

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

FAIRVIEW NURSING HOME LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED**

**APPLICATION RECORD
(Returnable December 18, 2013)**

December 12, 2013

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Attention: Troy Harrison Crown Civil Office
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ASSETLINX CAPITAL INC.

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ROYNAT INC.

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STANDARD TRUST COMPANY

c/o its Liquidator, Ernst & Young Inc.

222 Bay Street, ON M5K 1J7

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**ONTARIO
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BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

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FAIRVIEW NURSING HOME LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

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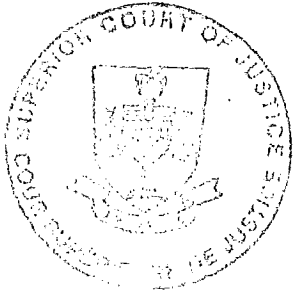
**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -



FAIRVIEW NURSING HOME LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED**

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario on December 18, 2013, at 10:00 a.m. or as soon after that time as the matter can be heard on the application of the Applicant.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: December 12, 2013.

Issued by



Local registrar

**Giuseppe Di Pietro
Registrar**

Address of
court office:

330 University Avenue
Toronto, Ontario
M5G 1R7

TO: ALL THE PARTIES ON THE ATTACHED SERVICE LIST

APPLICATION

THE APPLICANT, THE TORONTO-DOMINION BANK (“TD”), MAKES APPLICATION FOR AN ORDER, among other things:

- a) If necessary, abridging the time for service and filing of this notice of application and the application record or, in the alternative, dispensing with same;
- b) Appointing BDO Canada Limited (“BDO”) as receiver (in such capacity, the “Receiver”), without security, in respect of a sales process of all of the assets, undertakings and properties of Fairview Nursing Home Limited (the “Debtor”) acquired for, or used in relation to the Debtor’s business, including all proceeds thereof (the “Property”) on the terms set out in the draft Order attached as Schedule A to this Notice of Application (“Proposal Order”); and
- c) Such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE APPLICATION ARE:

- a) The Debtor is a corporation incorporated pursuant to the laws of the Province of Ontario;
- b) The Debtor is currently indebted to TD with respect to:
 - i) certain credit facilities granted by TD pursuant to and under the terms of a letter agreement dated July 7, 2010 and accepted by the Debtor on July 8, 2010, as amended by letter agreement dated April 23, 2012 (collectively and as amended, restated, renewed and replaced, the “Credit Agreement”); and
 - ii) a forbearance agreement among TD, the Debtor and the Guarantor (as defined below) dated August 22, 2012 (the “Forbearance Agreement”), which agreement ended effective February 14, 2013;
- c) As security for its obligations to TD, the Debtor provided, *inter alia*,

- i) a General Security Agreement dated July 16, 2010 (the “GSA”), registration of which was duly made under the *Personal Property Security Act* (Ontario) (the “PPSA”);
 - ii) a collateral Charge/Mortgage over the property known municipally as 14 Cross Street, Toronto, Ontario, and legally described as PIN 21296-0399 (LT) (the “Premises”) in the principal amount of \$1,500,000 registered on July 19, 2010 as Instrument No. AT2450748 (the “Charge”); and
 - iii) a general assignment of rents in respect of the Premises dated July 16, 2010 as collateral security for the due payment and performance of all of the Debtor’s obligations under the Charge, which was registered on title on July 19, 2010 as Instrument No. AT2450749 (the “Assignment of Rents” and, together with the GSA and the Charge, the “Security”);
- d) The obligations of the Debtor to TD were guaranteed by Herbert Washington Chambers pursuant to and under the terms of a Guarantee dated July 16, 2010 (the “Guarantee”). Herbert W. Chambers passed away and the obligations owed to TD under the Guarantee enured to The Estate of Herbert Washington Chambers (the “Guarantor”). The Bank of Nova Scotia Trust Company is the Estate Trustee of the Guarantor;
- e) The Debtor is in default of its obligations to TD under the Credit Agreement and the Forbearance Agreement;
- f) As of November 13, 2013, the Debtor was indebted to TD under the Credit Agreement and the Forbearance in the aggregate of \$1,008,673.69 (the “Indebtedness”), exclusive of legal fees, costs and accruing interest;
- g) Demand has been made in respect of the Indebtedness and the Guarantee;
- h) The Debtor operates a long term care facility business which is funded in large part from revenue from receipts from the Ministry of Health and Long-Term Care;

- i) On average, the Debtor does not generate sufficient monthly revenue to cover its monthly expenses;
- j) The Debtor is insolvent and unable to fulfill all its obligations to TD and other creditors;
- k) A sale of the long term care facility business is anticipated to take at least fifteen months;
- l) The Debtor, its shareholders and TD have entered into a second forbearance agreement which will allow the shareholders and the Debtor to fund a sales process for the long term care business;
- m) As part of the terms of the second forbearance agreement, the Debtor, TD and its shareholders have agreed to the appointment of BDO Canada Limited on the terms set out in the Proposed Order;
- n) The Proposed Order will permit the Debtor and BDO the opportunity to borrow to fund operating losses, pay downs to TD and to market the assets and undertakings of the Debtor;
- o) BDO is a licensed trustee in bankruptcy and is familiar with the circumstances of the Debtor and its arrangements with TD;
- p) BDO has consented to being appointed as Receiver;
- q) Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- r) Rules 1.04, 2.03, 3.02 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- s) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- a) The affidavit of Kenneth J. Malcolm sworn December 10, 2013;
- b) The consent of BDO to act as Receiver of the Debtor; and
- c) Such other material as counsel may submit and this Honourable Court may permit.

December 12, 2013

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Email: Troy.Harrison@Ontario.ca

ASSETLINX CAPITAL INC.

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ROYNAT INC.

Suite 1500

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Burnaby, BC V5H 4M2

STANDARD TRUST COMPANY

c/o its Liquidator, Ernst & Young Inc.

222 Bay Street, ON M5K 1J7

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THE TORONTO-DOMINION BANK

- and - FAIRVIEW NURSING HOME LIMITED

Applicant

Respondent

Court File No. C0-13-10365-0001

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF APPLICATION

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Lawyers for The Toronto-Dominion Bank

Tab A

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE M) WEDNESDAY, THE 18th DAY
JUSTICE) OF DECEMBER, 2013

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

FAIRVIEW NURSING HOME LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED**

RECEIVERSHIP ORDER

THIS APPLICATION, made by The Toronto-Dominion Bank (“**TD**”), for an Order, *inter alia*, pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), appointing BDO Canada Limited (“**BDO**”) as receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Fairview Nursing Home Limited (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario;

ON READING the affidavit of Kenneth J. Malcolm sworn December 10, 2013 (the “**Malcolm Affidavit**”), the consent of the Debtor and its shareholders, and the consent of BDO

to act as the Receiver, and on hearing the submissions of counsel for TD and counsel for the Debtor, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Christine Doyle sworn December 12, 2013, filed;

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of application and the application record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to subsection 243(1) of the BIA, BDO is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, real estate agents, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (b) to assume the responsibilities of the Sales Process Court-Appointed Officer as described in the Second Forbearance Agreement defined in the Malcolm Affidavit including;
 - (i) monitoring receipts and disbursements of the Debtor; and,

- (ii) making advances to the Debtor to fund its operations and to permit the contemplated repayments to TD;
- (c) to participate and facilitate discussions between Responsive Health Management Inc., the Ontario Ministry of Health and Long-Term Care and the Debtor with respect to ensuring adequate funding of the Debtor's business during the sales process;
- (d) to market the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (e) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;
- (f) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (g) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (h) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (i) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor; and,

- (j) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that: (i) the Debtor; (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “Persons” and each being a “Person”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request each as required in the discharge of the duties of the Receiver.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “Records”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, each as required in the discharge of the duties of the Receiver, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor, or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor, or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Debtor to carry on any business

which the Debtor is not lawfully entitled to carry on; (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtor, and that the Debtor shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Debtor, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts

to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) and 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and any other applicable privacy legislation, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or

collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges subject to taxation by the Court, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including advances to the Debtor to fund its operations and to make repayments to TD, each as contemplated in the Second Forbearance Agreement defined in the Malcolm Affidavit. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and all security granted by the Debtor in favour of TD.

21. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder or the expansion of same..

25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the 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 orders and to provide such assistance to the Receiver, as an officer of this 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.

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

28. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that BDO Canada Limited, the receiver (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Fairview Nursing Home Limited (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 18th day of December, 2013 (the "Order") made in an action having Court file number <*>, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2013.

BDO CANADA LIMITED, solely in its capacity
as Receiver of the Property (as defined in the
Order), and not in its personal capacity

Per: _____

Name:

Title:

THE TORONTO-DOMINION BANK

- and -

FAIRVIEW NURSING HOME LIMITED

Applicant

Respondent

Court File No. CV-13-10365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

ORDER

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Lawyers for The Toronto-Dominion Bank

TAB B

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE M) WEDNESDAY, THE 18th DAY
)
JUSTICE) OF DECEMBER, 2013

BETWEEN:

THE HONOURABLE _____)
_____ DAY, THE _____ DAY
_____)
JUSTICE _____) _____ OF
_____, 20 _____ TORONTO-DOMINION BANK
PLAINTIFF[†]

Plaintiff

Applicant

- and -

DEFENDANT

Defendant

FAIRVIEW NURSING HOME LIMITED

Respondent

[†]—The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED

RECEIVERSHIP ORDER

~~THIS MOTION~~APPLICATION, made by the ~~Plaintiff~~²The Toronto-Dominion Bank (“TD”), for an Order, *inter alia*, pursuant to ~~sections~~subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and ~~section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the “CJA”)~~, appointing [RECEIVER'S NAME]BDO Canada Limited (“BDO”) as receiver (in such ~~capacities~~capacity, the “Receiver”), without security, of all of the assets, undertakings and properties of [DEBTOR'S NAME]Fairview Nursing Home Limited (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario;

ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto Kenneth J. Malcolm sworn December 10, 2013 (the “Malcolm Affidavit”), the consent of the Debtor and its shareholders, and the consent of BDO to act as the Receiver, and on hearing the submissions of counsel for [NAMES]TD and counsel for the Debtor, no one appearing for [NAME]any other person on the service list, although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver, Christine Doyle sworn December 12, 2013, filed;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the ~~Notice of Motion and the Motion~~ and filing of the notice of application and the application record is hereby abridged and

²Section 243(1) of the BIA provides that the Court may appoint a receiver “on application by a secured creditor”.

validated³ so that this ~~motion~~application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to ~~section~~subsection 243(1) of the BIA ~~and section 101 of the CJA~~, ~~[RECEIVER'S NAME]~~, BDO is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) ~~to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;~~
- (b) ~~to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;~~
- (c) ~~to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary~~

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

~~course of business, cease to carry on all or any part of the business, or
cease to perform any contracts of the Debtor;~~

(a) ~~(d)~~ to engage consultants, appraisers, agents, experts, auditors, accountants, managers, real estate agents, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;

~~(e)~~ —

(b) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

~~(f)~~ — to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

~~(g)~~ — to settle, extend or compromise any indebtedness owing to the Debtor;

~~(h)~~ — to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order; assume the responsibilities of the Sales Process Court-Appointed Officer as described in the Second Forbearance Agreement defined in the Malcolm Affidavit including;

~~(i)~~ to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor; monitoring receipts and disbursements of the Debtor; and,

(ii) making advances to the Debtor to fund its operations and to permit the contemplated repayments to TD;

- (c) ~~(j)~~ to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding; participate and facilitate discussions between Responsive Health Management Inc., the Ontario Ministry of Health and Long-Term Care and the Debtor with respect to ensuring adequate funding of the Debtor's business during the sales process;
- (d) ~~(k)~~ to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- ~~(l)~~ to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;
- ~~(i)~~ without the approval of this Court in respect of any transaction not exceeding \$ _____, provided that the aggregate consideration for all such transactions does not exceed \$ _____; and
- ~~(ii)~~ with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- (e) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;
- (f) ~~(m)~~ to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (g) ~~(n)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (h) ~~(o)~~ to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

~~(p) to apply for any permits, licenses, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;~~
- (i) ~~(q)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor; and,

~~(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and~~
- (j) ~~(s)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that: (i) the Debtor; (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “Persons” and each being a “Person”) shall forthwith advise

the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request each as required in the discharge of the duties of the Receiver.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the **"Records"**) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, each as required in the discharge of the duties of the Receiver, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor, or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor, or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on; (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Receiver~~Debtor, and that the ~~Receiver~~Debtor shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Receiver~~Debtor in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the ~~Receiver~~Debtor, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor ~~until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees.~~ The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in ~~section~~subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing

to pay, or in respect of its obligations under ~~sections~~ subsections 81.4(5) ~~or~~ and 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and any other applicable privacy legislation, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in

pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, ~~or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.~~ Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges subject to taxation by the Court, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to ~~sections~~subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁴

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates

⁴~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including ~~interim expenditures~~advances to the Debtor to fund its operations and to make repayments to TD, each as contemplated in the Second Forbearance Agreement defined in the Malcolm Affidavit. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and ~~the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA~~all security granted by the Debtor in favour of TD.

21. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder or the expansion of same.

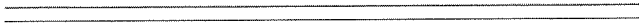
25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the 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 orders and to provide such assistance to the Receiver, as an officer of this 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.

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

28. **THIS COURT ORDERS** that the PlaintiffApplicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the PlaintiffApplicant's security or, if not so provided by the PlaintiffApplicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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



SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that [RECEIVER'S NAME] BDO Canada Limited, the receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties [DEBTOR'S NAME] of Fairview Nursing Home Limited (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 18th day of _____, 2013 December, 2013 (the "**Order**") made in an action having Court file number CL _____ ~~<*>~~, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, ~~20~~2013.

~~[RECEIVER'S NAME]~~ **BDO CANADA LIMITED**, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title:

13439526.1

THE TORONTO-DOMINION BANK

- and -

FAIRVIEW NURSING HOME LIMITED

Applicant

Respondent

Court File No. CV-13-10365-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

Toronto, ONM5J 2T9

Sanjeev P.R. Mitra (LSUC # 37934U)

Tel: (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Lawyers for The Toronto-Dominion Bank

15180971.5

Document comparison by Workshare Compare on December-12-13 4:14:22 PM

Input:	
Document 1 ID	interwovenSite://ab-ws1/cm/15180966/1
Description	#15180966v1<cm> - Model Order - January 15/10 (Fairview)
Document 2 ID	interwovenSite://ab-ws1/cm/15180971/5
Description	#15180971v5<cm> - Order re Appointment of Receiver (Fairview)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved-deletion	
Inserted cell	
Deleted cell	
Moved cell	
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Padding cell	

Statistics:	
	Count
Insertions	171
Deletions	155
Moved from	5
Moved to	5
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Format changed	0
Total changes	336

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

FAIRVIEW NURSING HOME LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED**

**AFFIDAVIT OF KENNETH J. MALCOLM
(sworn December 10, 2013)**

I, **KENNETH J. MALCOLM**, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Manager Commercial Credit in the Financial Restructuring Group at The Toronto-Dominion Bank (“**TD**”), a secured creditor of Fairview Nursing Home Limited (the “**Debtor**”). As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

DESCRIPTION OF THE DEBTOR

2. The Debtor was incorporated on May 17, 1968 pursuant to the laws of the Province of Ontario. A copy of the Debtor's corporation profile report is attached as **Exhibit "A"** to this Affidavit.

3. The Debtor operates as a nursing home for senior citizens ("**the Borrower's Business**") from the real property known municipally as 14 Cross Street, Toronto, Ontario and legally described as PIN 21296-0399 (LT) (the "**Premises**"). The Premises is owned by the Debtor.

4. According to the Debtor's corporation profile report:

(a) each of Violet Agatha Chambers ("**Agatha**") and Lisa L. Chambers ("**Lisa**") are the directors of the Debtor; and

(b) Violet is the Debtor's President and Lisa is the Debtor's Treasurer and Secretary.

5. According to the information in the files of TD, Agatha and her deceased husband, Herbert Washington Chambers ("**Herbert**"), each own fifty percent of the outstanding and issued shares of the Borrower.

TD CREDIT FACILITIES, FORBEARANCE AGREEMENT AND SECURITY

6. The Debtor is indebted to TD with respect to:

(a) certain credit facilities granted by TD pursuant to and under the terms of a letter agreement dated July 7, 2010 and accepted by the Debtor on July 8, 2010, as amended by letter agreement dated April 23, 2012 (collectively and as amended,

restated, renewed and replaced, the “**Credit Agreement**”), a copy of which is attached as **Exhibit “B”** to this Affidavit; and

- (b) a forbearance agreement among TD, the Debtor and the Guarantor (as defined below) dated August 22, 2012 (the “**Forbearance Agreement**”), which agreement ended effective February 14, 2013. A copy of the Forbearance Agreement is attached as **Exhibit “C”** to this Affidavit.

7. As security for its obligations to TD, the Debtor provided, *inter alia*:

- (a) a General Security Agreement dated July 16, 2010 (the “**GSA**”), registration of which was duly made under the *Personal Property Security Act* (Ontario) (the “**PPSA**”) under Reference File No. 663051798 and Registration No. 20100719 1517 1793 7932, a copy of which is attached as **Exhibit “D”** to this Affidavit;
- (b) a collateral Charge/Mortgage over the Premises in the principal amount of \$1,500,000 registered on July 19, 2010 as Instrument No. AT2450748 (the “**Charge**”), a copy of which is attached as **Exhibit “E”** to this Affidavit; and
- (c) a general assignment of rents in respect of the Premises dated July 16, 2010 as collateral security for the due payment and performance of all of the Debtor’s obligations under the Charge, which was registered on title on July 19, 2010 as Instrument No. AT2450749 (the “**Assignment of Rents**” and, together with the GSA and the Charge, the “**Security**”). A copy of the Assignment of Rents is attached as **Exhibit “F”** to this Affidavit.

8. The obligations of the Debtor to TD were guaranteed by Herbert pursuant to and under the terms of a Guarantee dated July 16, 2010 (the "**Guarantee**"), a copy of which is attached as **Exhibit "G"** to this Affidavit. Herbert has passed away and his estate is being managed by The Bank of Nova Scotia Trust Company.

THE DEBTOR'S OTHER SECURED CREDITORS

9. A copy of the PPSA search results for the Debtor, together with a summary of the results, with currency to August 6, 2013 is attached as **Exhibit "H"** to this Affidavit.

10. The PPSA search results show a CSRA registration made by The Standard Trust Company ("**STC**") regarding a \$1,600,000 demand debenture given by the Debtor in December of 1983, which registration was made before the PPSA registrations made by TD against the Debtor. I believe that there are no monies owed to STC by the Debtor but that this registration remains. The PPSA search results also show that each of Assetlinx Capital Inc., Diversey Canada Inc. and Roynat Inc. have made PPSA registrations against the Debtor that appear to be in respect of specific pieces of equipment. Finally, Violet appears to have made a general PPSA registration against the Debtor subsequent to the PPSA registrations made by TD against the Debtor.

11. A copy of the parcel register regarding the Premises with currency to August 7, 2013 is attached as **Exhibit "I"** to this Affidavit. The parcel register shows that the Charge is the only charge/mortgage over the Premises. There is, however, a notice and a document general registered against the Premises, each of which has the remarks "right of first refusal". I am advised by my solicitor, Sanjeev Mitra, and verily believe it to be true, that this right of first refusal reflected in these registrations expired in 1995.

FINANCIAL DIFFICULTIES AND DEFAULT

12. The Debtor had been experiencing financial difficulties which caused it to default on certain of its covenants under the Credit Agreement, including, without limitation:

- (a) its debt service ratio was incongruent with the debt service covenant contained in the Credit Agreement of 1.30:1;
- (b) its cash flow statements were inaccurate in that they did not properly reflect the amount of subsidies received by the Debtor from the Government of Ontario; and
- (c) certain of its reporting obligation to TD were delayed.

13. In or about July 2012, the bank account of the Debtor was garnished. TD first made written demand on the Debtor on August 7, 2012 in respect of the Debtor's indebtedness then owing to TD (the "**First Debtor Demand**"). The First Debtor Demand was accompanied by a Notice of Intention to Enforce Security addressed to the Debtor prepared pursuant to subsection 244(1) of the BIA *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") (the "**First BIA Notice**"). TD also made written demand on the Guarantor on August 10, 2012 in accordance with the terms of the Guarantee (the "**First Guarantor Demand**"). A copy of the First Debtor Demand, the First BIA Notice and of the First Guarantor Demand are collectively attached as **Exhibit "J"** to this Affidavit.

14. TD had discussions with the Debtor which culminated in the Forbearance Agreement being entered into among TD, the Debtor and the Guarantor. Under the Forbearance Agreement, the Debtor and the Guarantor agreed to, among other things, (i) provide certain reporting and other documentation to TD; (ii) deliver a copy of a marketing plan for the sale of the Debtor's

business; and (iii) the engagement of BDO Canada Limited (“**BDO**”) to monitor the Debtor. The obligation of TD to forbear under the Forbearance Agreement terminated on February 14, 2013.

15. By the end of the period of forbearance under the Forbearance Agreement, neither the Debtor nor the Guarantor had repaid their obligations TD. No sales process had been commenced with respect to the assets of the Debtor..

16. Between approximately March 12, 2013 and August 1, 2013, counsel to each of TD, the Debtor and the Guarantor worked towards, among other things, (i) a second forbearance agreement among the Debtor, the Guarantor, TD and Agatha; (ii) the sale of the property known municipally as 98 Concord Avenue, Toronto, Ontario (the “**Concord Property**”), which is owned in the name of the Guarantor, but subject to claims from Agatha; (iii) the repayment by the Debtor and the Guarantor of the obligations owed by the Debtor to TD under the Credit Agreement and the Forbearance Agreement from the proceeds of the sale of the Concord Property.

17. On or around August 1, 2013, TD was advised that Responsive Health Management Inc. (“**Responsive**”), the party engaged by the Debtor to run the Borrower’s Business, was owed approximately \$545,000.00 in unpaid management fees. Further, Responsive held right of first refusal over the Premises. According to counsel for the Debtor, any further agreement to forbear involving TD would also require an accommodation agreement from Responsive.

