▶ If the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

PARAGRAPH 6

All creditors must attach a detailed list of all payments or credits received or granted, as follows:

- ▶ Within the 3 months preceding the receivership, if the creditor and the debtor are not related;
- ▶ Within 12 months preceding the receivership, if the creditor and debtor are related.

TAB 34

District of: Alberta
Division No. 02 - Calgary
Court No. 2203-12557

FORM 31 / 36
Proof of Claim

Select the Debtor Entity:

- Faissal Mouhamad Professional Corporation in the City of Red Deer in the Province of Alberta
- 98542 Alberta Ltd. of the Town of Drayton Valley in the Province of Alberta
- 52 Dental Corporation of the City of Calgary in the Province of Alberta
- Delta Dental Corp. of the City of Red Deer in the Province of Alberta
- Michael Dave Management Ltd. of the City of Red Deer in the Province of Alberta

All notices or correspondence regarding this claim must be forwarded to the following address:

Miller Thomson LLP, 2700, 10155 102 Street, Edmonton, AB T5J 4G8
Attn: Susy Trace, strace@millerthomson.com, Phone: 780.429.9713, Fax: 780.424.5866

In the matter of the receivership of **52 Dental Corporation** of the **City of Calgary** in the Province of Alberta and the claim of **Royal Bank of Canada**, creditor.

I, **Jocelyn Berault**, of the city of Calgary in the province of Alberta do hereby certify:

1. That I am a Senior Manager of Special Loans and Advisory Services of Royal Bank of Canada.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the Filing Date, and still is, indebted to the creditor in the sum of \$3,412,426.90, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.) **plus interest from and after the Filing Date at the per diem rate of \$631.39, plus further costs, charges and expenses, including legal fees, incurred by RBC to collect the indebtedness from and after the Filing Date.**

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ 60,000.00

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ 60,000.00, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ 3,352,426.96

plus interest from and after the Filing Date at the per diem rate of \$631.39, plus further costs, charges and expenses, including legal fees, incurred by RBC to collect the indebtedness from and after the Filing Date.

That in respect of this debt, I hold assets of the debtor valued at \$3,352,426.96 as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

See attached Schedule "A", as well as the following materials not attached but filed in the action:

Affidavit of Jocelyn Berault, filed August 23, 2022

Supplemental Affidavit of Jocelyn Berault, filed September 9, 2022

Affidavit of Faissal Mouhamad, filed September 8, 2022

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____ Supplemental Affidavit of Faissal Mouhamad, filed September 8, 2022

(Attach a copy of sales agreement and delivery receipts.) Affidavit of Faissal Mouhamad, filed September 13, 2022

Affidavit of Fetoun Ahmad, filed September 8, 2022

E. CLAIM BY WAGE EARNER OF \$ _____

First Report of the Interim Receiver, filed September 23, 2022

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,

First Report of the Receiver, filed October 31, 2022

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

Second Report of the Receiver, filed October 31, 2022

Third Report of the Receiver, filed January 16, 2023

Supplemental to the Third Report of the Receiver, filed January 16, 2023

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

Fourth Report of the Receiver, filed January 31, 2023

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____

Fifth Report of the Receiver, filed February 9, 2023

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

Supplemental to the Fifth Report of the Receiver, filed March 7, 2023

Sixth Report of the Receiver, filed March 2, 2023

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am not related to the debtor within the meaning of section 4 of the Act, and I have not dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

NIL

Dated at Calgary, this _____ day of April, 2023.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____
Fax Number: _____
E-mail Address: _____

MNP Ltd. - Licensed Insolvency Trustee
Per:

Vanessa Allen - Receiver
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 537-8393 Fax: (403) 537-8437
E-mail: calgary.insolvency@mnp.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: There are severe penalties for making any false claim, proof, declaration or statement of account.

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form in a complete and accurate manner. Please specifically check each requirement.