18. On August 6, 2013, TD made a second written demand on the Debtor with respect to its indebtedness to TD (the "**Second Debtor Demand**"). The Second Debtor Demand was accompanied by a second Notice of Intention to Enforce Security addressed to the Debtor prepared pursuant to subsection 244(1) of the BIA (the "**Second BIA Notice**"). A copy of the Second Debtor Demand and the Second BIA Notice is collectively attached as **Exhibit "K"** to this Affidavit.

19. There are, based on the last information provided to me by Responsive, 108 senior citizens who reside at the Premises. The Debtor, Agatha and the Guarantor are all in agreement that the Borrower's Business needs to be sold. The consensus of these parties is that this process will take at least fifteen months to close as the Ministry of Health ("**MOH**") will have to ultimately approve the transfer of the nursing home licences to a new purchaser.

20. The Borrower's Business is funded, in large part, by payments from the MOH. Based on information provided to BDO, the average monthly cost to run the Borrower's Business exceeds the monthly income that the Debtor generates. The Debtor has no additional access to credit from TD to address the deficit in its working capital needs.

21. To further complicate matters, the Debtor also owes money to MOH from overfunding in past years. MOH is clawing bank monies from its monthly advances to further put a strain on cash flow. Absent an arrangement between MOH, Responsive and the Debtor to cease the MOH claw back pending completion of a sales process the Debtor does not appear to have sufficient access to working capital to meet its obligations as they come due.

22. The Debtor engaged in a series of negotiations with Responsive to enter into an accommodation agreement regarding continued management of the Borrower's Business pending a sales process of same. The Debtor, the Guarantor, Agatha, and TD entered into a second forbearance agreement dated December 5, 2013 ("**the Second Forbearance Agreement**") which provides for:

- (a) the appointment of a limited powers receiver to commence and complete a sale of the assets and undertaking of the Debtor;
- (b) a period of time for BDO to work with the Debtor, Responsive and the MOH to negotiate a deferral of the claw back pending the sales process;
- (c) assuming negotiations with the MOH are successful, a method for Agatha and the Guarantor to fund the operating monthly operating deficits through BDO pending an initial sale process which will require court approval of a sale of the Borrower's Business by May 31, 2014; and,
- (d) assuming court approval of a sale by May 31, 2014, a method for Agatha and the Guarantor to fund the operating monthly operating deficits through BDO to June 15, 2015 pending MOH approval of the transfer of the nursing home licences
- (e) a partial pay down of amounts owed to TD from Agatha and the Guarantor which is secured against assets of the Debtor.

A copy of the Second Forbearance Agreement is attached hereto as **Exhibit "L"** to this affidavit.

23. The Debtor is indebted to TD, pursuant to the Credit Agreement and the Forbearance Agreement, for the following amounts for principal and interest as at November 13, 2013 (the "**Indebtedness**"):

Non-Revolving Demand Facility	\$983,673.69
Forbearance Fee	\$25,000.00
Total:	<u>\$1,008,673.69</u>

24. Assuming the Debtor, Agatha and the Guarantor are able to meet their obligations to TD and there are no Intervening Events as defined in the Second Forbearance Agreement, TD is prepared to support the continuation of the Borrower's Business solely on the terms contained in the Second Forbearance Agreement.

APPOINTMENT OF A RECEIVER-MANAGER

25. All parties are consenting to the appointment of BDO as Receiver on the terms of the Order attached as Schedule "A" to the notice of application. The application contemplates BDO being appointed as the Sales Process Court-Appointed Officer described in the Second Forbearance Agreement. Absent an agreement with MOH to defer claw back, there will be no funding from Agatha or the Guarantor to fund operating deficits pending completion of a sales process of the Borrower's Business.

26. If an Intervening Event occurs as defined in the Second Forbearance Agreement, the sales process for the Borrower's Business will come to an end and BDO will work with MOH to transition the residents to other nursing homes so that a sale of the Premises alone can be effected.

27. TD believes that the appointment of BDO will enhance the prospect of recovery by TD and protect all stakeholders. The Debtor, the Guarantor and Agatha are consenting to the Order being sought.

28. BDO is a licensed trustee in bankruptcy and is familiar with the circumstances of the Debtor and its arrangements with TD. BDO has consented to act as receiver on the terms sought by TD herein.

29. This Affidavit is made in support of the within application for the appointment of BDO as receiver of the Debtor, and for no other or improper purpose whatsoever.

SWORN before me at the City of)
Toronto, in the Province of Ontario,)
this 10th day of December, 2013.)

Commissioner for taking affidavits, etc.

) _____
) **KENNETH J. MALCOLM**

29. This Affidavit is made in support of the within application for the appointment of BDO as receiver of the Debtor, and for no other or improper purpose whatsoever.

SWORN before me at the City of)
Toronto, in the Province of Ontario,)
this 10th day of December, 2013.)

Commissioner for taking affidavits, etc.

S. MITRA

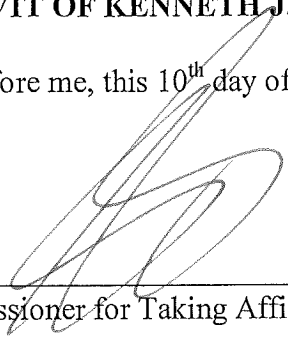
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KENNETH J. MALCOLM

This is **Exhibit "A"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits

Request ID: 015605124
Transaction ID: 51738357
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/08/08
Time Report Produced: 11:23:58
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
212143	FAIRVIEW NURSING HOME LIMITED	1968/05/17
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
14 CROSS STREET	NOT APPLICABLE	NOT APPLICABLE
TORONTO ONTARIO CANADA M6J 1S8	New Amal. Number	Notice Date
	NOT APPLICABLE	1995/06/03
Mailing Address		Letter Date
14 CROSS STREET		NOT APPLICABLE
TORONTO ONTARIO CANADA M6J 1S8	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Commenced in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 015605124
Transaction ID: 51738357
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/08/08
Time Report Produced: 11:23:58
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

212143

Corporation Name

FAIRVIEW NURSING HOME LIMITED

Corporate Name History

FAIRVIEW NURSING HOME LIMITED

Effective Date

1968/05/17

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:
Name (Individual / Corporation)

VIOLET
AGATHA
CHAMBERS

Address

15 VESTA DRIVE

RICHMOND HILL
ONTARIO
CANADA L4B 2L9

Date Began

1969/05/07

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 015605124
Transaction ID: 51738357
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/08/08
Time Report Produced: 11:23:58
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

212143

Corporation Name

FAIRVIEW NURSING HOME LIMITED

Administrator:
Name (Individual / Corporation)

VIOLET
AGATHA
CHAMBERS

Address

15 VESTA DRIVE

RICHMOND HILL
ONTARIO
CANADA L4B 2L9

Date Began

2011/10/03

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:
Name (Individual / Corporation)

LISA
L
CHAMBERS

Address

1562 DANFORTH AVENUE

Suite # 2053
TORONTO
ONTARIO
CANADA M4J 1N4

Date Began

2011/10/17

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 015605124
Transaction ID: 51738357
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/08/08
Time Report Produced: 11:23:58
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
212143	FAIRVIEW NURSING HOME LIMITED

Administrator: Name (Individual / Corporation)	Address
LISA L CHAMBERS	1562 DANFORTH AVENUE Suite # 2053 TORONTO ONTARIO CANADA M4J 1N4

Date Began	First Director	Resident Canadian
2011/10/17	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Administrator: Name (Individual / Corporation)	Address
LISA CHAMBERS	1562 DANFORTH AVENUE UNIT 205 TORONTO ONTARIO CANADA M4J 1N4

Date Began	First Director	Resident Canadian
2012/01/26	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 015605124
Transaction ID: 51738357
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/08/08
Time Report Produced: 11:23:58
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	
212143	FAIRVIEW NURSING HOME LIMITED	
Administrator: Name (Individual / Corporation)	Address	
LISA CHAMBERS	1562 DANFORTH AVENUE UNIT 205 TORONTO ONTARIO CANADA M4J 1N4	
Date Began	First Director	
2012/01/26	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

Request ID: 015605124
Transaction ID: 51738357
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/08/08
Time Report Produced: 11:23:58
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
212143	FAIRVIEW NURSING HOME LIMITED

Last Document Recorded	Form	Date
Act/Code Description		
CIA INITIAL RETURN	1	2012/04/10

THIS CORPORATION HAS RECEIVED A NOTICE OF INTENTION TO DISSOLVE ON THE DATE INDICATED IN THE "NOTICE DATE" FIELD AND IS SUBJECT TO CANCELLATION.

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

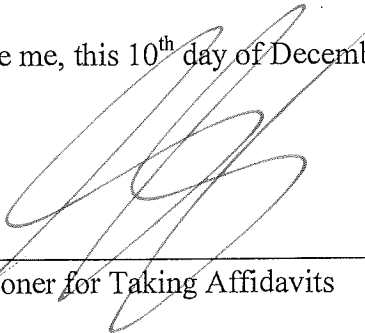
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "B" referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits



Toronto Commercial Banking Centre
65 King St W & Bay St
3rd Floor
Toronto, ON
M5K 1A2

Telephone No.: (416) 982-8882
Fax No.: (416) 366-7921

07/07/2010

Fairview Nursing Home Limited

14 Cross St
Toronto, ON
M6J 1S8

Attention: Herbert W Chambers

Dear Herbert W Chambers,

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

- BORROWER** Fairview Nursing Home Limited (the "Borrower")
- LENDER** The Toronto-Dominion Bank (the "Bank"), through its Toronto Commercial Banking Centre branch, in Toronto, ON.
- CREDIT LIMIT**
 - 1) Up to CDN\$250,000
 - 2) CDN\$1,250,000 as reduced pursuant to the section headed "Repayment and Reduction of Amount of Credit Facility".
- TYPE OF CREDIT AND BORROWING OPTIONS**
 - 1, 2) **Operating Loan** available at the Borrower's option by way of:
 - Prime Rate Based Loans in CDN\$ ("Prime Based Loans")
- PURPOSE**
 - 1) To finance day to day requirements, ongoing repairs and maintenance and provide working capital.
 - 2) Equity take out.
- TENOR** 1,2) Uncommitted

INTEREST RATES AND FEES

Advances shall bear interest and fees as follows:

- 1) **Operating Loan:**
 - Prime Based Loans: Prime Rate + 1.50% per annum
- 2) **Demand Reducing Loan:**
 - Prime Based Loans: Prime Rate + 1.50% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

ARRANGEMENT FEE

The Borrower has paid or will pay prior to any drawdown hereunder a non-refundable arrangement fee of \$7,500

ADMINISTRATION FEE

1) \$100 per month.

RENEWAL FEE

1, 2) \$3,750 per annum.

BUSINESS CREDIT SERVICE

The Borrower will have access to the Operating Loan (Facility 1) via Loan Account Number 9295874 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 1226-0502721 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$5,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby canceled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

**REPAYMENT AND
REDUCTION OF
AMOUNT OF CREDIT
FACILITY**

- 1) On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Operating Loan. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower.
- 2) Principal payments of \$8,944.44 made monthly along with monthly interest.

SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank:

- a) General Security Agreement ("GSA") representing a first charge on all the Borrower's present and after acquired personal property.
- b) Continuing Collateral Mortgage, representing a first charge, on real property located at 14 Cross St, Toronto, Ontario in the principal amount of \$1,500,000 beneficially owned by and registered in the name of Fairview Nursing Home Limited.
- c) Assignment (or evidence) of Fire Insurance in the amount of \$1,500,000
- d) General Assignment of Rents representing a first charge on Rents.
- e) Guarantee of Advances Unlimited executed by Herbert W. Chambers (the "Guarantor")

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

**DISBURSEMENT
CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

- a) Satisfactory review of all inspection, compliance, financial and all other reports received from the Ontario Ministry of Health and copies of all information submitted by Borrower to the Ontario Ministry of Health, including the annual MOH Facility Review Report.

**POSITIVE
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

1. Provide audited annual financial statements for Fairview Nursing Home Limited within 120 days of fiscal year end.

2. Personal Net Worth statement from Herbert Chambers in a form acceptable to the Bank to be provided upon Bank's request.
3. The Bank will be provided with receipted tax bills annually as evidence of payment of property taxes.
4. Evidence of good standing continuance of Provincial licenses including direction to re-issue the licence to the TD Bank or its designee in the event of default and release any information pertaining to the Nursing Home to the Bank upon request.
5. Borrower to provide annually to the Bank copies of all inspection, compliance, financial and all other reports it receives from the Ontario Ministry of Health and copies of all information submitted by Borrower to the Ontario Ministry of Health, including the annual MOH Facility Review Report.

NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition:

1. No further debt or encumbrances without prior written consent of the Bank.

PERMITTED LIENS

Permitted Liens as referred to in Schedule "A" are:

- a) Money Security Interests in equipment which Purchase Money Security Interests exist on the date of this Agreement ("Existing PMSIs") which are known to the Bank and all future Purchase Money Security Interests on equipment acquired to replace the equipment under Existing PMSIs, provided that the cost of such replacement equipment may not exceed the cost of the equipment subject to the Existing PMSI by more than 10%.

FINANCIAL COVENANTS

The Borrower agrees at all times to:

- a) Maintain a Debt Service Coverage ratio of not less than 1.30:1.

The *Debt Service Coverage* ratio to be calculated as follows:

$$\frac{\text{EBITDA} - \text{Capital Expenditures}}{\text{Principal} + \text{Interest}}$$

EBITDA is defined as Earnings Before Interest, Income Taxes, Depreciation, and Amortization.

(Note: Capex to exclude those expenditures funded via Ministry of Health funding envelopes as per accountant's statement to be submitted concurrently with year end statements).

AVAILABILITY OF OPERATING LOAN

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

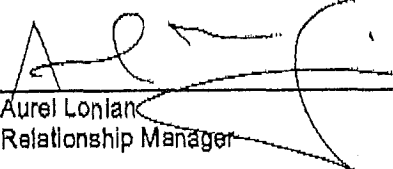
SCHEDULE "A" - STANDARD TERMS AND CONDITIONS

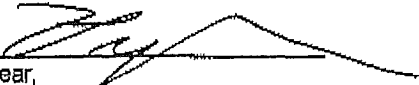
Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before July 30, 2010

Yours truly,

THE TORONTO-DOMINION BANK

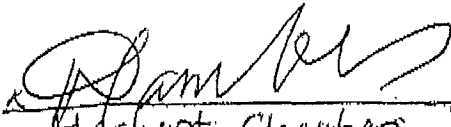

Aurel Lonlan
Relationship Manager


Les Pyear,
Manager of Commercial Credit

TO THE TORONTO-DOMINION BANK:

Fairview Nursing Home Limited hereby accepts the foregoing offer this 8 day of July, 2010. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

cc. Guarantor(s)


Herbert Chambers, President

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

SCHEDULE A
STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CDN\$ B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for US\$ B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CDN\$ B/As or US\$ B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee.

Interest on LIBOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR interest period.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at 21% per annum, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

3. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in the section of the Agreement titled "Business Credit Services Agreement", if that section of the Agreement has not been deleted. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

B/As

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date. The minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

LIBOR

The Borrower shall advise the Bank of the requested LIBOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR contract maturity. In no event shall the term of the LIBOR contract exceed the Contractual Term Maturity Date. The minimum amount of a drawdown by way of a LIBOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

B/A - Prime Conversion

The Borrower will provide the Bank with at least 3 Business Days' notice of its intention either to convert a B/A to a Prime Based Loan or vice versa, failing which, the Bank may decline to accept such additional B/As or may charge interest on the amount of Prime Based Loans resulting from maturity of B/As at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan even if the drawdown results in amounts outstanding in excess of the Credit Limit.

Notice

Prior to each drawdown and at least 10 days prior to each Rate Term Maturity, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each

drawdown, other than drawdowns by way of BA, LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

4. PREPAYMENT

Fixed Rate Term Loans

10% Prepayment Option Chosen.

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
 - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Interest Rate Differential, being the amount by which:
 - a. the total amount of interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds
 - b. the total amount of interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.

10% Prepayment Option Not Chosen.

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
 - i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Interest Rate Differential, being the amount by which:

- a. the total amount of interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds
- b. the total amount of interest on the amount of the prepayment using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.

Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

5. STANDARD DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
 - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
 - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
 - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
 - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
 - v) all operation of account documentation; and
 - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. STANDARD REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.

- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with Canadian Generally Accepted Accounting Principles consistently applied.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and Workers' Compensation dues are currently paid and up to date.

7. STANDARD POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.
- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time.
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.

- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom and
- n) Comply with all applicable laws.

8. STANDARD NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

9. ENVIRONMENTAL

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

10. STANDARD EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.

- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable of being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.

11. ACCELERATION

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

12. CURRENCY INDEMNITY

US\$ loans must be repaid with US\$ and CDN\$ loans must be repaid with CDN\$ and the Borrower shall indemnify the Bank for any loss suffered by the Bank if US\$ loans are repaid with CDN\$ or vice versa, whether such payment is made pursuant to an order of a court or otherwise.

13. TAXATION ON PAYMENTS

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

14. REPRESENTATION

No representation or warranty or other statement made by the Bank concerning any of the credit facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

15. CHANGING THE AGREEMENT

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

16. ADDED COST

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,
- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

17. EXPENSES

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 24, the Bank or its agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

18. NON WAIVER

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

19. EVIDENCE OF INDEBTEDNESS

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

20. ENTIRE AGREEMENTS

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

21. ASSIGNMENT

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

22. RELEASE OF INFORMATION

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

23. FX CLOSE OUT

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver

appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

24. SET-OFF

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the Bank's noon spot rate of exchange for the conversion of such currency.

25. LIMITATION ACT

The Borrower and the Bank hereby agree that the limitation period for commencement of any court action or proceeding against the Borrower with respect to demand loans shall be six (6) years rather than the period of time that is set out in the applicable limitation legislation.

26. MISCELLANEOUS

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them. Each Borrower hereby acknowledges that each Borrower is an agent of each other Borrower and payment by any Borrower hereunder shall be deemed to be payment by the Borrower making the payment and by each other Borrower. Each payment, including interest payments, made will constitute an acknowledgement of the indebtedness and liability hereunder by each Borrower;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located.
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

27. DEFINITIONS

Capitalized Terms used in this Agreement shall have the following meanings:

"All-in Rate" means the greater of the Interest Rate that the Borrower pays for Prime Based Loans (which for greater certainty includes the percent per annum added to the Prime Rate) or the highest fixed rate paid for Fixed Rate Term Loans.

"*Agreement*" means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

"*Business Day*" means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

"*Branch/Centre*" means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

"*Contractual Term Maturity Date*" means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

"*Cross Default Threshold*" means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

"*Face Amount*" means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

"*Fixed Rate Term Loan*" means any drawdown in Canadian dollars under a Credit Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank as its sole discretion.

"*Inventory Value*" means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

"*Letter*" means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"*Letter of Credit*" or "*L/C*" means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"*Letter of Guarantee*" or "*L/G*" means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"*Person*" includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

"*Purchase Money Security Interest*" means a security interest on equipment which is granted to a lender or to the seller of such equipment in order to secure the purchase price of such equipment or a loan to acquire such equipment, provided that the amount secured by the security interest does not exceed the cost of the equipment, the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"*Rate Term*" means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

"*Rate Term Maturity*" means the last day of a Rate Term which day may never exceed the Contractual Term Maturity Date.

"Rate and Payment Terms Notice" means the notice sent by the Bank setting out the interest rate and payment terms for a particular drawdown.

"Receivable Value" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

"Receivables/Inventory Summary" means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

"US\$ Equivalent" means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the Bank's noon spot rate of exchange for Canadian Dollars to United States Dollars established by the Bank for the day in question.





Toronto Centre
55 King St W 3rd Floor TD Tower
Toronto, ON
M5K 1A2
Telephone No.: (416) 982 8521
Fax No.: (416) 307 8743

April 23, 2012

FAIRVIEW NURSING HOME LIMITED

Attention: Agatha Chambers

Dear Mrs. Chambers,

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated July 7, 2010:

BORROWER

FAIRVIEW NURSING HOME LIMITED (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Toronto Centre branch, in Toronto, ON.

DELETE THE FOLLOWING:

Reporting Requirements:

The Borrower will provide:

- 1) Audited annual financial statements for Fairview Nursing Home Limited within 120 days of fiscal year end
- 2) Personal net worth statement from Herbert Chambers in a form acceptable to the Bank upon the Bank's request

ADD THE FOLLOWING:

1 2

Reporting Requirements:
The Borrower will provide:

- 1) Audited annual financial statements for Fairview Nursing Home Limited within 90 days of fiscal year end

**SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS**

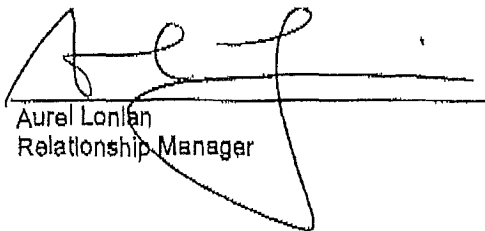
Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

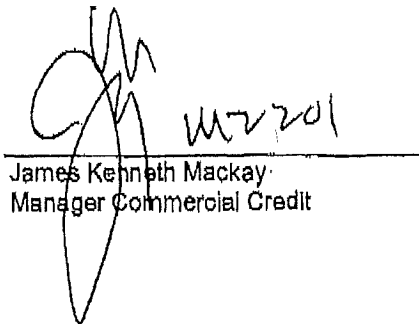
We ask that the Borrower sign and return the attached duplicate copy of this Amending Agreement to the Bank on or before **April 30, 2012**, which is the date the amendments will come into force (the "Effective Date"). Notwithstanding the foregoing, the Borrower's continued use of the Credit Facilities or failure to repay the Credit Facilities in full after the Effective Date constitutes the Borrower's acknowledgement and acceptance of this Amending Agreement

Yours truly,

THE TORONTO-DOMINION BANK



Aurel Lonlan
Relationship Manager

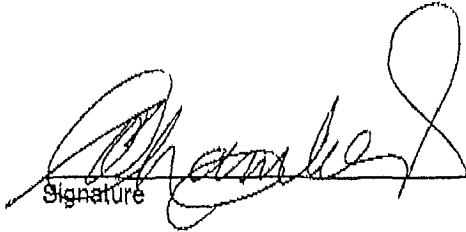



James Kenneth Mackay
Manager Commercial Credit

Borrower Acknowledgement Section.

TO THE TORONTO-DOMINION BANK:

FAIRVIEW NURSING HOME LIMITED hereby accepts the foregoing offer this 8th day of JUNE, 2012. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

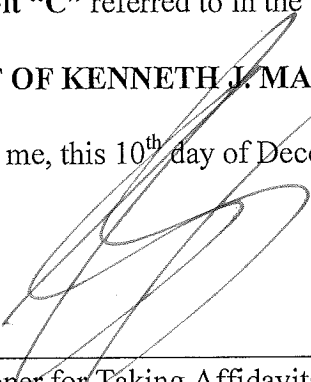


 Signature Signature

AGATHA CHAMBERS Lisa Chambers Secretary
 Print Name & Position Print Name & Position
 OWNER - PRESIDENT

This is **Exhibit "C"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits

FORBEARANCE AGREEMENT

THIS AGREEMENT is made as of this 22nd day of August, 2012.

A M O N G:

THE TORONTO-DOMINION BANK

(hereinafter referred to as the "Lender" or "TD")

- and -

FAIRVIEW NURSING HOME LIMITED

(hereinafter referred to as the "Borrower")

- and -

THE ESTATE OF HERBERT WASHINGTON CHAMBERS

(hereinafter referred to as the "Personal Guarantor")

RECITALS:

WHEREAS the Lender has provided certain credit facilities (the "Credit Facilities") pursuant to a facility letter dated July 7, 2010 and accepted by the Borrower and the Personal Guarantor on July 8, 2010, as amended by letter agreement dated April 23, 2012 (collectively, the "Credit Agreement");

AND WHEREAS, to secure the obligations of the Borrower to the Lender, including those arising under the Credit Agreement, the Borrower has provided security in favour of the Lender, including, without limitation, the security set out in **Schedule "A"** hereto (collectively, the "Security");

AND WHEREAS the Personal Guarantor has provided a guarantee in favour of the Lender in respect of the obligations of the Borrower to the Lender as set out in **Schedule "A"** hereto (the "Guarantee");

AND WHEREAS the Personal Guarantor and the Borrower have requested and the Lender has agreed to forbear from taking certain actions under the Security and the Guarantee, solely on the terms and conditions and subject to the limitations as specified in this Agreement so as to permit the Borrower and the Personal Guarantor time to arrange for a sale of the assets of the Borrower to repay the Lender in full;

NOW THEREFORE in consideration of the respective covenants of the parties hereto as herein contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, all terms defined in the Credit Agreement and not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.6 Attornment

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement.

1.7 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Credit Agreement or the Security, the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict in any way

the rights and remedies of the Lender under the Credit Agreement, the Security or this Agreement other than as may be specifically contemplated herein.

**ARTICLE 2
ACKNOWLEDGEMENT AND CONFIRMATION**

2.1 Acknowledgement of Obligations

- (a) The Borrower and the Personal Guarantor hereby acknowledge, confirm and agree that, as of the close of business on August 7, 2012, the Borrower was indebted to the Lender in respect of advances made pursuant to the Credit Agreement (collectively, the "Indebtedness") as follows, exclusive of fees and costs:

Revolving Operating Facility * interest accrues at TD Prime + 3.0%	\$74,643.08
Non-Revolving Demand Facility *interest accrues at TD Prime + 3.0%	\$1,086,271.80
TOTAL INDEBTEDNESS	\$1,160,914.88

- (b) The Personal Guarantor acknowledges, confirms and agrees that the Indebtedness, together with interest accrued and accruing thereon, and fees, costs, expenses and other charges now or hereafter properly payable by the Borrower to the Lender under the Credit Agreement is unconditionally owing by the Borrower to the Lender, without any right of setoff, defence, counterclaim or reduction of any kind, nature or description whatsoever, and the Personal Guarantor is estopped from disputing such Indebtedness.
- (c) The Personal Guarantor confirms and agrees that it will continue to accept statements of the Indebtedness issued by the Lender to be accurate statements of the amount and the particulars of the Indebtedness as of the date of the statement, absent manifest error.

2.2 Acknowledgement of Security Interests and Guarantees

- (a) The Borrower hereby acknowledges, confirms and agrees that the Security has not been discharged, waived or varied, that is it binding upon it, as applicable, and that the Security is enforceable in accordance with its written terms until the obligations of the Borrower to the Lender have been indefeasibly paid and satisfied in full, following which the Lender shall provide a discharge of any security interest.

- (b) The Personal Guarantor hereby acknowledges, confirms and agrees that the Guarantee is and shall continue to be in full force and effect and is valid, binding and enforceable in accordance with its terms until the obligations of the Borrower to the Lender have been indefeasibly paid and satisfied in full.

2.3 Acknowledgement of Rights

The Personal Guarantor hereby acknowledges, confirms and agrees that the Lender is entitled to exercise its rights and remedies under the Credit Agreement, the Security, the Guarantee, the *Mortgages Act*, the *Personal Property Security Act* (Ontario) ("PPSA") and other applicable law.

2.4 Acknowledgement in respect of certain Events of Default

The Borrower and the Personal Guarantor hereby acknowledge, confirm and agree that one or more defaults have occurred under the Credit Agreement and are continuing (any and all such defaults as may be existing and known to the Lender as of the date hereof being referred to as the "Existing Defaults") and that the Lender has not waived, and does not intend to waive, such Existing Defaults, and nothing contained herein or the transactions contemplated hereby shall be deemed to constitute any such waiver or a renewal of the Credit Agreement.

2.5 Demands

The Borrower and Personal Guarantor acknowledge that they have, prior to the date of this Forbearance Agreement, received from the Lender validly issued and delivered demands for acceleration and payment of all obligations due under the Credit Agreement. The Borrower further acknowledges that the Lender has delivered and it has received a Notice of Intention to Enforce Security (the "Notice") in respect of the Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* ("BIA") and acknowledges and confirms that the 10-day notice period set forth in the Notice is hereby waived by the Borrower. Each of the Borrower and the Personal Guarantor acknowledges that nothing in this Agreement shall constitute a waiver or revocation of such demands or Notice.

2.6 Additional Acknowledgements

The Personal Guarantor acknowledges, confirms and agrees that:

- (a) the facts set out in the recitals to this Agreement are true and accurate;
- (b) except as hereby amended, the Credit Agreement, the Security and the Guarantee will remain in full force and effect, unamended, except as provided for herein;
- (c) except as provided for in this Agreement, the Lender (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action, that would constitute a waiver of its rights to enforce the Security and pursue its remedies in respect of the obligations of the Borrower to the Lender, or that would stop it from doing so; and

- (d) the Lender has acted to the date hereof in a commercially reasonable manner and the Personal Guarantor is estopped from disputing same.

ARTICLE 3 FORBEARANCE CONDITIONS

3.1 Forbearance

- (a) In reliance upon the representations, warranties and covenants of the Borrower contained in this Agreement and subject to the terms and conditions of this Agreement, and any documents executed in connection herewith, the Lender agrees, subject to the terms hereof, to forebear from exercising its rights and remedies under the Credit Agreement, the Guarantee, the Security, the PPSA and other applicable law, until the earlier of February 14, 2013 and the occurrence of an Intervening Event (as defined hereafter) (the "Forbearance Period").
- (b) The Lender agrees that it shall take no further action or proceedings in furtherance of its demands or Notices of Intention as referred to at Section 2.5 hereof during the currency of the Forbearance Period.
- (c) Upon the termination of the Forbearance Period, the agreement of the Lender to forebear shall, at its option and without further action, terminate and be of no further force and effect, it being expressly agreed that the effect of such termination will be to permit the Lender to exercise its rights and remedies immediately, including, without limitation: (i) the acceleration of all of the obligations of the Borrower to the Lender without any further notice, passage of time or forbearance of any kind; (ii) the private appointment of a receiver under the security held by the Lender from the Borrower; and (iii) the application to a court to enforce any private or other remedies available to the Lender or to seek the appointment by the Court of any interim receiver, receiver, receiver and manager and/or any trustee in bankruptcy of any one or more of the Borrower.

3.2 Forbearance Fee

The Borrower shall pay to the Lender a forbearance fee of \$25,000 (the "Forbearance Fee"). Such Forbearance Fee will be fully earned as of the date hereof and is in addition to all other fees, interest, costs and expenses payable in connection with the Credit Agreement or this Agreement. The Forbearance Fee shall be paid upon the earlier of the termination of the Forbearance Period or a sale of all or substantially all the assets of the Borrower out of the ordinary course of business.

3.3 Forbearance Conditions

Each of the Borrower and the Personal Guarantor hereby agrees that, as a condition of the Lender's obligation to forbear herein,

- (a) On or before August 24, 2012, the Borrower shall deliver to the Lender the following:

- (i) copies of notes from the monthly meetings between Responsive Care and management of the Borrower;
 - (ii) a copy of the payment arrangement agreement between the Borrower and Canada Revenue Agency;
 - (iii) an aged payables listing of the Borrower, together with a listing of cheques issued by the Borrower but not provided to payees; and,
 - (iv) a copy of the last will and testament of Herbert W. Chambers.
- (b) On or before October 15, 2012, the Borrower shall deliver audited financial statements of the Borrower for the last fiscal year of the Borrower;
- (c) The Borrower shall provide evidence of compliance to the Lender of its compliance with its payment arrangement with Canada Revenue Agency;
- (d) The Borrower shall deliver a copy of a marketing plan for the sale for its nursing home business and licenses on or before October 15, 2012 which shall include the following milestones:
- (i) deadline to canvass the market;
 - (ii) deadline to obtain an appraisal from Altus Group of the Borrower's business and assets;
 - (iii) deadline to enter into a letter of intent for the sale of the Borrower's business; and,
 - (iv) deadline to enter into an agreement of purchase and sale for the sale of the Borrower's business;

which milestones shall become covenants of the Borrower under this section of the Agreement;

- (e) BDO Canada Limited ("**BDO**") shall be engaged as private monitor of the Borrower, the expense of which shall be for the account of the Borrower. The Borrower shall execute and deliver the engagement letter attached hereto as **Schedule "B"** to the Lender on or before August 17, 2012; and,
- (f) the Borrower and the Personal Guarantor shall cooperate fully with the Lender's solicitors in the rectification of any security deficiencies identified by the Lender's solicitors upon their review of the Security.

3.4 No Other Waivers; Reservation of Rights

- (a) Subject to Section 3.1 of this Agreement, the Lender reserves the right, in its sole and unfettered discretion, to exercise any or all of its rights or remedies under any

one or more of the Credit Agreement, the Security, the Guarantee, the PPSA or other applicable law, and the Lender has not waived any such rights or remedies, and nothing in this Agreement and no delay on the part of the Lender in exercising any such rights or remedies, shall be construed as a waiver of any such rights or remedies.

- (b) subject to Section 3.1 of this Agreement, any credit advanced by the Lender to the Borrower shall not be deemed to be a waiver of any rights of the Lender or impose any obligation on the part of the Lender to make any further advances of credit whatsoever.

ARTICLE 4 REPORTING REQUIREMENTS

4.1 Reporting Requirements

The Borrower and the Lender agree that the provisions of this Article 4 shall remain in effect during the Forbearance Period, and thereafter until such time as the obligations of the Borrower to the Lender have been satisfied in full. For greater clarity, during the Forbearance Period, the Borrower agrees to continue to honour the reporting requirements as previously agreed with the Lender in the Credit Agreement or as amended herein, and thereafter until such time as the obligations of the Borrower to the Lender have been repaid indefeasibly and in full or the Lender and the Borrower agree otherwise. In addition, the Borrower shall:

- a) on receipt, provide the Lender and BDO with copies of all written offers received in connection with the sale of the Borrowers assets;
- b) on receipt, provide the Lender and BDO with copies of any appraisals of the Borrowers assets;
- c) advise the Lender and BDO forthwith upon the receipt of any written or verbal offer for the assets of the Borrower; and,
- d) generally cooperate and provide both the Lender and BDO with any information in connection with the sale of the assets of the Borrower.

ARTICLE 5 OBLIGATIONS OF THE BORROWER DURING FORBEARANCE PERIOD

5.1 Credit Agreement

During the Forbearance Period, the Borrower shall strictly adhere to all of the terms, conditions and covenants of the Credit Agreement, as amended by this Agreement, the Security, including, without limitation, terms requiring prompt payment of principal, interest, fees and other amounts when due, except to the extent that such terms, conditions and covenants are otherwise specifically amended by this Agreement.

During the Forbearance Period, the Borrower shall make payments to the Lender in the sum of \$6,944.44 per month in respect of the Non-Revolving Demand Facility, payable on the 16th day of each month, and shall pay to the Lender the outstanding balance of the Indebtedness on or before the last day of the Forbearance Period.

The Revolving Operating Facility and the Non-Revolving Demand Facility arising from or related to the Credit Agreement shall bear interest at a rate three percent (3%) per annum in excess of the Lender's Canadian Prime Rate, from the date hereof to and following the expiry or termination of the Forbearance Period and shall continue to bear interest at such rates until the Credit Facilities are repaid in full.

5.2 Full Co-Operation

During the Forbearance Period the Borrower and the Personal Guarantor shall cooperate fully with the Lender, including, without limitation, by providing promptly all information requested by the Lender, and by providing the Lender full access to the books, records, property and assets of the Borrower wherever they may be situated, at the request of and at times convenient to the Lender, acting reasonably, which right of access shall include the right to inspect and appraise such property and assets.

5.3 Payment and Other Obligations

The Borrower covenants and agrees with the Lender to reimburse the Lender for all expenses, including, without limitation, legal and other professional expenses that the Lender has incurred or will incur arising out of its dealings with the Borrower and/or the Personal Guarantor and in the protection, preservation and enforcement of the Security, including the Lender's reasonable fees and expenses of BDO and the Lender's solicitors, Aird & Berlis LLP (the "Expenses") and that the Expenses shall be for the account of the Borrower and shall be debited directly by the Lender against one or more of the accounts of the Borrower with the Lender upon the Borrower's receipt of invoices evidencing same and that such Expenses, to the extent not paid by the Borrower, shall be capitalized on a monthly basis and added to the principal outstanding under the Credit Facilities as a new facility and shall be secured by any and all of the Security.

5.4 Operational Obligations

- (a) For the duration of the Forbearance Period, the Borrower covenants and agrees with the Lender as follows:
 - (i) The Borrower shall maintain its corporate existence as a valid and subsisting entity and shall not merge, amalgamate or consolidate with any other corporation(s) except with the Lender's prior written consent.
 - (ii) The Borrower shall comply in all respects with all terms and provisions of the Credit Agreement, the Security and this Agreement and nothing herein derogates therefrom. For greater certainty, the Borrower shall continue to remit all payments when due under the Credit Agreement and shall

operate all facilities within the terms of the Credit Agreement and the limits prescribed therein.

- (iii) The Borrower shall comply with any and all cash management obligations and obligations to maintain insurance in accordance with the Credit Agreement and the Security.
 - (iv) The Borrower shall continue to carry on its business in the normal course at all times in the same manner as it has carried on such business up to the date hereof (but for the violations of the Credit Agreement and Security), and all inventory, accounts receivable, equipment and other assets used in the said business and owned by the Borrower on the date hereof will at all times continue to be owned by the Borrower for its own account.
 - (v) The Borrower shall not, without the prior written consent of the Lender, declare or pay any dividends, repay any shareholder loan or make any other distribution or payment to any person who does not deal with the Borrower at arm's length (as such term is defined in the *Income Tax Act* (Canada)).
 - (vi) From the date of this Agreement, the Borrower will keep current at all times all obligations that constitute priority obligations, meaning those obligations payable in priority to the obligations owed to the Lender ("**Priority Payables**"), including wages and remittances required to be made by the Borrower for taxes and other liabilities owed to federal, provincial and municipal governments, including, without limitation, money owed in respect of employee source deductions pursuant to the *Canada Pension Plan Act*, *Employment Insurance Act* (Canada) and *Income Tax Act* (Canada), and in respect of *Goods and Services Tax and Retail Sales Tax*, and the Borrower will provide on a regular basis evidence of such payments satisfactory to the Lender.
 - (vii) The Borrower shall not sell, convey, transfer or otherwise dispose of any of its assets to any third party, except items of inventory in the ordinary course of business, without the prior written consent of the Lender.
 - (viii) The Borrower shall give to the Lender prompt notice of any material litigation, arbitration or administrative proceedings before or of any court, arbitration, tribunal or governmental authority or dispute affecting the Borrower's assets, property or undertakings.
- (b) Unless otherwise agreed to herein, the Personal Guarantor shall not:
- (i) do any act or thing which may have the effect of defeating or delaying the enforcement of the Lender's rights and remedies under the Security; or
 - (ii) ship any goods to any customer who to the best knowledge of the Borrower has, or may potentially have, any material "contra" or set-off

claim against the accounts receivable of the Borrower or who may be unable or unwilling to pay its debt(s) to the Borrower.

- (c) The Borrower represents and warrants to the Lender that all of the Borrower's obligations with respect to employee vacation pay are current as of the date hereof and shall remain current throughout the Forbearance Period.

ARTICLE 6 INTERVENING EVENTS

6.1 Intervening Events

This Agreement shall forthwith terminate, at the option of the Lender, upon the happening of any one of the following events (each an "Intervening Event"):

- (a) any material representation, warranty or statement made by the Borrower or the Personal Guarantor in this Agreement or any other agreement with the Lender was untrue or incorrect when made or becomes untrue or incorrect, other than those material representations, warranties or statements made by either the Borrower or the Personal Guarantor which are untrue or incorrect and of which the Lender is aware of at the time of execution of this Agreement;
- (b) the Borrower or the Personal Guarantor fails to perform or comply with any of its covenants or obligations contained in this Agreement or in any other agreement or undertaking made between the Borrower and/or the Personal Guarantor and the Lender, other than the covenants, obligations or undertakings with which the Borrower and/or the Personal Guarantor have already failed to perform or comply with at time of execution of this Agreement;
- (c) the Borrower fails to maintain and keep current payments of Priority Payables, which may result in any claim ranking in priority or *pari passu* to the claim of the Lender;
- (d) the occurrence of any other event which, in the opinion of the Lender, may materially adversely impact the priority or enforceability of the Security granted by the Borrower or the realizable value of the collateral subject to such Security;
- (e) a final, non-appealable arbitration award, judgment, or decree or order for the payment of money which is not insured or subject to indemnity, is entered against the Borrower which is not immediately stayed or appealed in good faith by appropriate proceedings and reserves satisfactory to the Lender have not been taken;
- (f) the Borrower liquidates, dissolves, terminates or suspends its business operations or otherwise fails to operate its business in the ordinary course, or merge with another person or sell or attempt to sell all or substantially all of its assets;

- (g) the Personal Guarantor repudiates or purports to revoke its Guarantee, or fails to perform any obligation under such Guarantee;
- (h) the abandonment by the Borrower of any of its property or assets or any part thereof;
- (i) the loss, damage, destruction or confiscation of the Borrower's property or assets or any part thereof, unless upon such event, the Borrower pays to the Lender forthwith such amount as the Lender in its sole discretion determines is satisfactory;
- (j) any person takes possession of any property of the Borrower by way of or in contemplation of enforcement of security, or a distress or execution or similar process levied or enforced against any property of the Borrower;
- (k) the change of ownership or control of the Borrower;
- (l) in the Lender's sole opinion, a material adverse change occurs in the business, affairs, financial condition, operation, outlook or ownership of the Borrower, arising for any reason whatsoever;
- (m) the Borrower ceases or threatens to cease to carry on business, makes or agrees to make a disposition of its assets in bulk or commits or threatens to commit an act of bankruptcy;
- (n) the Borrower taking any action or commencing any proceeding or any action or proceeding being taken or commenced by another person or persons against the Borrower, in respect of the liquidation, dissolution or winding-up of the Borrower, including, without limitation, any action or proceeding under the *Winding Up and Restructuring Act*, the *Business Corporations Act* (Ontario), the *Canada Business Corporations Act* or other similar legislation whether now or hereinafter in effect; or
- (o) the Borrower fails to meet its payroll obligations or does not have sufficient funds available to fund the payroll obligation, or fails to produce evidence, satisfactory to Lender acting reasonably, of the availability of such funds to the Lender within one (1) business day prior to the date that any payroll falls due.

ARTICLE 7 GENERAL PROVISIONS

7.1 Effect of this Agreement

Except as modified pursuant hereto, no other changes or modifications to the terms of the Credit Agreement or the Security are intended or implied and in all other respects of the terms of the Credit Agreement or the Security are confirmed.

7.2 Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable to give effect to the provisions and purposes of this Agreement, all at the expense of the Borrower.

7.3 Binding Effect

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

7.4 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document, and no investigation by the Lender or any closing shall affect the representations and warranties or the rights of the Lender to rely upon such representations and warranties.

7.5 Confidentiality

Pending any defaults under this Agreement, the Lender and its professional advisors shall maintain all of the information provided to them, as per the requirements of this Agreement, in the strictest of confidence.

7.6 Release

In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Personal Guarantor, each on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges the Lender and each of its successors and assigns, participants, affiliates, subsidiaries, branches, divisions, predecessors, directors, officers, attorneys, employees, lenders and other representatives and advisors (the Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both arising at law and in equity, which the Borrower, the Personal Guarantor or any of their successors, assigns or other legal representatives may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Agreement, including, without limitation, for or on account of, or in relation to, or in any way in connection with, the Credit Agreement or any of the Security or transactions thereunder or related thereto.

7.7 Notice

Without prejudice to any other method of giving notice, any notice required or permitted to be given to a party pursuant to this agreement will be conclusively deemed to have been received by such party on the day of the sending of the notice by email to such party at its, his or her address noted below. Any party may change its, his or her address for service or email address by notice given in the foregoing manner.