PROOF OF CLAIM

- ▶ The signature of a witness is required;
- ▶ The claim must be signed personally by the individuals;
- ▶ If the creditor is a corporation, the full and complete legal name of the company or firm must be stated;
- ▶ Give the complete address, including postal code, where all notices or correspondence is to be forwarded, the name of the person to contact, the phone number and fax number.

PARAGRAPH 1

- ▶ Please state your name, city of residence, and if you are completing the declaration for a corporation or another person, your position or title.

PARAGRAPH 3

- ▶ State the amount of your claim;
- ▶ A detailed statement of account must be attached and must show the date, number and amount of all the invoices, charged credits or payments;
- ▶ A statement of account is not complete if it begins with an amount brought forward;
- ▶ The amount of the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 4

- ▶ An ordinary creditor must check subparagraph A. A preferred creditor must set out on an attached schedule the particulars of your priority;
- ▶ A secured creditor must check subparagraph C. those creditors advancing secured claims against personal property will be required to provide documentation in support of their claims, such as contracts, invoices, bills of lading, shipping receipts, security of other agreements and proof of relevant security registrations, in relation to the goods and/or services provided or funds advanced, by way of a sworn affidavit or solemn declaration filed in these proceedings. The sworn affidavit or solemn declaration will also be required to include full particulars of the security, including the date on, and the manner in, which the security was given, the date on which the security was perfected, all facts relevant to the priority of the security and the value at which the creditor assesses the security

PARAGRAPH 5

Strike out "are" or "are not" as applicable to you. You would be considered a related person if:

- ▶ You are related to blood or marriage to the debtor;
- ▶ If the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

PARAGRAPH 6

All creditors must attach a detailed list of all payments or credits received or granted, as follows:

- ▶ Within the 3 months preceding the receivership, if the creditor and the debtor are not related;
- ▶ Within 12 months preceding the receivership, if the creditor and debtor are related.

TAB 35

District of: Alberta
Division No. 02 - Calgary
Court No. 2203-12557

FORM 31 / 36
Proof of Claim

Select the Debtor Entity:

- Faissal Mouhamad Professional Corporation in the City of Red Deer in the Province of Alberta
- 98542 Alberta Ltd. of the Town of Drayton Valley in the Province of Alberta
- 52 Dental Corporation of the City of Calgary in the Province of Alberta
- Delta Dental Corp. of the City of Red Deer in the Province of Alberta
- Michael Dave Management Ltd. of the City of Red Deer in the Province of Alberta

All notices or correspondence regarding this claim must be forwarded to the following address:

Miller Thomson LLP, 2700, 10155 102 Street, Edmonton, AB T5J 4G8
Attn: Susy Trace, strace@millerthomson.com, Phone: 780.429.9713, Fax: 780.424.5866

In the matter of the receivership of **Michael Dave Management Ltd.** of the **City of Red Deer** in the Province of Alberta and the claim of **Royal Bank of Canada**, creditor.

I, **Jocelyn Berault**, of the city of Calgary in the province of Alberta do hereby certify:

1. That I am a Senior Manager of Special Loans and Advisory Services of Royal Bank of Canada.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the Filing Date, and still is, indebted to the creditor in the sum of \$3,412,426.90, as specified in the

statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.) **plus interest from and after the Filing Date at the per diem rate of \$631.39, plus further costs, charges and expenses, including legal fees, incurred by RBC to collect the indebtedness from and after the Filing Date.**
Please note that proofs of claim in respect of all secured claims must include a sworn affidavit [or solemn declaration] that includes full particulars of the security claimed, including the date on which the security was given, the date on, and the manner in, which the security was perfected, all facts relevant to the priority of the security and the value at which you assess the security.