Notice to the Borrower shall be sent to:

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
Toronto, ON M5H 3S1

Attention: Joe Marin
Email: jmarin@millerthomson.com

Notice to the Personal Guarantor shall be sent to:

Fraser Milner Casgrain LLP
77 King Street West, Suite 400,
Toronto-Dominion Centre,
Toronto ON, M5K 0A1

Attention: Archie Rabinowitz and David Lobl
Emails: archie.rabinowitz@fmc-law.com and david.lobl@fmc-law.com

Notice to the Lender shall be sent to:

The Toronto-Dominion Bank
3140 Dufferin Street
Toronto, Ontario
M6A 2T1

Attention: Kenneth J. Malcom
Email: kenneth.malcolm@td.com

With a copy to:

Aird & Berlis LLP
181 Bay Street, suite 1800
Toronto, ON M5J 2T9

Attention: Mr. Sanjeev P.R. Mitra
Email: smitra@airdberlis.com

7.8 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Credit Agreement or any of the Security but same shall remain in full force and effect save to the extent same are amended by the provisions of this Agreement. The Personal Guarantor hereby consents to such amendments to the Credit Agreement as may be occasioned through the execution and delivery of this Agreement and consents to the terms of this Agreement and the Personal Guarantor does hereby agree that its Guarantee of the obligations of the Borrower to the Lender, and any security granted in respect thereof, shall remain in full force and effect until such time as the obligations of the Borrower to the Lender have been indefeasibly paid in full, notwithstanding the execution and delivery of this Agreement or any further indulgences as may be afforded to the Borrower by the Lender.

7.9 Binding and Enforceable Agreement

In order for this Agreement to be binding and enforceable, it shall be signed by the Borrower and the Personal Guarantor by no later than 3:00 p.m. on August 28, 2012.

7.10 Execution in Counterparts

This Agreement may be executed and delivered by facsimile or email transmission and in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

7.11 No Set Off, etc.

The Borrower and the Personal Guarantor reaffirm that the Credit Agreement, the Security and the Guarantee remain in full force and effect as amended hereby and acknowledge and agree that there is no defence, set off or counterclaim of any kind, nature or description to its obligations arising under the Credit Agreement, the Security and the Guarantee as a result of the execution of this Agreement or otherwise.

[Intentionally left blank with signature pages to follow]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

THE TORONTO-DOMINION BANK

By: _____

Name: _____

Title: _____

KENNETH J. BENTON
MANAGER, COMMERCIAL CREDIT

By: _____

Name: _____

Title: _____

FAIRVIEW NURSING HOME LIMITED

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

THE ESTATE OF HERBERT WASHINGTON
CHAMBERS, by its Estate Trustee Bank of
Nova Scotia Trust Company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

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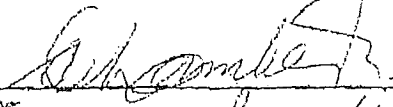
IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

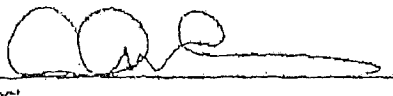
THE TORONTO-DOMINION BANK

By: _____
Name:
Title:

By: _____
Name:
Title:

FAIRVIEW NURSING HOME LIMITED

By: 
Name:
Title: *Owner President*

By: 
Name:
Title: *Treasurer Secretary*

THE ESTATE OF HERBERT WASHINGTON CHAMBERS, by its Estate Trustee Bank of Nova Scotia Trust Company

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

THE TORONTO-DOMINION BANK

By: _____
Name:
Title:

By: _____
Name:
Title:

FAIRVIEW NURSING HOME LIMITED

By: _____
Name:
Title:

By: _____
Name:
Title:

**THE ESTATE OF HERBERT WASHINGTON
CHAMBERS, by its Estate Trustee Bank of
Nova Scotia Trust Company**

By: _____
Name: **JANDY JOHN**
Title: SENIOR MANAGER, ESTATE AND TRUST SERVICES

By: _____
Name: **ROBERT TREU**
Title: **SENIOR TRUST OFFICER**

**SCHEDULE A
SECURITY**

1. General Security Agreement granted by the Borrower in favour of the Lender dated July 16, 2010.
2. Collateral Charge granted by the Borrower in favour of the Lender over the Premises in the amount of \$1,500,000 registered on July 19, 2010.
3. General Assignment of Rents granted by the Borrower in favour of the Lender with respect to the Premises registered on July 19, 2010.
4. Unlimited Guarantee granted by the Personal Guarantor in favour of the Lender with respect to the obligations of the Borrower dated July 16, 2010.

**SCHEDULE B
ENGAGEMENT LETTER WITH BDO CANADA LIMITED**

12936225.8

TD COMMERCIAL BANKING
Financial Restructuring Group
3140 Dufferin Street
Toronto, ON M6A 2T1
Telephone: 416-785-5215 / Facsimile: 416-785-5068

15 August 2012

BDO Canada Limited
45 Vogell Road
Suite 300
Richmond Hill, ON L4B 3P6

Dear Sirs

Re: Fairview Nursing Homes Limited (the "Company")

The Company is facing financial difficulties and is considering options for dealing with the secured loan obligations of the Toronto-Dominion Bank (the "Bank").

The purpose of this letter is to confirm the terms upon which the Bank will engage BDO Canada Limited ("BDO") as its Consultant.

Scope of Engagement

BDO has been retained to provide the following financial and other advisory services:

- a) Review the short term cash flow forecasts and current financial position;
- b) Assess the realizable value of the collateral that supports the indebtedness; and,
- c) Provide advice on strategies and other issues which may affect the Company and the Bank in this matter.

BDO agrees that the scope of engagement and form of reporting will be determined by the Bank.

The Company agrees to authorize and direct its advisors (including accountants, auditors, solicitors, insurance agents, management agency, environment consultants and appraisers) to cooperate with BDO.

The Company agrees to fully cooperate with BDO and to provide BDO with complete and unrestricted access to its premises and provide BDO promptly upon request with all information and records of every kind and description, including, without limitation, banking, investment and other records, documents, information and files, Ministry of Health inspection reports, which BDO may request, from time to time, in connection with its engagement, and agrees to meet with BDO to provide whatever analysis and explanations BDO may reasonably require. The Company further

agrees to use reasonable skill, care and attention to ensure that all information provided to BDO is accurate and complete and notify BDO if it subsequently learns that the information provided is incorrect, inaccurate or otherwise should not be relied upon.

The Company and the Bank acknowledge that the BDO review will be based mainly on information supplied by the Company and supplemented by discussions with management. The Company and the Bank understand that, although all information gathered will be reviewed for reasonableness, BDO will not be conducting an audit as part of this engagement. Therefore, BDO's work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or its officers and employees.

BDO shall share its findings with management of the Company but shall not be required to share any recommendations to the Bank.

The Company acknowledges that BDO shall not have and will assume no decision making responsibilities, will have no management capacity, will not offer advice or direction to, or exercise any degree of control over the business and affairs of the Company and that BDO will not be responsible for any decisions or actions of the Company.

Staffing

BDO is authorized to use any of its employees or outside agents, as BDO considers necessary, in the investigation of the affairs of the Company.

The members of the engagement team may be drawn from the resources of BDO and those of its affiliated and related partnerships and corporations, including those of other BDO member firms in countries outside of Canada, as deemed appropriate, during the conduct of this engagement.

Fees/ Remuneration

The Bank agrees to indemnify BDO and save BDO harmless against all liabilities, costs, taxes, accounts, charges, actions, demands and damages of any nature whatsoever, whether at law or in equity, arising out of BDO acting as Consultant including without limiting the generality of the foregoing, any liabilities or costs arising from the *Environmental Protection Act*, excepting however any liabilities, costs, taxes, accounts, charges, actions, demands and damages which result from any gross negligence, wilful misconduct, misfeasance or unlawful acts of, your servants, employees or agents.

The Bank agrees that BDO's fees for this engagement will be based upon hours spent by those individuals assigned to this matter plus HST and expenses including, but not limited to, travel, meals, accommodations, long distance telecommunications, photocopying, delivery, postage, and/or third party clerical assistance.

Bills will be rendered by BDO to the Bank on a periodic basis as the engagement progresses.
Accounts are due upon receipt.

This letter may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which, when taken together, shall constitute one and the same letter.

The Company hereby consents to the appointment of BDO and acknowledges and agrees to the terms of this letter and that BDO is not, as a result of this engagement, precluded from subsequently accepting formal appointments as Receiver or Trustee or Proposal Trustee under the *Bankruptcy & Insolvency Act*.

THE TORONTO DOMINION BANK

Per: _____

Name: _____

BDO hereby consents to act as Consultant to the Bank in accordance with the terms of the forgoing dated at _____ this _____ day of August 2012.

BDO CANADA LIMITED

Per: _____

Name: _____

FAIRVIEW NURSING HOME LIMITED hereby consents to the appointment of BDO as described herein.

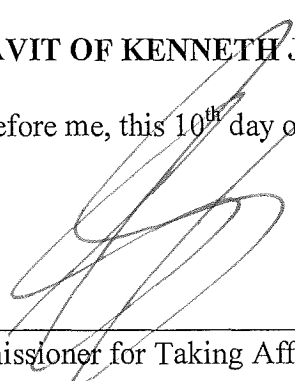
Per: _____

Name: _____

This is **Exhibit "D"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits



General Security Agreement

To: The Toronto-Dominion Bank

TRANSIT 1704, 55 KING STREET WEST, TORONTO, ONTARIO, M5K 1A2 (hereinafter called the "Bank")

GRANTED BY: FAIRVIEW NURSING HOME LIMITED (hereinafter called the "Undersigned")

1. Security Interest

As general and continuing security for the payment of all obligations, indebtedness and liabilities, direct or indirect, of the Undersigned to the Bank wheresoever and howsoever incurred and whether incurred before, at the time of or after the execution hereof, including extensions or renewals thereof, including without restricting the generality of the foregoing, obligations to the Bank for advances by the Bank to the Undersigned under fixed or revolving credits established from time to time, liability to the Bank for letters of credit or guarantees, whether or not drawn upon, issued or given by the Bank for the Undersigned and the obligation and liability of the Undersigned under any contract of guarantee now or hereafter in existence whereby the Undersigned guarantees payment of the debts, liabilities and obligations of a third party to the Bank (the obligations, indebtedness and liabilities of the Undersigned referred to above hereinafter collectively called "Obligations"), and, IN CONSIDERATION OF THE OBLIGATIONS, the Undersigned hereby grants, bargains, assigns and transfers to the Bank a first, fixed and specific mortgage and charge, as and by way of a continuing security interest (hereinafter together with any other security interest hereby created called the "Security Interest") in the following property described in sub-paragraphs (a), (b), (c), and (d) of this paragraph now or hereafter owned or acquired by or on behalf of the Undersigned:

Delete *and (d)* if inapplicable.

- (a) Intangibles - all intangible property and not included in paragraph 10 below including, without limitation, all contractual rights and insurance claims, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Undersigned (all of which property is hereinafter collectively called "Intangibles");
(b) Proceeds - all of the Undersigned's property in any form derived directly or indirectly from any use or dealing with the Collateral (defined in the last sentence of this paragraph) or that indemnifies or compensates for Collateral destroyed or damaged (all of which property is hereinafter collectively called "Proceeds");
(c) Books & Records - all of the Undersigned's deeds, documents, writings, papers, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;

Delete if inapplicable, if a Fixed and Specific Charge is Required, Complete Schedule.

- (d) Equipment - all tools, machinery, equipment, furniture, plants, fixtures, and other tangible personal property, vehicles and fixed goods and chattels including all tools, machinery, equipment, furniture, plants, fixtures, vehicles, fixed goods and chattels other than inventory (as defined below), and any other property or assets of the kind, nature or description of the property or assets particularly described in the Schedule hereto (all of which property is hereinafter collectively called "Equipment");
and for the same consideration the Undersigned hereby grants, bargains, assigns and transfers to the Bank a first floating charge, as and by way of a continuing security interest, over:

- (e) Inventory - all goods and chattels now or hereafter forming the inventory of the Undersigned, of whatever kind and wherever located, including, without limitation, all goods, merchandise, raw material, work in process, finished goods and chattels held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Undersigned, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (all of which goods and chattels are hereinafter collectively called "Inventory");
(f) Real Estate - all real and immovable property, both freehold and leasehold, now or hereafter owned or acquired by the Undersigned, together with all buildings, erections, improvements and fixtures situate thereupon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (all of which property is hereinafter collectively called "Real Estate") provided, however, the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Undersigned, is excepted out of the Real Estate charged by this Agreement, but should such charge become enforceable the Undersigned shall thereafter stand possessed of any such reversion upon trust to assign and dispose thereof as the Bank may direct; and
(g) Other Property - the undertaking and all other property and assets of the Undersigned for the time being of whatsoever nature and kind both present and future including without limiting the generality of the foregoing, uncalled capital, moneys, rights, franchises, negotiable and non-negotiable instruments, judgments and securities (all of which are hereinafter collectively called "Other Property"), other than that which is at any and all times validly subject to the first, fixed and specific mortgage and charge hereby created or subject to the assignment set forth in paragraph 10.

All of the above mentioned property together with the Assignment in paragraph 10 is hereinafter called the "Collateral".

2. Location of Property

The Undersigned confirms and warrants that the Collateral will be kept at the address immediately preceding the Schedule hereto or, if left blank at the address shown below the Undersigned's signature to this Agreement, and, subject to the provisions of paragraph 4, the Undersigned will not remove any of the Collateral from said location without the prior written consent of the Bank.

3. Representations, Warranties & Covenants

The Undersigned hereby represents, warrants or covenants to or with the Bank, as the case may be, that:

- (a) the Undersigned will reimburse the Bank for all costs and expenses (including legal fees on a solicitor and his own client basis) incurred by it in the preparation, execution and filing of this Agreement and the taking, recovering or possessing the Collateral and in any other proceedings taken for the purpose of protecting or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non-payment of the Obligations and all such costs and expenses shall bear interest at the highest rate borne by any of the Obligations and shall be payable on demand;
- (b) except for the Security Interest the Undersigned is, or respecting the Collateral acquired after the date hereof will be, the owner of the Collateral free from any mortgage, lien, charge, security interest or encumbrance and the Undersigned will keep the Collateral free and clear of all taxes, assessments, liens and encumbrances;
- (c) the Undersigned will deliver to the Bank within three (3) months next after the end of each of the Undersigned's fiscal years, audited financial statements of the Undersigned, and, if the Undersigned is a corporation, will furnish annually to the Bank the information which is required to be furnished to the shareholders of a corporation under applicable law;
- (d) the Undersigned will care for, protect and preserve the Collateral and not permit its value to be impaired and, subject to paragraph 4, will not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein without the prior written consent of the Bank;
- (e) the Undersigned will keep the Collateral insured under policies with such provisions, for such amounts and by such insurers satisfactory to the Bank from time to time, and will maintain such insurance with loss, if any, payable to the Bank and will lodge such policies with the Bank;
- (f) the Bank shall be entitled from time to time and at any time to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Undersigned will defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Undersigned in accordance with its terms.

4. Use of Specifically Charged Property**Dealing with Inventory, Real Estate or Other Property**

Until the occurrence of an event of default, as hereinafter provided, the Undersigned may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement, and deal with the Inventory, Real Estate or Other Property or any part thereof in the ordinary course of business. Proceeds shall be received by the Undersigned in trust for the Bank and shall be forthwith paid over to the Bank.

5. Events of Default

Obligations not payable on demand shall become immediately payable upon the occurrence of one or more of the following events of default:

- (a) the Undersigned fails to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations or warranties or covenants of this Agreement;
- (b) the Undersigned ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
- (c) any warranty or representation made to induce the Bank to extend credit to the Undersigned, under this Agreement or otherwise, is false in any material respect when made;
- (d) an encumbrance takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
- (e) indebtedness or liability of the Undersigned other than to the Bank becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof or any guarantee given by the Undersigned is not honoured when due and called upon;
- (f) a declaration of incompetency of the Undersigned by a court;
- (g) if the Undersigned is a partnership, the death of a partner; or
- (h) if the Undersigned is an individual, the death of the Undersigned;
- (i) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall have all rights and remedies under applicable law as well as any other rights and remedies provided by this Agreement.

6. Additional Powers Upon Default

In addition to the rights and powers provided in paragraphs 5 and 8 and under the Personal Property Security Act, the Bank and the Receiver, as defined in paragraph 8, shall have the following rights and powers if the security hereby constituted becomes enforceable:

- (a) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
- (b) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice whatever; and
- (c) to demand, sue for and receive any Book Debts with or without notice to the Undersigned, give effectual receipts and discharges therefor, compromise any Book Debts which may seem bad or doubtful to the Bank and give time for payment thereof with or without security,

and the Undersigned shall from time to time forthwith on the Bank's request execute, do and make all such agreements, statements, further assignments, acts, matters and things which may from time to time in the opinion of the Bank be necessary or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Bank in the Collateral, and the Bank and any of its managers or acting managers are by the Undersigned hereby irrevocably constituted and appointed the true and lawful attorney of the Undersigned with full power of substitution for the Bank at its option whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Undersigned.

7. Waiver by the Bank

Any breach by the Undersigned of any of the provisions contained in this Agreement or any default by the Undersigned in the observance or performance of any covenant or condition required to be observed or performed by the Undersigned hereunder may only be waived by the Bank in writing, provided that no such waiver by the Bank shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

8. Appointment of Receiver and Manager

The Bank may appoint in writing any person, whether an employee or employees of the Bank or not, to be a receiver or a receiver and manager ("Receiver") of the Collateral or any part or parts thereof. A Receiver so appointed shall have power:

- (a) to take possession of, collect and get in the Collateral, or any part thereof and for that purpose to take any proceedings in the name of the Undersigned or otherwise;
- (b) to carry on or concur in carrying on the business of the Undersigned and for that purpose to raise money on the Collateral in priority to this Agreement or otherwise;
- (c) to sell or concur in selling any of the Collateral; and
- (d) to make any arrangement or compromise which the Receiver shall think expedient in the interest of the Bank.

Any Receiver so appointed shall be deemed to be the agent of the Undersigned, and the Undersigned shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses, and the Bank shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest. The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Bank may have from time to time.

9. Perishable Collateral

Except to the extent that the Bank believes on reasonable grounds that any part of the Collateral is perishable or will decline speedily in value, the Undersigned shall be entitled to not less than fifteen days' notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known post office address of the Undersigned.

10. General Assignment of Book Debts

And the Undersigned for good and valuable consideration assigns, transfers, and sets over unto the Bank all debts, accounts, choses in action, claims, demands, and moneys now due or owing or accruing due or which may hereafter become due or owing to the Undersigned, including (without limiting the foregoing) claims against the Crown in the right of Canada or of any province, moneys which may become payable under any policy of insurance in respect of any loss by fire or other cause which has been or may be incurred by the Undersigned (collectively called "Book Debts"), together with all contracts, securities, bills, notes, (ten notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Undersigned in respect of or as security for the Book Debts hereby assigned or intended so to be or any part thereof and the full benefit and advantage thereof, and all rights of action, claim, or demand which the Undersigned now has or may at any time hereafter have against any person or persons, firm or corporation in respect thereof. The Undersigned further hereby covenants, promises, and agrees to and with the Bank to well and truly execute or cause to be executed all or any such further or other document or documents as shall or may be required by the Bank to more completely or fully vest in the Bank the Book Debts hereby assigned or intended so to be and the right to receive the said moneys or to enable the Bank to recover same and will from time to time prepare and deliver to the Bank all deeds, books, vouchers, promissory notes, bills of exchange, accounts, letters, invoices, papers, and all other documents in any way relating to the Book Debts. Provided that this assignment is and shall be a continuing collateral security to the Bank for the Obligations. All money or any other form of payment received by the Undersigned in payment of any Book Debts shall be received and held by the Undersigned in trust for the Bank.

11. Appropriation

The Bank shall have the right at any time to appropriate any payment made in any portion of the Obligations and to revoke or alter any such appropriation.

12. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, take and give up any of the Security Interest, or modify or abstain from perfecting or taking advantage of any of the Security Interest, accept compositions, grant releases and discharges thereof and otherwise deal with the Undersigned, debtors of the Undersigned, sureties and others and with any of the Security Interest as the Bank may see fit without prejudice to the liability of the Undersigned or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Undersigned for the value of any of the Security Interest released except for any moneys actually received by the Bank.

13. Exoneration

If more than one person executes this Agreement, the term "Undersigned" shall include each as well as all of them, any and all of their obligations hereunder shall be joint and several and these presents and such obligations shall continue in full force and effect and apply notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.

14. Term

This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

15 Non-Substitution

The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.

16. Acknowledgement

The Undersigned acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Undersigned has executed this Agreement this 16th day of July 2010

Witness:

FAIRVIEW NURSING HOME LIMITED (Seal)
Per: [Signature] (Seal)
Herbert W. Chambers, President
I have authority to bind the Corporation (Seal)

Branch must Insert Date and Initial as

Date Received
Recorded
Approved

14 CROSS STREET
TORONTO, ONTARIO, M6J 1S8

(Address)

Collateral is now and will hereafter be located at the following address(es):

(Street) (Town/City) (Province)
(Street) (Town/City) (Province)

Schedule

Table with columns: Quantity, Description, Serial number. Includes note: If space is insufficient attach additional list headed: PAGE 2 OF SCHEDULE

Resolution authorizing execution of general security agreement

RESOLVED THAT THE President [Signature] hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for Identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and that execution accordingly shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution."

"Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

Certificate

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of FAIRVIEW NURSING HOME LIMITED

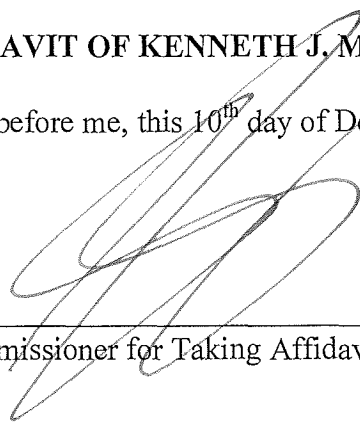
on the 16 day of July 2010 and that the said Resolution is now in full force and effect.

[Signature] C/S

This is **Exhibit "E"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke.

A Commissioner for Taking Affidavits

LRO # 80 Charge/Mortgage

Received as AT2450748 on 2010 07 19 at 15:16

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 3

Properties

PIN 21298 - 0399 LT **Interest/Estate** Fee Simple
Description LT 7-8 PL 368 CITY WEST; PT LT 9 PL 368 CITY WEST; PT LANE PL 368 CITY WEST
 CLOSED BY CT528323, PT 3, 4, 6, 63R2391; PT LT 17-18 PL 1051 TORONTO PT 1,
 63R2391; S/T CT500560E, CT529917E; CITY OF TORONTO
Address 14 CROSS ST
 TORONTO

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name FAIRVIEW NURSING HOME LIMITED
Address for Service 14 Cross Street, Toronto, Ontario,

I, Herbert Washington Chambers (President), have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name THE TORONTO-DOMINION BANK
Address for Service CCAS- Commercial Group, 4720 Tahoe Blvd., Building 1, 4th Floor,
 Mississauga, Ontario, L4W 5P2

Statements

Schedule: See Schedules

Provisions

Principal \$ 1,500,000.00 **Currency** CDN
Calculation Period see Schedule 1
Balance Due Date
Interest Rate see Schedule 1
Payments
Interest Adjustment Date
Payment Date ON DEMAND
First Payment Date
Last Payment Date
Standard Charge Terms 8520
Insurance Amount See standard charge terms
Guarantor

Additional Provisions

see paragraph 3 (f) in Standard Charge Terms

LRO # 80 Charge/Mortgage

Received as AT2450748 on 2010 07 19 at 16:16

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 3

Signed By

Michele Dorothy Guy

700-480 University Avenue
Toronto
M5G 1V2

acting for
Chargor(s)

Signed

2010 07 19

Tel 4169770956

Fax 4169775331

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

COUTTS CRANE

700-480 University Avenue
Toronto
M5G 1V2

2010 07 19

Tel 4169770956

Fax 4169775331

Fees/Taxes/Payment

Statutory Registration Fee \$80.00

Total Paid \$60.00

File Number

Charge Client File Number :

M37210; Ref#



Additional Property Identifier(s) and/or Other Information

This is a Schedule to a Charge made between Fairview Nursing Homes Limited
and THE TORONTO-DOMINION BANK.

Box (9)(b) The Chargor hereby agrees to pay interest on the Principal Amount at the following Interest Rate:

- the Bank's Prime Rate plus 6.50 % per annum. "Prime Rate" means the rate of interest per annum established and reported by the Bank to the Bank of Canada from time to time as a reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

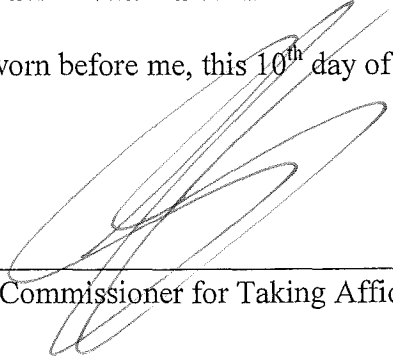
Box (9)(c) Interest at the Interest Rate aforesaid is calculated and payable monthly, not in advance, before and after demand, default and judgment. Interest is payable on overdue interest and on indebtedness payable under this Charge at the aforesaid Interest Rate. Any payment appropriated as a permanent reduction of this Charge shall be first applied against interest accrued hereunder.

FOR OFFICE
USE ONLY

This is **Exhibit "F"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits

GENERAL ASSIGNMENT OF RENTS

BETWEEN

FAIRVIEW NURSING HOME LIMITED (the "Assignor")

AND

THE TORONTO-DOMINION BANK

(the "Assignee")

WHEREAS the Assignee is advancing and/or may in the future advance funds (the "Advances") to the Assignor upon the security of a mortgage dated the 17 day of July 2010 and registered on the 19 day of July 2010, in the Land Titles Office of Toronto as no. AT 2450748 (the "Mortgage") made by the Assignor in favour of the Assignee and covering the lands and premises described in Schedule "A" attached hereto (which lands and buildings at any time situate thereon during the existence of the Mortgage are hereinafter referred to as the "Mortgaged Premises");

AND WHEREAS as a condition precedent to the making of the Advances, the parties hereto agreed that the Assignor would assign to the Assignee by way of additional security all rents now due or accruing due or at any time hereafter to become due under all leases, present and future, at any time made during the existence of the Mortgage in respect of the Mortgaged Premises or any part hereof;

NOW THEREFORE in consideration of the Advances and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

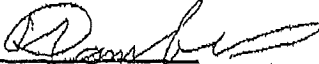
1. The Assignor assigns to the Assignee, its successors and assigns, as security for all indebtedness secured by the Mortgage, and until the indebtedness secured by the Mortgage has been fully paid and satisfied, all rents and other monies now due and payable or hereafter to become due and payable to the Assignor in connection with the Mortgaged Premises and the benefit of all covenants of tenants and assignees (the "Rent") under every existing and future lease, agreement to lease, tenancy, agreement as to use or occupation and licence in respect of the Mortgaged Premises or any part thereof (the "Leases").
2. The Assignee shall have full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rent and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Mortgaged Premises.
3. The Assignee shall not be responsible for the collection of the Rent or any part thereof, or the performance of any of the obligations of the Assignor contained in any Lease, and the Assignee shall not by virtue of this assignment be deemed a Mortgagee in possession of the Mortgaged Premises. The Assignee shall be liable to account only for such monies as may actually come into its hands by virtue of this assignment, less all costs, expenses and other proper deductions and any monies so received by it may be applied on account of any indebtedness of the Assignor to it.

....2

4. Payments of Rent pursuant to any Lease may continue to be made to the Assignor until such time as the Assignee notifies the Lessee in writing that default has occurred under the Mortgage and requires the Lessee to pay the Rent to the Assignee. The Assignor will not, without the written consent of the Assignee, collect or accept Rent from any Lessee other than at the time and in the manner required by that Lessee's Lease.
5. The Assignor will not lease or agree to lease any part of the Mortgaged Premises except at a rent, on terms and conditions and to tenants which are at least as favourable or desirable to the Assignor as those which a prudent landlord would accept for the part of the Mortgaged Premises to be leased.
6. The Assignor shall not at any time during the existence of the Mortgage assign, pledge or hypothecate any Lease or the Rent or due or to become due thereunder, or any part thereof, other than to the Assignee.
7. This Assignment shall in no way lessen, prejudice or hinder the rights or remedies of the Assignee under the Mortgage or any other security held by the Assignee.
8. The Assignor shall execute such further assurances as the Assignee may reasonably require.
9. This Assignment shall be binding upon and enure to the benefit of the respective successors and assigns of the parties hereto and shall be in full force and effect upon execution and delivery of this assignment by the Assignor to the Assignee and without execution and delivery by the Assignee to the Assignor.

Executed by the Assignor at Toronto, Ontario, this 16th day of July, 2010

FAIRVIEW NURSING HOME LIMITED


Name: Herbert W. Chambers
Title: President

Name:
Title:

LRO # 80 Notice Of Assignment Of Rents-General

Recalpted as AT2450749 on 2010 07 19 at 15:16

The applicant(s) hereby applies to the Land Registrar,

yyyy mm dd Page 1 of 4

Properties

PIN 21296 - 0399 LT
Description LT 7-8 PL 368 CITY WEST; PT LT 9 PL 368 CITY WEST; PT LANE PL 368 CITY WEST
 CLOSED BY CT526323, PT S. 4, 8, 63R2391; PT LT 17-18 PL 1051 TORONTO PT 1,
 83R2391; 8/T CT500580E, CT528917E; CITY OF TORONTO
Address 14 CROSS ST
 TORONTO

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name FAIRVIEW NURSING HOME LIMITED
Address for Service 14 Cross Street
 Toronto, ON

I, Herbert Washington Chambers, president, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)	Capacity	Share
-------------	----------	-------

Name	THE TORONTO-DOMINION BANK
Address for Service	Commercial Group 4720 Tahoe Blvd., Building 1, 4th Floor Mississauga, ON L4W 5P2

Statements

The applicant applies for the entry of a notice of general assignment of rents.

Schedule: See Schedules

Signed By

Michele Dorothy Guy	700-480 University Avenue Toronto M5G 1V2	acting for Applicant(s)	Signed	2010 07 16
Tel	4169770956			
Fax	4169775331			

I have the authority to sign and register the document on behalf of all parties to the document.

Michele Dorothy Guy	700-480 University Avenue Toronto M5G 1V2	acting for Party To(s)	Signed	2010 07 16
Tel	4169770956			
Fax	4169775331			

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

COUTTS CRANE	700-480 University Avenue Toronto M5G 1V2		2010 07 19
Tel	4169770956		
Fax	4169775331		

LRO # 80 Notice Of Assignment Of Rents-General

Recalpted as AT2450749 on 2010 07 19 at 15:18

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 4

Fees/Taxes/Payment

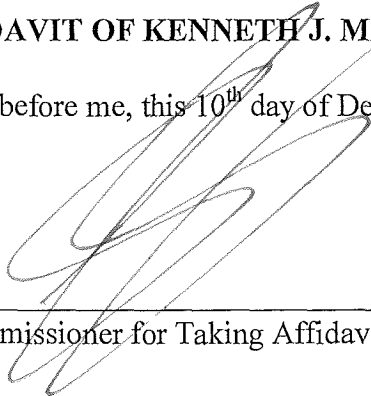
Statutory Registration Fee \$60.00

Total Paid \$60.00

This is **Exhibit "G"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits



Guarantee

To: The Toronto-Dominion Bank

WHEREAS you have opened or are about to open an account with

FAIRVIEW NURSING HOME LIMITED

Do not insert address or occupation if customer is a corporation, partnership or proprietorship.

Address Occupation
(hereinafter) called the "Customer") and as a condition of continuing to deal with the Customer or opening such account you have demanded security as hereunder written.

NOW THEREFORE, in consideration of the premises and of your opening such account or continuing to deal with the Customer either continuously or intermittently so long as you may see fit and of such advances as you make to the Customer or others who may discount with you the paper of the Customer, we and each of us hereby jointly and severally guarantee the due payment and discharge of the indebtedness and liability to you of the Customer howsoever incurred including without limitation thereto the repayment of all moneys advanced or which may be advanced by you to the Customer or to others on the faith of the paper of the Customer and all liabilities direct or indirect to which you may become subject as a result of making advances to or dealing with the Customer and also payment of all moneys which are now or shall at any time or from time to time hereafter become due or owing from the Customer to you on the general balance of account or for which the Customer now is or shall at any time hereafter become liable to you either directly or indirectly, whether matured or not, whether alone or jointly with others, and whether as principal or surety and whether absolute or contingent, and all interest, commission, costs, charges and expenses which may be incurred in respect of such advances or liabilities or any securities therefor

For a limited amount, insert provided that no sum in excess of Dollars together with interest at the rate(s) payable by the Customer accruing from date of demand on the undersigned shall be recoverable hereunder.

AND EACH PARTY who signs this agreement of guarantee declares that:

(1) Regardless of whether or not any proposed guarantor or any other person or persons has or have executed or shall execute this agreement or guarantee or is or are or shall become in any other way responsible to you for or in respect of the indebtedness and liability hereby guaranteed or any part thereof and regardless of whether or not any other person or persons now or hereafter responsible to you for the indebtedness and liability hereby guaranteed or any part thereof whether under this guarantee or otherwise shall cease to be so liable, this guarantee shall be a CONTINUING GUARANTEE and shall be operative and binding notwithstanding that at any time or times the Customer's account with you may be closed or any payments from time to time made to you or any settlements of account effected or any other thing whatsoever done, suffered or permitted and that this guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this guarantee as to one or more of the undersigned or by the death or loss or diminution of capacity of the Customer or by the death or loss or diminution of capacity of any person or persons who has or have executed or shall execute this guarantee or who is or are or shall become responsible in any way for the liabilities hereby guaranteed or any part thereof or by any change in the name, business, membership, directorate, powers, objects, organization or management of the Customer, it being understood that where the Customer is a partnership or corporation this guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the corporate Customer and notwithstanding any re-organization of the corporate Customer or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others. Provided, however, that no person executing this guarantee shall be liable to you hereunder for any moneys advanced to the Customer or to others on the faith of the paper of the Customer (except for the indebtedness and liability of the Customer to you arising out of requirements of the Customer based on agreements express or implied made prior to the receipt by you of the notice in writing hereinafter mentioned) after he or his executors or administrators shall have given to you notice in writing of his or their unwillingness to be liable for moneys thereafter advanced.

(2) Upon this guarantee bearing his signature coming to your hands or of any officer, agent or employee of yours the same shall be deemed to be finally executed and delivered by him and shall not be subject to or affected by any promise or condition affecting or limiting his liability except as set forth herein and no statement, representation, agreement or promise on your part or any officer, employee or agent of yours unless contained herein forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect his liability hereunder.

(3) No alteration or waiver of this guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of a Vice President of yours.

(4) You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) from time to time to take such further or other security or securities for the indebtedness and liability hereby guaranteed or any part thereof as you may deem proper, and/or release, discharge, abandon or otherwise deal with or fail to deal with any of us or others or any such security or securities or any part

thereof or with any security (or any part thereof) now held or deal with or allow any of us or others to deal with the goods or property covered thereby all as you may consider expedient or appropriate. Without limiting the generality of the foregoing or of clause (5) hereof, it is understood that you may, without exonerating any or all of us, give up or modify or abstain from perfecting or taking advantage of any such securities and accept or make any compositions or arrangements, and realize any such securities when, and in such manner and with or without notice as you may deem expedient. Neither you nor any of your directors, officers, employees or agents shall be responsible in negligence for any act taken or omitted to be taken by you or any of them hereunder or in connection with any such securities.

(5) You may from time to time grant to the Customer or to any person or persons liable to you for the indebtedness and liability hereby guaranteed, or any part thereof, or in respect of any bill of exchange, promissory note, guarantee, undertaking or any instrument, paper or document now or hereafter representing said indebtedness and liability or any part thereof, time for payment or any other indulgence and may compound with all or any of such persons as you shall see fit, all without in any way prejudicing or affecting any of your rights hereunder.

(6) You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the indebtedness and liability hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

(7) You may, without demand or notice of any kind, at any time when any amount shall be due and payable hereunder by any of us appropriate and apply to any portion of the indebtedness and liability hereby guaranteed, and in such order of application as you may from time to time elect, any property, balances, credits, accounts or moneys of any of us in your possession or control for any purpose.

(8) Where the Customer is a corporation or partnership or any entity you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf and moneys, advances, renewals or credits in fact borrowed or obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness and liability hereby guaranteed even though the borrowing or obtaining of such moneys, advances, renewals or credits was irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Customer or of the directors, partners or agents thereof and notwithstanding that you have specific notice of the powers of the Customer or the directors, partners or agents thereof.

(9) The statement in writing of the Manager or acting Manager at the time such statement is given of your Branch where the Customer's account is kept from time to time of the indebtedness or liability of the Customer to you shall be binding and conclusive upon each of us, and all right to question in any way your present or future method of dealing with the Customer or any dealing with any person or persons now or hereafter liable to you for the moneys and the indebtedness and liability hereby guaranteed or any part thereof or with any securities now or hereafter held by you or with any goods or property covered by such securities or any of them is hereby waived. Each of us hereby renounces all benefits of discussion and division, and you shall not be bound to exhaust your recourse against the Customer or other person or persons or the securities you may hold, nor to value such securities before requiring or being entitled to payment from us or any of us.

(10) All debts and liabilities present and future of the Customer to us or any of us are hereby assigned to you and postponed to the present and future indebtedness and liability of the Customer to you, and all moneys received from the Customer or for his account by any of us or our representatives or assigns shall be by him or them received in trust for you and forthwith upon receipt paid over to you until the Customer's indebtedness and liability to you are fully paid and satisfied all without prejudice to and without in any way limiting or lessening the liability of us to you under this guarantee.

(11) Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or guarantor for any indebtedness or liability of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the liability to you of any party hereto and until all indebtedness and liability of the Customer to you have been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by any of us to you under this guarantee and to prove and rank for and receive dividends in respect to such claim, any and all right to prove and rank for such sums paid by us and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you.

(12) Each of us hereby expressly waives: (a) notice of the existence or creation of all or any of the indebtedness and liability hereby guaranteed, (b) presentment, demand, notice of dishonor, protest, and all other notices whatsoever, and (c) all diligence in collection or protection of or realization upon the indebtedness and liability or any part thereof, any obligation hereunder, or any security for any of the foregoing.

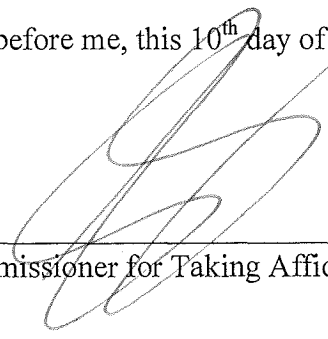
(13) You may, without notice of any kind, sell, assign or transfer all or any of the indebtedness and liability hereby guaranteed, and in such event each and every immediate and successive assignee, transferee, or holder of all or any of the indebtedness and liability, shall have the right to enforce this guarantee, by suit or otherwise, for the benefit of such assignee, transferee or holder, as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but you shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this guarantee for your benefit, as to so much of the indebtedness and liability as you have not sold, assigned or transferred.

(14) No delay on your part in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by you of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of yours permitted hereunder shall in any way impair or affect this guarantee. For the purposes of this guarantee, the indebtedness and liability shall include all obligations of the Customer to you, notwithstanding any right or power of the Customer or any one else to assert any claim or defense.

This is **Exhibit "H"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits

RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(4256)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : FAIRVIEW NURSING HOME LIMITED

FILE CURRENCY : 06AUG 2013

ENQUIRY NUMBER 20130807170840.58 CONTAINS 13 PAGE(S), 8 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AIRD & BERLIS LLP
ATTN: ANITA PURUSHOTHAM
HOLD FOR PICKUP
TORONTO M5J2T9



(crj2 11/2008)

CONTINUED... 2



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(4257)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY : 06AUG 2013

FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
680825736

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01
02
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09

CAPTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FILING	NO.	OF	SCHEDULE	NUMBER	UNDER	PERIOD
	01	001		20120820 1946 1531 9860	P PPSA	10

DEBTOR
NAME

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
	FAIRVIEW NURSING HOME LIMITED		

BUSINESS NAME
ADDRESS
TORONTO
ONTARIO CORPORATION NO.
ON M6J 1S8

DEBTOR
NAME

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME

BUSINESS NAME
ADDRESS
ONTARIO CORPORATION NO.

SECURED PARTY
LIEN CLAIMANT

ADDRESS			
CHAMBERS, VIOLET A			
15 VESTA DRIVE	RICHMOND HILL	ON	L4B 2L9

COLLATERAL CLASSIFICATION

CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
						INCLUDED		MATURITY OR	MATURITY DATE
	X	X	X	X	X	X			

YEAR MAKE MODEL VIN

MOTOR VEHICLE

GENERAL
COLLATERAL
DESCRIPTION

REGISTERING AGENT
MILLER THOMSON LLP
ADDRESS
40 KING STREET WEST, SUITE 5800
TORONTO ON M5H 3S1

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
K. — Oly
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(cr)1r 11/2008



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(4258)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY : 06AUG 2013

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
673725609

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 2 20111018 1639 1902 5961 P PPSA 05

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME BUSINESS NAME FAIRVIEW NURSING HOME LIMITED

04 ADDRESS 14 CROSS STREET TORONTO ONTARIO CORPORATION NO ON M6J 188

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME BUSINESS NAME ONTARIO CORPORATION NO

07 ADDRESS

08 SECURED PARTY ROYNAT INC.

09 LIEN CLAIMANT ADDRESS SUITE 1500, 4710 KINGSWAY ST. BURNABY BC V5H 4M2

COLLATERAL CLASSIFICATION

10 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE AMOUNT DATE OF NO FIXED INCLUDED MATURITY OR MATURITY DATE
X X

11 YEAR MAKE MODEL YEAR N

12 MOTOR VEHICLE

13 GENERAL LAUNDRY WASHER(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES
14 COLLATERAL ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS
15 DESCRIPTION THERE TO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY

16 REGISTERING AVS SYSTEMS INC.

17 AGENT ADDRESS 17A 100 KAL LAKE RD. VERNON BC V1T 9G1

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
K. [Signature]
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

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TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY 06AUG 2013

FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
673725609

CAUTION FILE NO.	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED NUMBER	REGISTRATION PERIOD
	002	2		20111018 1639 1902 5961		

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY
LIEN CLAIMANT

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
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YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE

GENERAL COLLATERAL DESCRIPTION FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

REGISTERING AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONT INUED...

5

CERTIFIED BY/CERTIFIÉES PAR
K. Oly
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(cij1fr 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
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TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY 06AUG 2013

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
665279019

00
01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
ENDING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20101020 0954 1702 7792 P PPSA 3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME FAIRVIEW NURSING HOME

04 ADDRESS 14 CROSS STREET TORONTO ONTARIO CORPORATION NO. ON M6J 1S8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY DIVERSEY CANADA INC.

09 LIEN CLAIMANT ADDRESS 2401 BRISTOL CIRCLE OAKVILLE ON L6H 6P1

COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER ENCLOSED MATURITY OF MATURITY DATE
X

11 YEAR MAKE MODEL VIN

12 MOTOR VEHICLE

13 GENERAL

14 COLLATERAL MODEL C-2 SERIAL # W7795

15 DESCRIPTION LOW ENERGY COMMERCIAL AUTOMATIC DISHWASHER

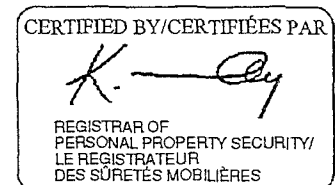
16 REGISTERING AGENT

17 ADDRESS

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY

CONTINUED...