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ 60,000.00

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ 60,000.00, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$3,352,426.96 **plus interest from and after the Filing Date at the per diem rate of \$631.39, plus further costs, charges and expenses, including legal fees, incurred by RBC to collect the indebtedness from and after the Filing Date.**

That in respect of this debt, I hold assets of the debtor valued at \$ 3,352,426.96 as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

See attached Schedule "A", as well as the following materials not attached but filed in the action:

Affidavit of Jocelyn Berault, filed August 23, 2022

Supplemental Affidavit of Jocelyn Berault, filed September 9, 2022

Affidavit of Faissal Mouhamad, filed August 24, 2022

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____ **Supplemental Affidavit of Faissal Mouhamad, filed September 8, 2022**

(Attach a copy of sales agreement and delivery receipts.) **Affidavit of Faissal Mouhamad, filed September 13, 2022**

Affidavit of Fetoun Ahmad, filed September 8, 2022

E. CLAIM BY WAGE EARNER OF \$ _____

First Report of the Interim Receiver, filed September 23, 2022

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,

First Report of the Receiver, filed October 31, 2022

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

Second Report of the Receiver, filed October 31, 2022

Third Report of the Receiver, filed January 16, 2023

Supplemental to the Third Report of the Receiver, filed January 16, 2023

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

Fourth Report of the Receiver, filed January 31, 2023

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____

Fifth Report of the Receiver, filed February 9, 2023

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

Supplemental to the Fifth Report of the Receiver, filed March 7, 2023

Sixth Report of the Receiver, filed March 2, 2023

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am not related to the debtor within the meaning of section 4 of the Act, and I have not dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

NIL

Dated at Calgary, this _____ day of April, 2023.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____
Fax Number: _____
E-mail Address: _____

MNP Ltd. - Licensed Insolvency Trustee
Per:

Vanessa Allen - Receiver
1500, 640 - 5 Avenue SW
Calgary AB T2P 3G4
Phone: (403) 537-8393 Fax: (403) 537-8437
E-mail: calgary.insolvency@mnp.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: There are severe penalties for making any false claim, proof, declaration or statement of account.

CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form in a complete and accurate manner. Please specifically check each requirement.

PROOF OF CLAIM

- ▶ The signature of a witness is required;
- ▶ The claim must be signed personally by the individuals;
- ▶ If the creditor is a corporation, the full and complete legal name of the company or firm must be stated;
- ▶ Give the complete address, including postal code, where all notices or correspondence is to be forwarded, the name of the person to contact, the phone number and fax number.

PARAGRAPH 1

- ▶ Please state your name, city of residence, and if you are completing the declaration for a corporation or another person, your position or title.

PARAGRAPH 3

- ▶ State the amount of your claim;
- ▶ A detailed statement of account must be attached and must show the date, number and amount of all the invoices, charged credits or payments;
- ▶ A statement of account is not complete if it begins with an amount brought forward;
- ▶ The amount of the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 4

- ▶ An ordinary creditor must check subparagraph A. A preferred creditor must set out on an attached schedule the particulars of your priority;
- ▶ A secured creditor must check subparagraph C. those creditors advancing secured claims against personal property will be required to provide documentation in support of their claims, such as contracts, invoices, bills of lading, shipping receipts, security of other agreements and proof of relevant security registrations, in relation to the goods and/or services provided or funds advanced, by way of a sworn affidavit or solemn declaration filed in these proceedings. The sworn affidavit or solemn declaration will also be required to include full particulars of the security, including the date on, and the manner in, which the security was given, the date on which the security was perfected, all facts relevant to the priority of the security and the value at which the creditor assesses the security

PARAGRAPH 5

Strike out "are" or "are not" as applicable to you. You would be considered a related person if:

- ▶ You are related to blood or marriage to the debtor;
- ▶ If the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

PARAGRAPH 6

All creditors must attach a detailed list of all payments or credits received or granted, as follows:

- ▶ Within the 3 months preceding the receivership, if the creditor and the debtor are not related;
- ▶ Within 12 months preceding the receivership, if the creditor and debtor are related.