6



(ej11r 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
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(4261)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY 06AUG 2013

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
663051798

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01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20100719 1517 1793 7932 P PPSA 5

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME BUSINESS NAME FAIRVIEW NURSING HOME LIMITED

04 ADDRESS 14 CROSS STREET TORONTO ONTARIO CORPORATION NO. 212143 ON M6H1B1

05 DEBTOR NAME BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME BUSINESS NAME ADDRESS ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY THE TORONTO-DOMINION BANK

09 WHEN CLAIMED ADDRESS BRANCH #1704, 55 KING STREET WEST TORONTO ON M5K1A2

COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X X X

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL DESCRIPTION GENERAL SECURITY AGREEMENT

14 COLLATERAL DESCRIPTION

15 DESCRIPTION

16 REGISTERING AGENT COUTTS CRANE

17 ADDRESS 480 UNIVERSITY AVENUE SUITE 700 TORONTO ON M5G1V2

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
K. — Oly
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(4262)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY 06AUG 2013

FORM PC FINANCING STATEMENT / CLAIM FOR FIRM

FILE NUMBER
663053022

00

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
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01

001	1			20100719 1537 1793 7936	P PPSA	5
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DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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02

DEBTOR

03

NAME

BUSINESS NAME

FAIRVIEW NURSING HOME LIMITED

04

ADDRESS

14 CROSS STREET

TORONTO

ONTARIO CORPORATION NO. 212143

ON M6H1B1

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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05

DEBTOR

06

NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07

ADDRESS

08

SECURED PARTY

THE TORONTO-DOMINION BANK

09

LEEN CLAIMANT

ADDRESS

BRANCH #1704, 55 KING STREET WEST

TORONTO

ON M5K1A2

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	NO. FIXED	MATURITY DATE
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10

			X	X				X	
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YEAR	MAKE	MODEL	VEHICLE
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11

MOTOR

12

VEHICLE

13

GENERAL

GENERAL ASSIGNMENT OF RENT

14

COLLATERAL

15

DESCRIPTION

16

REGISTERING

COUTTS CRANE

17

AGENCY

ADDRESS

480 UNIVERSITY AVENUE SUITE 700

TORONTO

ON M5G1V2

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(cfj1fr 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(4263)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY : 06AUG 2013

FORM TO FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
662748912

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01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20100707 1554 2639 0140 P PPSA 05

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME FAIRVIEW NURSING HOME LTD ONTARIO CORPORATION NO.
04 ADDRESS 14 CROSS STREET TORONTO ON M6J 1S8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY ASSETLINK CAPITAL INC
09 LIEN CLAIMANT ADDRESS 4 - 6655 KITIMAT ROAD MISSISSAUGA ON L5N 6J4

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO EXEMPT
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURED OR MATURITY DATE
X 9039 01JUL2015

11 YEAR MAKE MODEL VIN
12 MOTOR VEHICLE

13 GENERAL SHARP MXM363N
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENCY
17 ADDRESS

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
K. [Signature]
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(cjtfr 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 9
(4264)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY 06AUG 2013

FORM 1C FINANCING STATEMENT / CLAIM FOR RETURN

FILE NUMBER
850832199

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FEELING NO OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 01 001 19990507 1819 1531 5365 P PPSA 5

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME FAIRVIEW NURSING HOME LIMITED

ADDRESS 14 CROSS STREET TORONTO ONTARIO CORPORATION NO. ON M6J 1S8

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY THE TORONTO-DOMINION BANK - QUEEN ST & SPADINA 17042 CAS 3472

SECURED PARTY ADDRESS 443 QUEEN ST W & SPADINA AVE TORONTO ON MSV 2B1

COLLATERAL CLASSIFICATION

CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FINED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
10 X X X

MOTOR YEAR MAKE MODEL VIN

MOTOR VEHICLE

GENERAL COLLATERAL DESCRIPTION

REGISTERING AGENT CANADIAN SECURITIES REGISTRATION SYSTEMS
ADDRESS SUITE 180-13571 COMMERCE PARKWAY RICHMOND BC V6V2L1

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
K. [Signature]
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 10
(4265)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY : 06AUG 2013

FORM 2-C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PLACING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
	01	001		20040429 1457 1530 8870	

RECORD REFERENCE NUMBER : 850832199

PAGE AMENDED	NO SPECIFIC PAGES AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT BEHOLD
	X	B RENEWAL	5	

FIRST GIVEN NAME	INITIALS	SURNAME

REFERENCE DEBTOR/
TRANSFEROR : BUSINESS NAME : FAIRVIEW NURSING HOME LIMITED

OTHER CHANGE
REASON/
DESCRIPTION

DATE OF BIRTH	FIRST GIVEN NAME	INITIALS	SURNAME

DEBTOR/
TRANSFeree : BUSINESS NAME

04/07 : ADDRESS : ONTARIO CORPORATION NO

ASSIGNOR : SECURED PARTY / LEND CLAIMANT / ASSIGNEE

ADDRESS

COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE ENQUIRED	DATE OF MATURITY	NO. FIXED OR MATURITY DATE

YEAR	MAKE	MODEL	VIN

MOTOR VEHICLE

GENERAL
COLLATERAL

DESCRIPTION

REGISTERING AGENT OF : CANADIAN SECURITIES REGISTRATION SYSTEMS

SECURED PARTY / LEND CLAIMANT : ADDRESS : 4126 NORLAND AVENUE BURNABY BC V5G 3S8

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR
K. [Signature]
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fr 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 11
(4266)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY 06AUG 2013

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL OF TRACKS	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	01	001		20090325 1456 1530 2827	
21	RECORD REFERENCED	FILE NUMBER	850832199		
22	PAGE AMENDED	NO. SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
		X	B RENEWAL	10	
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/TRANSFEROR	BUSINESS NAME	FAIRVIEW NURSING HOME LIMITED		
25	OTHER CHANGE REASON				
26	REASON				
27	DESCRIPTION				
28					
02/05	DEBTOR/TRANSFEROR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
03/06	TRANSFEROR	BUSINESS NAME			
04/07		ADDRESS	ONTARIO CORPORATION NO.		
29	ASSIGNOR	SECURED PARTY/LEEN CLAIMANT/ASSIGNEE			
08		ADDRESS			
09		ADDRESS			
	COLLATERAL CLASSIFICATION				
	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNT	OTHER
10					
11	MOTOR VEHICLE	YEAR	MAKE	MODEL	VIN
12	GENERAL				
13	COLLATERAL				
14	DESCRIPTION				
15	REGISTERING AGENT OR	CANADIAN SECURITIES REGISTRATION SYSTEMS			
16	SECURED PARTY/LEEN CLAIMANT	ADDRESS	4126 NORLAND AVENUE	BURNABY	BC V5G 3S8

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR
K. [Signature]
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fr 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 12
(4267)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY : 06AUG 2013

THIS REGISTRATION WAS MADE UNDER THE CORPORATION SECURITIES REGISTRATION ACT (R.S.O.1980, C.94)
OR A PREDECESSOR THEREOF. A COPY OF THE INSTRUMENT IS AVAILABLE FOR INSPECTION IN THE
OFFICES OF THE MINISTRY OF CONSUMER AND BUSINESS SERVICES LOCATED AT:

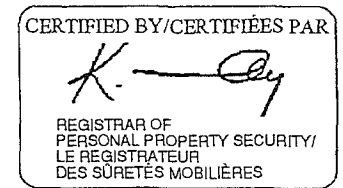
375 UNIVERSITY AVENUE, 3RD FLOOR
TORONTO, ONTARIO
M5G 2J5

TEL. (416) 325-8810

	FILE NUMBER	CSRA NUMBER
00	9070617A5	70617A
	PAGE NO. OF	TOTAL PAGES
01	001	001
02	DEBTOR	
03	NAME	BUSINESS NAME FAIRVIEW NURSING HOME LIMITED
05	DEBTOR	
06	NAME	BUSINESS NAME

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13



(crfj2 11/2008)



RUN NUMBER : 219
RUN DATE : 2013/08/07
ID : 20130807170840.58

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

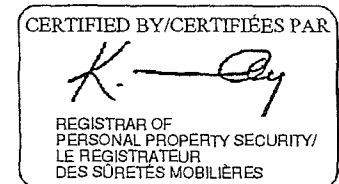
REPORT : PSSR060
PAGE : 13
(4268)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FAIRVIEW NURSING HOME LIMITED
FILE CURRENCY : 06AUG 2013

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

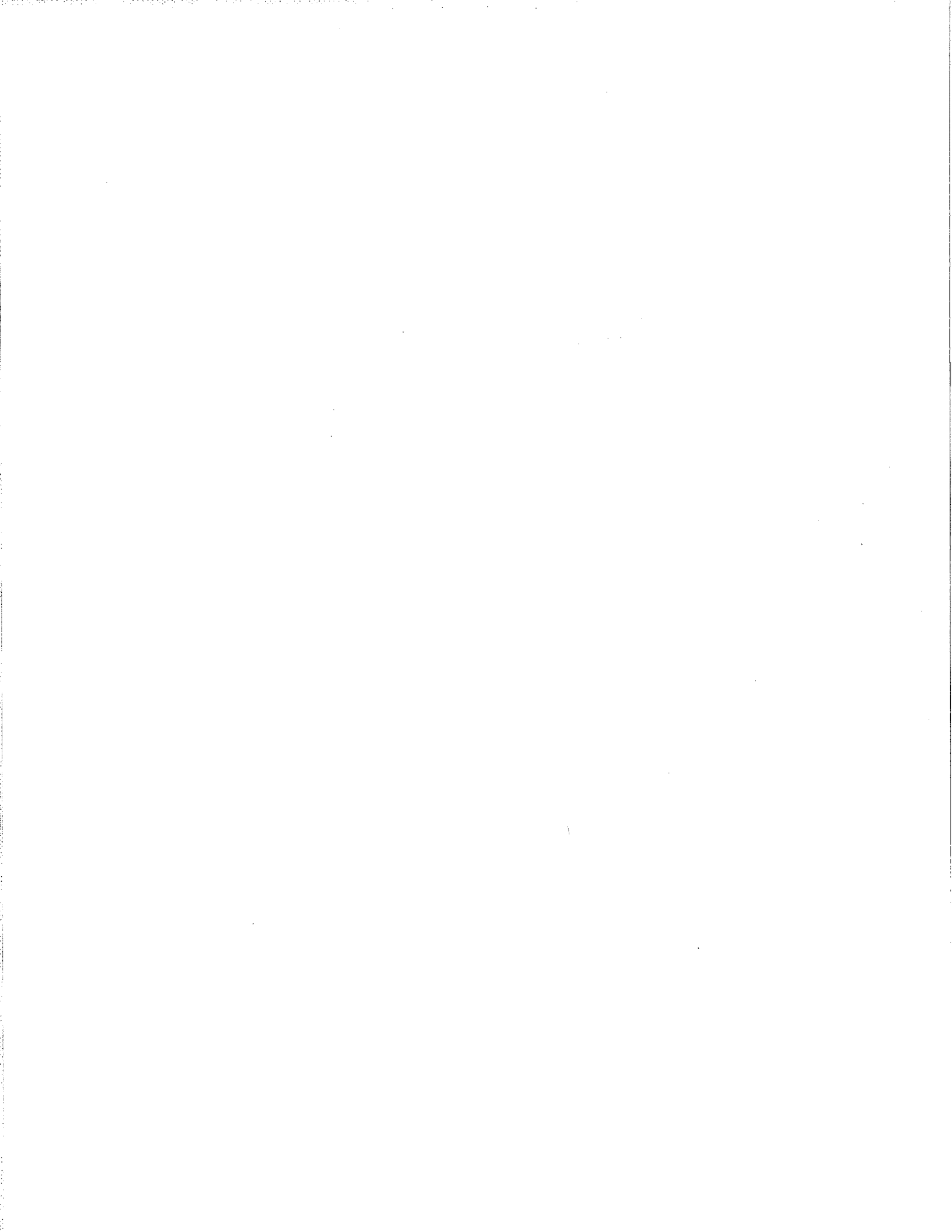
FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
680825736	20120820 1946 1531 9860			
673725609	20111018 1639 1902 5961			
665279019	20101020 0954 1702 7792			
663051798	20100719 1517 1793 7932			
663053022	20100719 1537 1793 7936			
662748912	20100707 1554 2639 0140			
850832199	19990507 1819 1531 5365	20040429 1457 1530 8870	20090325 1456 1530 2827	
9070617A5	70617A			

10 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



(crj)2 11/2008





SEARCH SUMMARY

Enquiries and searches were made at the registration system maintained pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA") against:

Company	Corporate Details/Prior and/or Amalgamated Names
Fairview Nursing Home Limited	<ul style="list-style-type: none"> ➤ an active Ontario corporation incorporated on May 17, 1968 ➤ Registered office: 14 Cross Street, Toronto, ON M6J 1S8 ➤ Registered Business Name: <i>expired names exist</i> ➤ Prior/Predecessor Names: none ➤ Director(s)/Officer(s): <ul style="list-style-type: none"> - Violet Agatha Chambers, Director, President located at 15 Vesta Drive, Richmond Hill, ON L4B 2L9 - Lisa L Chambers, Director, Secretary located at 1562 Danforth Avenue, Suite 2053, Toronto, ON M4J 1N4 - Lisa Chambers, Secretary & Treasurer located at 1562 Danforth Avenue, Suite 2053, Toronto, ON M4J 1N4

The currency of each of the aforementioned searches is as follows:

SEARCHES AND CURRENCY

Company	PPSA
Fairview Nursing Home Limited	August 6, 2013
Violet Chambers	August 7, 2013
Agatha Chambers	August 7, 2013
Herbert Chambers	August 7, 2013
Herbert Chambers Estate	August 7, 2013
Herbert W. Chambers Estate	August 7, 2013

Such enquiries and searches failed to disclose any undischarged registrations, filings or recordings with respect to the aforementioned names except as follows:

PPSA REGISTRATIONS

Legend:

A - Accounts	DOM - Date of Maturity	I - Inventory	O - Other
CF - Caution Filing	E - Equipment	MV - Motor Vehicle	RSLA - <i>Repair & Storage Lien Act</i>
CG - Consumer	GCD - General Collateral	NFMD - No Fixed Maturity	\$ - Amount

Goods

Description:

Date

Fairview Nursing Home Limited						
	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification/Description
1.	70617A	9070617A5	--	Fairview Nursing Home Limited	The Standard Trust Company	\$1,600,000 Demand Debenture
2.	19990507 1819 1531 5365 Renewed for 5 years by 20040429 1457 1530 8870 Renewed for 10 years by 20090325 1456 1530 2827	850832199	May 7, 2019	Fairview Nursing Home Limited	The Toronto-Dominion Bank	A, O NFMD
3.	20100707 1554 2639 0140	662748912	July 7, 2015	Fairview Nursing Home Limited	Assetlinx Capital Inc.	E \$, DOM Sharp MXM363N
4.	20100719 1517 1793 7932	663051798	July 19, 2015	Fairview Nursing Home Limited	The Toronto-Dominion Bank	I, E, A, O, MV NFMD GCD: General Security agreement
5.	2010719 1537 1793 7936	663053022	July 19, 2015	Fairview Nursing Home Limited	The Toronto-Dominion Bank	A, O NFMD GCD: General Assignment of Rents
6.	20101020 0954 1702 7792	665279019	October 20, 2013	Fairview Nursing Home	Diversey Canada Inc.	E GCD: Model C-2 Serial #W7795; Low energy commercial automatic dishwasher
7.	20111018 1639 1902 5961	673725609	October 18, 2016	Fairview Nursing Home Limited	Roynat Inc.	E, O GCD: see below
<p>GCD: Laundry washer(s) together with all attachments accessories accessions replacements substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral</p>						
8.	20120820 1946 1531 9860	680825736	August 20, 2022	Fairview Nursing Home Limited	Chambers, Violet A	I, E, A, O, MV

Herbert Chambers

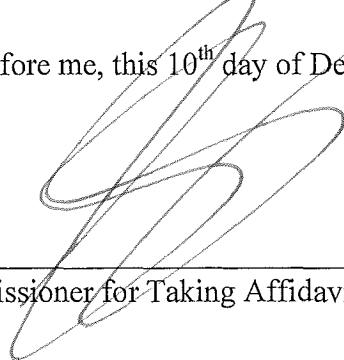
	Registration Number	Reference File No.	Expiry Date	Debtor	Secured Party	Collateral Classification/ Description
1.	20110525 1435 1862 0010	670119921	May 25, 2017	Herbert Wayne Chambers (13JUL1947) Herbert W Chambers (13JUL1947)	Univan Leasing Limited	E, O, MV MV: 2011 International 4300 Durastar 1HTMMAANXB J423867
2.	20091015 1051 1529 2638	656960058	Oct 15, 2013	Herbert W Chambers (13JUL1947) Donna A Chambers (15OCT1950)	Toyota Credit Canada Inc.	CG, E, O, MV MV: 2010 Subaru IMP-AG2SP JF1GH6C60AH80 1322 DOM: 11OCT2013

12906616.2

This is **Exhibit "I"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and flourishes, positioned above a horizontal line.

A Commissioner for Taking Affidavits

PROPERTY DESCRIPTION: LT 7-8 PL 366 CITY WEST; PT LT 9 PL 366 CITY WEST; PT LANE PL 366 CITY WEST CLOSED BY CT526323, PT 3, 4, 6, 63R2391; PT LT 17-18 PL 1051 TORONTO PT 1, 63R2391; S/T CT500560E, CT526917E; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2003/03/24

OWNERS' NAMES
FAIRVIEW NURSING HOME LIMITED

CAPACITY SHARE
BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2003/03/21 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2003/03/24 **						
63R2363	1981/06/19	PLAN REFERENCE				C
63R2391	1981/07/30	PLAN REFERENCE				C
CT500560	1981/09/29	TRANSFER	\$1		FAIRVIEW NURSING HOME LIMITED	C
CT500560E	1981/09/29	TRANSFER EASEMENT			THE CORPORATION OF THE CITY OF TORONTO	C
CT526917	1982/04/07	TRANSFER	\$1		FAIRVIEW NURSING HOME LIMITED	C
CT526917E	1982/04/07	TRANSFER EASEMENT			THE CORPORATION OF THE CITY OF TORONTO	C
CT554379	1982/10/13	AGREEMENT			THE CORP. OF THE CITY OF TORONTO	C
REMARKS: DEVELOPMENT						
CT602855	1983/06/29	AGREEMENT			THE CORP. OF THE CITY OF TORONTO	C
REMARKS: AMENDING, CT554379						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

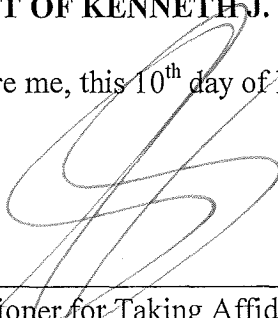
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CT802464	1986/07/21	NOTICE REMARKS: RIGHT OF FIRST REFUSAL				C
CT837982	1986/12/19	ASSIGNMENT GENERAL REMARKS: RIGHT OF FIRST REFUSAL				C
CT994474	1988/12/01	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO DOMINION BANK	
AT2450748	2010/07/19	CHARGE	\$1,500,000	FAIRVIEW NURSING HOME LIMITED	THE TORONTO-DOMINION BANK	C
AT2450749	2010/07/19	NO ASSGN RENT GEN REMARKS: AT2450748		FAIRVIEW NURSING HOME LIMITED	THE TORONTO-DOMINION BANK	C
AT3120276	2012/09/05	DISCH OF CHARGE REMARKS: CT994474.		*** COMPLETELY DELETED *** THE TORONTO DOMINION BANK		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is **Exhibit "J"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits

AIRD & BERLIS LLP

Barristers and Solicitors

Sanjeev P.R. Mitra
Direct: 416.865.3085
Email: smitra@airdberlis.com

August 7, 2012

VIA REGISTERED MAIL AND REGULAR MAIL

Fairview Nursing Home Limited
14 Cross Street
Toronto, ON M6S 1S8

Attention: Agatha Chambers and Lisa Chambers

Re: **The Toronto-Dominion Bank ("TD") loans to Fairview Nursing Home Limited (the "Debtor")**

We are the solicitors for TD in connection with its lending arrangements with the Debtor. The Debtor is indebted to TD pursuant to, amongst other agreements, a letter agreement dated July 7, 2010 is amended by a letter agreement dated April 23, 2012 (collectively the "Credit Facility Letter").

The following amounts are owing by the Debtor for principal and interest pursuant to the Credit Facility Letter and the Lease Agreement as at the close of business on August 7, 2012:

Revolving Operating Facility	\$74,643.08
Non-Revolving Demand Facility	\$1,086,271.80
Total Indebtedness:	\$1,160,914.88

On behalf of TD, we hereby make formal demand for payment of \$1,160,914.88, representing the amount due under the Credit Facility Letter in respect of the above facilities, together with interest and all costs and expenses incurred by TD (collectively, the "Indebtedness"). Payment is required to be made immediately. Interest continues to accrue on the Indebtedness at the rates established by the Credit Facility Letter.

The Indebtedness is secured by, among other things, a General Security Agreement dated July 16, 2010 granted by the Debtor in favour of TD (the "Security Agreement"). The Security Agreement grants TD a security interest in any and all of the Debtor's property, assets and undertaking and the Charge grants a security interest in the Real Property. The Indebtedness is also secured by a collateral charge over the property municipally known as 14 Cross Street, Toronto, Ontario dated July 19, 2010.

If payment of the Indebtedness is not received immediately, TD shall take whatever steps it may consider necessary or appropriate to recover the amounts owed to it, including, without limitation, steps to appoint a receiver or receiver and manager of the Debtor, in which case we will also be seeking all costs incurred in doing so.

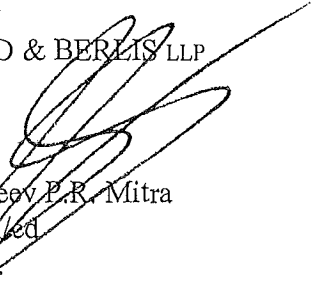
On behalf of TD, we enclose a Notice of Intention to Enforce Security delivered pursuant to the *Bankruptcy and Insolvency Act*, subsection 244(1) (the "BIA Notice").

TD hereby reserves its rights to take proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP



Sanjeev P.R. Mitra
SPM/ed
Engl.

cc: The Toronto-Dominion Bank

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Registered and Regular Mail

TO: Fairview Nursing Home Limited
14 Cross Street
Toronto, ON M6S 1S8

insolvent company / person

TAKE NOTICE that:

1. The Toronto-Dominion Bank ("TD"), a secured creditor, intends to enforce its security on the property, assets and undertaking of Fairview Nursing Home Limited (the "**Debtor**"), including, without limiting the generality of the foregoing, all of the real property, intangibles, accounts, proceeds, books and records, equipment, inventory and leaseholds of the Debtor.
2. The security that is to be enforced is in the form of:
 - (a) a General Security Agreement dated July 10, 2010 granted by the Debtor in favour of TD; and
 - (b) a collateral charge over the property municipally known as 14 Cross Street, Toronto, Ontario dated July 19, 2010.
3. As at August 7, 2012, the total amount of the indebtedness secured by the security is the sum of \$1,160,914.88 in principal and interest, plus accruing interest and recovery costs of TD.
4. TD will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent company/person consents to an earlier enforcement.

DATED at Toronto this 7th day of August, 2012.

The Toronto-Dominion Bank
by its solicitors, Bird & Berlis LLP

Per: 

Sanjeev P.R. Mitra

Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9
Tel: 416.863.3085 Fax: 416.863.1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.



AIRD & BERLIS LLP

Barristers and Solicitors

Sanjeev P.R. Mitra
Direct Dial: 416.865.3085
Email: smitra@airdberlis.com

August 10, 2012

PRIVATE AND CONFIDENTIAL

Violet Agatha Chambers in her
capacity as Estate Trustee of
the Estate of Herbert W. Chambers,
15 Vesta Drive
Richmond Hill, ON L4B 2L9

Dear Madam:

**Re: Guarantee Relating to Credit Facilities provided by The Toronto-Dominion
Bank to Fairview Nursing Home Limited**

Fairview Nursing Home Limited ("**Fairview**") is indebted to our client, The Toronto-Dominion Bank ("**TD**") for the sum of \$1,160,914.88 as at August 7, 2012 (the "**Indebtedness**"). We enclose a copy of our demand upon Fairview together with our notice under section 244 of the *Bankruptcy and Insolvency Act*.

Herbert W. Chambers became a guarantor of the obligations of Fairview under an unlimited guarantee dated July 16, 2010 (the "**Guarantee**").

On behalf of TD, without limitation to the ability of TD to make any additional claims, we hereby make formal demand for payment upon the estate of Herbert W. Chambers of the obligations of Fairview. We hereby require the estate of Herbert W. Chambers to pay to TD forthwith the sum of \$1,160,914.88, plus interest, representing Herbert W. Chambers' liability pursuant to the Guarantee. Interest accrues from this date at the rates of interest applicable to the Indebtedness.

If payment of the Indebtedness is not made forthwith, TD shall take whatever steps are necessary to recover the amounts owed to TD, including the commencement of legal proceedings in the Ontario Superior Court of Justice, in which case TD will also be seeking all costs incurred in its effort to recover the amount owed.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP

Sanjeev P.R. Mitra

Encl.

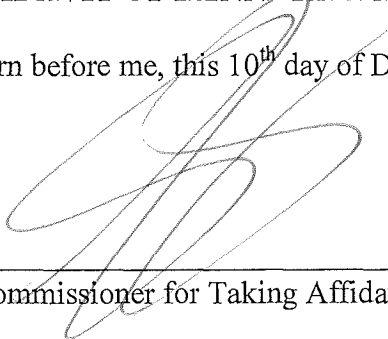
cc. Kenneth Malcolm, TD

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This is **Exhibit "K"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits

AIRD & BERLIS LLP

Barristers and Solicitors

Sanjeev P.R. Mitra
Direct: 416.865.3085
Email: smitra@airdberlis.com

F

August 6, 2013

VIA REGISTERED MAIL AND REGULAR MAIL

Fairview Nursing Home Limited
c/o Miller Thomson LLP
5800-40 King St W
Toronto, ON M5H 3S1

Attention: Joe Marin

Dear Sir:

Re: The Toronto-Dominion Bank ("TD") loans to Fairview Nursing Home Limited (the "Debtor")

We have now had an opportunity to report to our client on our discussion of August 1, 2013. It seems that they operator of the Debtor will not agree to an arrangement which will permit the Debtor to enter into a forbearance extension agreement. There does not appear to be any appetite or ability on the part of the shareholders of the Debtor to fund a sales process for the assets of the Debtor.

The Debtor is indebted to TD pursuant to, amongst other agreements, a letter agreement dated July 7, 2010 is amended by a letter agreement dated April 23, 2012 (collectively the "Credit Facility Letter") and forbearance agreement dated August 22, 2012 ("Forbearance Agreement").

The following amounts are owing by the Debtor for principal and interest pursuant to the Credit Facility Letter and the Forbearance Agreement as at the close of business on August 6, 2013:

Forbearance Fee	\$25,000.00
Non-Revolving Demand Facility	\$1,003,452.06
Banking and Discharge Fee	\$151.30
Total Indebtedness:	\$1,028,603.52

On behalf of TD, we hereby make formal demand for payment of **\$1,028,603.52**, representing the amount due under the Credit Facility Letter and Forbearance Agreement in respect of the above facilities, together with interest and all costs and expenses incurred by TD (collectively, the "Indebtedness"). Payment is required to be made immediately. Interest continues to accrue on the Indebtedness at the rates established by the Credit Facility Letter.

As you are aware, the Indebtedness is secured by, among other things, a General Security Agreement dated July 16, 2010 granted by the Debtor in favour of TD (the "Security Agreement"). The Security Agreement grants TD a security interest in any and all of the Debtor's property, assets and undertaking. The Indebtedness is also secured by a collateral charge over the property municipally known as 14 Cross Street, Toronto, Ontario dated July 19, 2010.

If payment of the Indebtedness is not received immediately, TD shall take whatever steps it may consider necessary or appropriate to recover the amounts owed to it, including, without limitation, steps to appoint a receiver or receiver and manager of the Debtor, in which case we will also be seeking all costs incurred in doing so.

Without admitting the necessity of doing so, we further enclose a Notice of Intention to Enforce Security delivered pursuant to the *Bankruptcy and Insolvency Act*, subsection 244(1) (the "BIA Notice").

TD hereby reserves its rights to take proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP



Sanjeev P.R. Mitra

SPM/cd

Encl.

cc: The Toronto-Dominion Bank
Jane Dietrich, Dentons LLP

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Registered and Regular Mail

TO: Fairview Nursing Home Limited
14 Cross Street
Toronto, ON M6S 1S8

insolvent company / person


TAKE NOTICE that:

1. The Toronto-Dominion Bank ("TD"), a secured creditor, intends to enforce its security on the property, assets and undertaking of Fairview Nursing Home Limited (the "Debtor"), including, without limiting the generality of the foregoing, all of the real property, intangibles, accounts, proceeds, books and records, equipment, inventory and leaseholds of the Debtor.
2. The security that is to be enforced is in the form of:
 - (a) a General Security Agreement dated July 10, 2010 granted by the Debtor in favour of TD; and
 - (b) a collateral charge over the property municipally known as 14 Cross Street, Toronto, Ontario dated July 19, 2010.
3. As at August 6, 2013, the total amount of the indebtedness secured by the security is the sum of \$1,028,603.52 in principal and interest, plus accruing interest and recovery costs of TD.
4. TD will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent company/person consents to an earlier enforcement.

DATED at Toronto this 6th day of August, 2013.

The Toronto-Dominion Bank
by its solicitors, **Aird & Berlis LLP**

Per:



Sanjeev P.R. Mitra

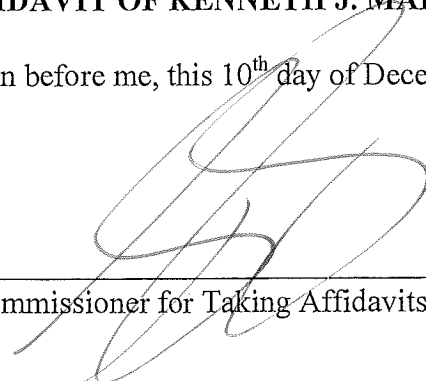
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9
Tel: 416.863.3085 Fax: 416.863.1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

This is **Exhibit "L"** referred to in the

AFFIDAVIT OF KENNETH J. MALCOLM

Sworn before me, this 10th day of December, 2013



A Commissioner for Taking Affidavits

SECOND FORBEARANCE AGREEMENT

THIS AGREEMENT is made as of this 5th day of December, 2013.

A M O N G:

THE TORONTO-DOMINION BANK
(hereinafter referred to as the "Lender" or "TD")

- and -

FAIRVIEW NURSING HOME LIMITED
(hereinafter referred to as the "Borrower")

- and -

THE ESTATE OF HERBERT WASHINGTON CHAMBERS
(hereinafter referred to as the "Personal Guarantor")

- and -

AGATHA CHAMBERS
(hereinafter referred to as the "Stakeholder")

RECITALS:

WHEREAS the Borrower operates a 108 bed long-term care facility at 14 Cross Street, Toronto, Ontario (the "**Borrower's Business**");

WHEREAS the Lender has provided certain credit facilities (the "**Credit Facilities**") pursuant to a facility letter dated July 7, 2010 and accepted by the Borrower and the Personal Guarantor on July 8, 2010, as amended by letter agreement dated April 23, 2012 (collectively, the "**Credit Agreement**");

AND WHEREAS, to secure the obligations of the Borrower to the Lender, including those arising under the Credit Agreement, the Borrower has provided security in favour of the Lender, including, without limitation, the security set out in Schedule A hereto (collectively, the "**Security**");

AND WHEREAS the Personal Guarantor has provided a guarantee in favour of the Lender in respect of the obligations of the Borrower to the Lender as set out in Schedule A hereto (the "**Guarantee**");

AND WHEREAS the Lender, the Borrower and Personal Guarantor entered into a Forbearance Agreement dated August 22nd, 2012 ("**the Forbearance Agreement**") wherein the Lender agreed to forbear from exercising its remedies under contract or law;

AND WHEREAS the Stakeholder and Personal Guarantor each own half the issued and outstanding shares of the Borrower;

AND WHEREAS under the terms of the Forbearance Agreement, the Borrower was to provide a marketing plan for the sale of the Borrower's Business and has failed to establish and achieve milestones to enter into a letter of intent for the sale of the Borrower's Business and to enter into an agreement of purchase and sale for the Borrower's Business;

AND WHEREAS the Lender has been advised by the Borrower that its business has been managed by Responsive Health Management Inc. ("**Responsive**") under the terms of a Facility Management Agreement made as of the 30th day of November, 2010 (the "**Facility Management Agreement**");

AND WHEREAS the Lender has been advised by the Borrower that it has been in continuing default under the terms of the Facility Management Agreement, including defaults in payments of the management fees payable to Responsive (the "**Facility Management Agreement Defaults**");

AND WHEREAS the Lender has been advised that the Borrower and Responsive have entered into an agreement setting out the terms on which the Facility Management Agreement Defaults will be remedied and Responsive will continue to manage the operations of the Borrower's Business (the "**Facility Management Agreement Defaults Agreement**");

AND WHEREAS based on information supplied by the Borrower and Responsive to the Lender, the Borrower's Business does not generate sufficient revenue to cover its operating expenses;

AND WHEREAS the Borrower has recently advised the Lender that the Ministry of Health and Long-Term Care (Ontario) (the "**MOH**") has completed a review of the Borrower's 2011 audited annual report and has determined that \$526,369 is payable to the MOH as a result of that review (the "**2011 Borrower Reconciliation Payable Amount**");

AND WHEREAS the Lender has recently been advised that the MOH has required that the 2011 Borrower Reconciliation Payable Amount be repaid by the Borrower to the MOH in 10 instalments commencing October, 2013 which will cause a further strain on continued operation of the Borrower's Business;

AND WHEREAS the Lender has recently been advised that the instalments of the 2011 Borrower Reconciliation Payable Amount have been deducted from the October and November 2013 MOH payments to the Borrower;

AND WHEREAS the Lender is entitled to be repaid amounts owed to it under the credit agreement and is not prepared to fund operating losses of the Borrower's Business;

AND WHEREAS the Borrower, the Personal Guarantor and the Stakeholder wish the opportunity to complete a formal sales process for the sale of the Borrower's Business (the "**Sales Process**") for a period that may be extended to June 15, 2015 (the "**Sales Process Period**") subject to the terms of this Agreement;

AND WHEREAS the Borrower will be seeking accommodations from the MOH including a deferral of the payment by the Borrower of amounts owed to MOH (including future reconciliation amounts for years after 2011) until the completion of the Sales Process Period (the "**Borrower MOH Reconciliation Payment Deferral**");

AND WHEREAS the Borrower, the Personal Guarantor and the Stakeholder are prepared to fund a portion of the costs of the Sales Process, any operating deficits in connection with the Borrower's Business and the Phase 2 environmental assessment up to the collective maximum amount of \$392,000 for the Sales Process Period;

AND WHEREAS title to the property municipally known as 98 Concord Avenue, Toronto, Ontario ("**Concord Property**") had been in the name of the Personal Guarantor, however, beneficial interest to the Concord Property is subject to a dispute with the Stakeholder;

AND WHEREAS the Personal Guarantor, with the consent of the Stakeholder, has concluded the sale of the Concord Property and has generated net sales proceeds of at least \$750,000.00 (the amount of \$750,000 in net sales proceeds being the "**Concord Property Net Sales Proceeds**");

AND WHEREAS the Personal Guarantor and the Stakeholder, subject to the terms of this Agreement, have agreed to utilize the Concord Property Net Proceeds to make a partial payment to the Lender, and to fund a portion of the costs of the Sales Process and operating deficits of the Borrower's Business;

AND WHEREAS BDO Canada Limited ("**BDO**") has been engaged by the Lender as its consultant (the "**Consultant**") under the terms of the Forbearance Agreement;

AND WHEREAS under the terms of the engagement letter dated August 15, 2012 acknowledged by the Borrower in writing between the Lender and BDO, the Borrower has consented to the appointment of BDO as the Consultant, has acknowledged and agreed to the terms of the engagement of BDO as the Consultant and has acknowledged and agreed that BDO is not, as a result of its engagement, precluded from subsequently accepting a formal appointment as a receiver;

NOW THEREFORE in consideration of the respective covenants of the parties hereto as herein contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, all terms defined in the Credit Agreement and not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.6 Attornment

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement.

1.7 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Credit Agreement or the Security, the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Lender under the Credit Agreement, the Security or this Agreement other than as may be specifically contemplated herein.

ARTICLE 2 ACKNOWLEDGEMENT AND CONFIRMATION

2.1 Acknowledgement of Obligations

- (a) The Borrower and the Personal Guarantor hereby acknowledge, confirm and agree that, as of the close of business on November 13, 2013, the Borrower and Personal Guarantor are indebted to the Lender in respect of advances made pursuant to the Credit Agreement (collectively, the "Indebtedness") as follows, exclusive of fees and costs:

Non-Revolving Demand Facility *interest accrues at TD Prime + 3.0% at the rate of \$160.96 per diem	\$983,673.69
Outstanding Forbearance Fee from Forbearance Agreement	\$25,000
TOTAL INDEBTEDNESS	\$1,008,673.69

- (b) The Borrower, Personal Guarantor and Stakeholder acknowledge, confirm and agree that the Indebtedness, together with interest accrued and accruing thereon, and fees, costs, expenses and other charges now or hereafter properly payable by the Borrower to the Lender under the Credit Agreement is unconditionally owing by the Borrower to the Lender, without any right of setoff, defence, counterclaim or reduction of any kind, nature or description whatsoever, and the Borrower, Personal Guarantor and Stakeholder are estopped from disputing such Indebtedness.
- (c) The Borrower, Personal Guarantor and Stakeholder confirm and agree that they will continue to accept statements of the Indebtedness issued by the Lender to be accurate statements of the amount and the particulars of the Indebtedness as of the date of the statement, absent manifest error.

2.2 Acknowledgement of Security Interests and Guarantee

- (a) The Borrower hereby acknowledges, confirms and agrees that the Security has not been discharged, waived or varied, that is it binding upon it, as applicable, and that the Security is enforceable in accordance with its written terms until the obligations of the Borrower to the Lender have been indefeasibly paid and satisfied in full, following which the Lender shall provide a discharge of any security interest.
- (b) The Personal Guarantor hereby acknowledges, confirms and agrees that the Guarantee is and shall continue to be in full force and effect and is valid, binding and enforceable in accordance with its terms until the obligations of the Borrower to the Lender have been indefeasibly paid and satisfied in full.

2.3 Acknowledgement of Rights

The Borrower, Personal Guarantor and Stakeholder hereby acknowledge, confirm and agree that the Lender is entitled to exercise its rights and remedies under the Credit Agreement, the Security, the Guarantee, the *Mortgages Act*, the *Personal Property Security Act* (Ontario) ("PPSA") and other applicable law.

2.4 Acknowledgement in respect of certain Events of Default

The Borrower, the Stakeholder and the Personal Guarantor hereby acknowledge, confirm and agree that one or more defaults have occurred under the Credit Agreement and are continuing (any and all such defaults as may be existing and known to the Lender as of the date hereof being referred to as the "Existing Defaults") and the Borrower, the Stakeholder and the Personal Guarantor hereby acknowledge, confirm and agree that one or more defaults have occurred under the Forbearance Agreement and are continuing and that the Lender has not waived, and does not intend to waive, such Existing Defaults, and nothing contained herein or the transactions contemplated hereby shall be deemed to constitute any such waiver or a renewal of the Credit Agreement.

2.5 Demands

The Borrower and Personal Guarantor acknowledge that they have, prior to the date of this Agreement, received from the Lender validly issued and delivered demands for acceleration and payment of all obligations due under the Credit Agreement. The Borrower further acknowledges that the Lender has delivered and it has received a Notice of Intention to Enforce Security (the "Notice") in respect of the Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* ("BIA") and acknowledges and confirms that the 10-day notice period set forth in the Notice is hereby waived by the Borrower and Personal Guarantor. Each of the Borrower and the Personal Guarantor acknowledges that nothing in this Agreement shall constitute a waiver or revocation of such demands or Notice.

2.6 Additional Acknowledgements

The Borrower, Stakeholder and Personal Guarantor acknowledge, confirm and agree that:

- (a) the facts set out in the recitals to this Agreement are true and accurate;

- (b) except as hereby amended, the Credit Agreement, the Security and the Guarantee will remain in full force and effect, unamended, except as provided for herein;
- (c) except as provided for in this Agreement, the Lender (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action, that would constitute a waiver of its rights to enforce the Security and pursue its remedies in respect of the obligations of the Borrower to the Lender, or that would stop it from doing so; and
- (d) the Lender has acted to the date hereof in a commercially reasonable manner and the Borrower, Personal Guarantor and Stakeholder are estopped from disputing same.

ARTICLE 3 FORBEARANCE CONDITIONS

3.1 Forbearance

- (a) In reliance upon the representations, warranties and covenants of the Borrower, Personal Guarantor and the Stakeholder contained in this Agreement and subject to the terms and conditions of this Agreement and any documents executed in connection herewith, the Lender agrees, subject to the terms hereof, to forebear, other than with respect to the appointment of BDO as Court-appointed receiver with powers to conduct the Sales Process (the "**Sales Process Court-Appointed Officer**") from exercising its rights and remedies under the Credit Agreement, the Guarantee, the Security, the PPSA and other applicable law, until, subject to the terms of Section 3.1 (c), the earliest of:
 - (i) May 31, 2014;
 - (ii) the completion of a sale of the Borrower's Business in the Sales Process; and,
 - (iii) the occurrence of an Intervening Event (as defined hereafter) and the termination of the obligations of the Lender to forbear under this Agreement.(the "**Forbearance Period**").
- (b) The Lender agrees that it shall take no further action or proceedings in furtherance of its demands or Notice as referred to at Section 2.5 hereof during the currency of the Forbearance Period.
- (c) Provided that the Forbearance Period has not been terminated on or before May 31, 2014 on the occurrence of either of the events in Section 3.1 (a) (ii) or (iii), the Borrower shall pay to the Lender a third forbearance fee of \$50,000 (the "**Third Forbearance Fee**") and the Forbearance Period shall be automatically extended to June 15, 2015 unless:
 - (i) the Sales Process Court-Appointed Officer has not obtained Court approval for the sale of the Borrower's Business on or before May 31, 2014;

- (ii) there has, prior to May 31, 2014, been an Intervening Event the occurrence of which has resulted in the termination of the obligation of the Lender to forbear under this Agreement; or
- (iii) the Personal Guarantor and the Stakeholder have not entered into arrangements reasonably satisfactory to the Lender and the Sales Process Court-Appointed Officer to assure the continued funding of the Borrower Operating Deficits (as that term is defined below) until the sale of the Borrower's Business has been completed.

The Third Forbearance Fee will be fully earned on Court approval of the sale of the Borrower's Business and is in addition to all other fees, interest, costs and expenses payable in connection with the Credit Agreement or this Agreement. The Third Forbearance Fee shall be payable by the Borrower on the earlier of: a) the completion of the sale of the Borrowers Business; and, b) June 15, 2015.

- (d) Upon the termination of the Forbearance Period, the agreement of the Lender to forebear shall, at its option and without further action, terminate and be of no further force and effect, it being expressly agreed that the effect of such termination will be to permit the Lender to exercise its rights and remedies immediately, including, without limitation:
 - (i) the acceleration of all of the obligations of the Borrower to the Lender without any further notice, passage of time or forbearance of any kind;
 - (ii) seek the expansion of the powers of the Sales Process Court-Appointed Officer and a termination of the Sales Process in respect of the Borrower's Business; and,
 - (iii) subject to the terms of this Agreement, the application to a court to enforce any private or other remedies available to the Lender or any trustee in bankruptcy of the Borrower.

3.2 Forbearance Fee

The Borrower shall pay to the Lender a further forbearance fee of \$25,000 (the "**Second Forbearance Fee**"). Such Second Forbearance Fee will be fully earned as of the date hereof and is in addition to all other fees, interest, costs and expenses payable in connection with the Credit Agreement or this Agreement. The Forbearance Fee as defined in the Forbearance Agreement and the Second Forbearance Fee shall be paid by the Borrower on execution of this Second Forbearance Agreement.

3.3 Forbearance Conditions

Each of the Borrower, the Stakeholder and the Personal Guarantor hereby agrees that, as conditions of the Lender's obligation to forbear herein:

- (a) Upon execution of this Agreement, the Borrower shall pay to the Lender the sum of \$50,000 which shall be applied by the Lender in respect of the Forbearance Fee and the Second Forbearance Fee;
- (b) On or before January 10, 2014, (the "**Sales Process Court-Appointed Officer Appointment Date**"), an Order on terms satisfactory to the Lender, the Borrower, the Personal Guarantor and the Stakeholder, each acting reasonably,

shall have been made by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") appointing BDO as the Sales Process Court-Appointed Officer with the power and authority to market and sell the assets and undertaking of the Borrower including Borrower's Business, to monitor the receipts and disbursements of the Borrower's Business and to receive and advance to the Borrower, for the purpose of funding the Lender Payment Amounts and the Borrower Operating Deficits (as these terms are defined below), the funds to be borrowed from the Personal Guarantor and/or the Stakeholder contemplated in this Agreement (the "**Sales Process Court-Appointed Officer Appointment Condition**");

- (c) On or before January 30, 2014 ("**Lender Payment Date**"), the Borrower shall have paid the amount of \$358,000 to the Lender (the "**Lender Payment Amount**") in the manner contemplated in Section 5.4 (xi); and,
- (d) the Stakeholder, the Borrower and the Personal Guarantor shall continue to cooperate fully with the Lender and Sales Process Court-Appointed Officer until all amounts owed to the Borrower are indefeasibly repaid in full.

3.4 No Other Waivers; Reservation of Rights

- (a) Subject to Section 3.1 of this Agreement, the Lender reserves the right, in its sole and unfettered discretion, to exercise any or all of its rights or remedies under any one or more of the Credit Agreement, the Security, the Guarantee, the PPSA or other applicable law, and the Lender has not waived any such rights or remedies, and nothing in this Agreement and no delay on the part of the Lender in exercising any such rights or remedies, shall be construed as a waiver of any such rights or remedies.
- (b) Any credit advanced by the Lender to the Borrower shall not be deemed to be a waiver of any rights of the Lender or impose any obligation on the part of the Lender to make any further advances of credit whatsoever.

ARTICLE 4 REPORTING REQUIREMENTS

4.1 Reporting Requirements

The Borrower and the Lender agree that the provisions of this Article 4 shall remain in effect during the Forbearance Period, and thereafter until such time as the obligations of the Borrower to the Lender have been satisfied in full. For greater clarity, during the Forbearance Period, the Borrower, agrees to continue to honour the reporting requirements as previously agreed with the Lender in the Credit Agreement or as amended herein, and thereafter until such time as the obligations of the Borrower to the Lender have been repaid indefeasibly and in full or the Lender and the Borrower agree otherwise, either by direct reporting by the Borrower to the Lender or by the Borrower's cooperation with the Sales Process Court-Appointed Officer to facilitate such reporting to the Lender by the Sales Process Court-Appointed Officer.

ARTICLE 5 OBLIGATIONS OF THE BORROWER DURING FORBEARANCE PERIOD

5.1 Credit Agreement

During the Forbearance Period, the Borrower shall strictly adhere to all of the terms, conditions and covenants of the Credit Agreement, as amended by this Agreement, the Security, including, without limitation, terms requiring prompt payment of principal, interest, fees and other amounts when due, except to the extent that such terms, conditions and covenants are otherwise specifically amended by this Agreement.

During the Forbearance Period, the Borrower shall make payments to the Lender in the sum of \$6,944.44 plus interest per month in respect of the Non-Revolving Demand Facility, payable on the 16th day of each month, and shall pay to the Lender the outstanding balance of the Indebtedness on or before the last day of the Forbearance Period.

The Revolving Operating Facility has been cancelled and no further draws will be permitted under this facility.

5.2 Full Co-Operation

During the Forbearance Period but subject to the provisions of Section 4.1 of this Agreement, the Borrower, the Stakeholder and the Personal Guarantor shall cooperate fully with the Lender and Sales Process Court-Appointed Officer, including, without limitation, by providing promptly all information requested by the Lender or Sales Process Court-Appointed Officer, and by providing the Lender or Sales Process Court-Appointed Officer full access to the books, records, property and assets of the Borrower wherever they may be situated, at the request of and at times convenient to the Lender or Sales Process Court-Appointed Officer, acting reasonably, which right of access shall include the right to inspect and appraise such property and assets.

5.3 Payment and Other Obligations

The Borrower covenants and agrees with the Lender to reimburse the Lender for all expenses, including, without limitation, legal and other professional expenses that the Lender has incurred or will incur arising out of its dealings with the Borrower and/or the Personal Guarantor and in the protection, preservation and enforcement of the Security, including the Lender's reasonable fees and expenses of BDO prior to its appointment as the Sales Process Court-Appointed Officer and the Lender's solicitors, Aird & Berlis LLP (the "**Expenses**") and that the Expenses shall be for the account of the Borrower and shall be debited directly by the Lender against one or more of the accounts of the Borrower with the Lender upon the Borrower's receipt of invoices evidencing same and that such Expenses, to the extent not paid by the Borrower, shall be capitalized on a monthly basis and added to the principal outstanding under the Credit Facilities as a new facility and shall be secured by any and all of the Security.

5.4 Operational and Other Obligations

- (a) For the duration of the Forbearance Period, the Borrower, the Personal Guarantor and Stakeholder, as applicable, covenant and agree with the Lender as follows:
 - (i) The Borrower shall maintain its corporate existence as a valid and subsisting entity and shall not merge, amalgamate or consolidate with any other corporation(s) except with the Lender's prior written consent;

- (ii) The Borrower shall comply in all respects with all terms and provisions of the Credit Agreement, the Security and this Agreement and nothing herein derogates therefrom. For greater certainty, the Borrower shall continue to remit all payments when due under the Credit Agreement and shall operate all facilities within the terms of the Credit Agreement and the limits prescribed therein;
- (iii) The Borrower, subject to the terms of the Order appointing the Sales Process Court-Appointed Officer, shall comply with any and all cash management obligations and obligations to maintain insurance in accordance with the Credit Agreement and the Security;
- (iv) The Borrower shall continue to carry on its business in the normal course at all times in the same manner as it has carried on such business up to the date hereof (but for the violations of the Credit Agreement and the Security), and all inventory, accounts receivable, equipment and other assets used in the said business and owned by the Borrower on the date hereof will at all times continue to be owned by the Borrower for its own account;
- (v) The Borrower shall not, without the prior written consent of the Lender, declare or pay any dividends, repay any shareholder loan or make any other distribution or payment to any person who does not deal with the Borrower at arm's length (as such term is defined in the *Income Tax Act* (Canada));
- (vi) From the date of this Agreement, the Borrower will keep current at all times all obligations that constitute priority obligations, meaning those obligations payable in priority to the obligations owed to the Lender ("**Priority Payables**"), including wages and remittances required to be made by the Borrower for taxes and other liabilities owed to federal, provincial and municipal governments, including, without limitation, money owed in respect of employee source deductions pursuant to the *Canada Pension Plan Act*, *Employment Insurance Act* (Canada) and *Income Tax Act* (Canada), and in respect of *Harmonized Sales Tax*, and the Borrower will provide on a regular basis evidence of such payments satisfactory to the Lender;
- (vii) Subject to the terms of the Order appointing the Sales Process Court-Appointed Officer, the Borrower shall not sell, convey, transfer or otherwise dispose of any of its assets to any third party, except in the ordinary course of business, without the prior written consent of the Lender;
- (viii) The Borrower shall not, without the prior written consent of the Lender, grant any security interests, mortgages, liens or other encumbrances on its assets to any third party, except to Responsive to secure payment by the Borrower of the Facility Management Agreement Management Fees Arrears in accordance with the terms of the Facility Management Agreement Defaults Agreement provided that such security in favour of Responsive shall be subordinated to the Security on terms acceptable to the Lender;

- (ix) The Borrower shall give to the Lender prompt notice of any material litigation, arbitration or administrative proceedings before or of any court, arbitration, tribunal or governmental authority or dispute affecting the Borrower's assets, property or undertakings;
 - (x) The Personal Guarantor shall not do any act or thing which may have the effect of defeating or delaying the enforcement of the Lender's rights and remedies under the Security;
 - (xi) Provided that Fairview shall have been extended the Borrower MOH Reconciliation Payment Deferral by the MOH, the Personal Guarantor and/or the Stakeholder shall, on or before the Lender Payment Date, fund, from the Concord Property Net Sales Proceeds, a borrowing in the amount of the Lender Payment Amount by the Sales Process Court-Appointed Officer, which in turn shall advance the Lender Payment Amount to the Borrower for payment to the Lender in reduction of the Indebtedness; and
 - (xii) Provided that Fairview shall have been extended the Borrower MOH Reconciliation Payment Deferral, in addition to the Lender Payments, the Personal Guarantor and/or the Stakeholder shall, until the termination of the Sales Process, fund from the Concord Property Net Sales Proceeds, by borrowings not exceeding the aggregate amount of \$392,000 (the "**Borrower Operating Deficits Advances**") by the Sales Process Court-Appointed Officer for advance to the Borrower of those amounts required to pay:
 - (A) from time to time, the costs to be incurred by the Sales Process Court-Appointed Officer up to the amount of \$100,000.00 upon delivery of invoices which shall remain subject to taxation (the "**Sales Process Costs**");
 - (B) within seven days of month end, the actual operating deficits of the Borrower for the previous month [as estimated in the Projected Monthly Statement of Cash Flows and Cash Position for the Borrower attached to this Agreement as Appendix B hereto (the "**Projected Statement of Cash Flows and Cash Position**")], as revised from time to time by the Sales Process Court-Appointed Officer; and
 - (C) upon receipt of the invoice, the costs (up to \$50,000.00) incurred by Sales Process Court-Appointed Officer in connection with the conduct of a Phase 2 environmental investigation of the real property on which the Borrower's Business is conducted (the "**Phase 2 ESA**")
- (collectively, the "**Borrower Operating Deficits**"). For greater certainty, Borrower Operating Deficits shall not include:
- (I) any capital expenditures to the buildings on the real property on which the Borrower's Business is conducted;

- (II) any capital expenditures not qualifying for MOH funding under the Nursing and Personal Care and Programs and Support Service envelopes that are not included in the Projected Statement of Cash Flows and Cash Position;
- (III) any MOH mandated capital expenditures or upgrades not funded by new subsidies from MOH;
- (IV) any amounts owed by the Borrower to the MOH for over funding, under expenditure and disallowed costs for amounts paid by the MOH to the Borrower pursuant under O.Reg. 264/07 under the *Local Health System Interpretation Act, 2006* (Ontario), O.Reg. 79/10 under the *Long-Term Care Homes Act, 2007* (Ontario) and the MOH Long-Term Care Reconciliation and Recovery Policy; or
- (V) the fees and disbursements of the Sales Process Court-Appointed Officer exceeding the amount of the Sales Process Costs;

provided that:

- (A) any advances of funds by the Personal Guarantor and/or the Stakeholder for the repayment of Borrower Operating Deficits Advances or the Lender Payment Amounts shall be secured by the assets of the Borrower evidenced by Certificates issued by the Sales Process Court-Appointed Officer and such security shall be subordinate in priority to the charge in favour of the Sales Process Court-Appointed Officer in the Order of the Court made appointing the Sales Process Court-Appointed Officer, to leases and security interests in favour of equipment suppliers of the Borrower and to the Security, but such security shall be in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any third party in or to the assets of the Borrower; and
- (B) if the Sales Process Court-Appointed Officer revises the Projected Statement of Cash Flows and Cash Position for the entire Sales Process Period such that after consultation with the Borrower, the Lender, the Personal Guarantor and the Stakeholder, the revised estimate of the Borrower Operating Deficits for the entire Sales Process Period are less than the originally estimated Borrower Operating Deficits for the entire Sales Process Period, the difference between those amounts shall be funded from the Concord Property Net Sales Proceeds by the Personal Guarantor and/or the Stakeholder as a borrowing by the Sales Process Court-Appointed Officer which in turn shall advance that amount (the "**Second Lender Payment**") to the Borrower for payment to the Lender in reduction of the Indebtedness (the Second Lender Payment and the Lender Payment Amount being, collectively, the "**Lender Payment Amounts**").

- (b) The Borrower represents and warrants to the Lender that all of the Borrower's obligations with respect to employee vacation pay are current as of the date hereof and shall remain current throughout the Forbearance Period.
- (c) During the Forbearance Period, the Personal Guarantor shall provide to the Lender with a breakdown of receipts and disbursements in the deceased estate every six months commencing May 15, 2014.
- (d) The Borrower represents and warrants that adequate provision has been made in the Projected Statement of Cash Flows and Cash Position for capital expenditures that are included in the Borrower Operating Deficits and that are projected to be incurred by the Borrower during the Sales Process Period.

ARTICLE 6 INTERVENING EVENTS

6.1 Intervening Events

The obligations of the Lender to forbear under this Agreement shall forthwith terminate and the parties by signing below consent to the immediate termination of the Sales Process in respect to the Borrower's Business, each at the option of the Lender, upon the happening of any one of the following events (each an "Intervening Event"):

- (a) any material representation, warranty or statement made by the Borrower, Stakeholder or the Personal Guarantor in this Agreement or any other agreement with the Lender was untrue or incorrect when made or becomes untrue or incorrect;
- (b) the Borrower or the Personal Guarantor fails to perform or comply with any of its covenants or obligations contained in this Agreement or in any other agreement or undertaking made between the Borrower and/or the Personal Guarantor and the Lender, other than the covenants, obligations or undertakings with which the Borrower and/or the Personal Guarantor have already failed to perform or comply with at time of execution of this Agreement;
- (c) the Sales Process Court-Appointed Officer fails to enter into an agreement of purchase and sale for the Borrower's Business on or before April 30, 2014;
- (d) the Sales Process Court-Appointed Officer fails to obtain Court Approval for the sale of the Borrower's Business on or before May 31, 2014;
- (e) the Borrower fails to maintain and keep current payments of Priority Payables, which may result in any claim ranking in priority or *pari passu* to the claim of the Lender;
- (f) the occurrence of any other event which, in the opinion of the Lender, may materially adversely impact the priority or enforceability of the Security granted by the Borrower or the realizable value of the collateral subject to such Security;
- (g) a final, non-appealable arbitration award, judgment, or decree or order for the payment of money which is not insured or subject to indemnity, is entered against the Borrower which is not immediately stayed or appealed in good faith by appropriate proceedings and reserves satisfactory to the Lender have not been taken;

- (h) subject to the terms of the Order appointing the Sales Process Court-Appointed Officer, the Borrower liquidates, dissolves, terminates or suspends its business operations or otherwise fails to operate its business in the ordinary course, or merge with another person or sell or attempt to sell all or substantially all of its assets;
- (i) the Personal Guarantor repudiates or purports to revoke its Guarantee, or fails to perform any obligation under such Guarantee;
- (j) the abandonment by the Borrower of any of its property or assets or any part thereof;
- (k) the loss, damage, destruction or confiscation of the Borrower's property or assets or any part thereof, unless upon such event, the Borrower pays to the Lender forthwith such amount as the Lender in its sole discretion determines is satisfactory;
- (l) any person takes possession of any property of the Borrower by way of or in contemplation of enforcement of security, or a distress or execution or similar process levied or enforced against any property of the Borrower;
- (m) the change of ownership or control of the Borrower;
- (n) a material adverse change occurs in the business, affairs, financial condition, operation, outlook or ownership of the Borrower, arising for any reason whatsoever or in the Sales Process (including, without limitation, (A) the results of the Phase 2 ESA; (B) the level of interest expressed in the purchase of the Purchaser's Business in the Sales Process; (C) a material increase in the Borrower Operating Deficits from those estimated in the Projected Statement of Cash Flow and Cash Position; or (D) a material extension of the duration of the Sales Process Period);
- (o) subject to the terms of the Order appointing the Sales Process Court-Appointed Officer, the Borrower ceases or threatens to cease to carry on business, makes or agrees to make a disposition of its assets in bulk or commits or threatens to commit an act of bankruptcy;
- (p) the Borrower taking any action or commencing any proceeding or any action or proceeding being taken or commenced by another person or persons against the Borrower, in respect of the liquidation, dissolution or winding-up of the Borrower, including, without limitation, any action or proceeding under the *Winding Up and Restructuring Act*, the *Business Corporations Act (Ontario)*, the *Canada Business Corporations Act* or other similar legislation whether now or hereinafter in effect;
- (q) the Borrower fails to meet its payroll obligations or does not have sufficient funds available to fund the payroll obligation, or fails to produce evidence, satisfactory to Lender acting reasonably, of the availability of such funds to the Lender within one (1) business day prior to the date that any payroll falls due;
- (r) the Borrower MOH Reconciliation Payment Deferral is not extended by the MOH to the Borrower on or before the Lender Payment Date;

- (s) the Borrower Reconciliation Payment Deferral having been extended by the MOH to the Borrower on or before the Lender Payment Date, the Personal Guarantor and/or the Stakeholder defaults in:
 - (i) the payment of either of the Lender Payment Amounts;
 - (ii) the funding of the Borrower Operating Deficits as Borrower Operating Deficits Advances or from other funds of the Personal Guarantor and/or the Stakeholder; or
- (t) the Sales Process Court-Appointed Officer reports that the funding requirements of continuing the Borrower's Business is anticipated to exceed the amount that the Borrower, the Personal Guarantor and the Stakeholder are prepared to advance.

ARTICLE 7 OBLIGATIONS OF THE PERSONAL GUARANTOR AND THE STAKEHOLDER

7.1 Defaults

The sole rights and remedies of the Lender upon the occurrence of any default of the Personal Guarantor and/or the Stakeholder to pay either of the Lender Payment Amounts or to fund the Borrower Operating Deficits Advances from the Concord Property Net Sales Proceeds or from other sources of funds of the Personal Guarantor and/or the Stakeholder shall be those provided in sections 3.1 (d) and section 6.1 of this Agreement, and neither the Personal Guarantor and/or the Stakeholder shall have any personal liability to the Lender arising from the occurrence of such a default; provided always that nothing in this Section 7.1 shall operate to limit, restrict, impair or release the Personal Guarantor from any of its obligations under the Guarantee.

ARTICLE 8 GENERAL PROVISIONS

8.1 Effect of this Agreement

Except as modified pursuant hereto, no other changes or modifications to the terms of the Credit Agreement or the Security are intended or implied and in all other respects of the terms of the Credit Agreement or the Security are confirmed.

8.2 Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable to give effect to the provisions and purposes of this Agreement, all at the expense of the Borrower.

8.3 Binding Effect

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

8.4 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document, and no investigation by the Lender or any closing shall affect the representations and warranties or the rights of the Lender to rely upon such representations and warranties.

8.5 Confidentiality

Pending any defaults under this Agreement, the Lender and its professional advisors shall maintain all of the information provided to them, as per the requirements of this Agreement, in the strictest of confidence, subject to the terms of any Order made by the Court appointing the Sales Process Court-Appointed Officer.

8.6 Release

In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, Stakeholder and the Personal Guarantor, each on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges the Lender and each of its successors and assigns, participants, affiliates, subsidiaries, branches, divisions, predecessors, directors, officers, attorneys, employees, lenders and other representatives and advisors (the Lender and all such other Persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities whatsoever (individually, a "**Claim**" and collectively, "**Claims**") of every name and nature, known or unknown, suspected or unsuspected, both arising at law and in equity, which the Borrower, the Personal Guarantor or any of their successors, assigns or other legal representatives may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Agreement, including, without limitation, for or on account of, or in relation to, or in any way in connection with, the Credit Agreement or any of the Security or transactions thereunder or related thereto.

8.7 Notice

Without prejudice to any other method of giving notice, any notice required or permitted to be given to a party pursuant to this agreement will be conclusively deemed to have been received by such party on the day of the sending of the notice by email to such party at its, his or her address noted below. Any party may change its, his or her address for service or email address by notice given in the foregoing manner.

- (a) Notice to the Borrower and Stakeholder shall be sent to:

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
Toronto, ON M5H 3S1

Attention: Joe Marin

Email: jmarin@millerthomson.com

- (b) Notice to the Personal Guarantor shall be sent to:

Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto ON M5K 0A1

Attention: Jane Dietrich and David Lobl

Emails: jane.dietrich@dentons.com and david.lobl@dentons.com

- (c) Notice to the Lender shall be sent to:

The Toronto-Dominion Bank
3140 Dufferin Street
Toronto, Ontario M6A 2T1

Attention: Kenneth J. Malcom

Email: kenneth.malcolm@td.com

With a copy to:

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Mr. Sanjeev P.R. Mitra

Email: smitra@airdberlis.com

8.8 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Credit Agreement or any of the Security but same shall remain in full force and effect save to the extent same are amended by the provisions of this Agreement. The Personal Guarantor hereby consents to such amendments to the Credit Agreement as may be occasioned through the execution and delivery of this Agreement and consents to the terms of this Agreement and the Personal Guarantor does hereby agree that its Guarantee of the obligations of the Borrower to the Lender, and any security granted in respect thereof, shall remain in full force and effect until such time as the obligations of the Borrower to the Lender have been indefeasibly paid in full, notwithstanding the execution and delivery of this Agreement or any further indulgences as may be afforded to the Borrower by the Lender.

8.9 Binding and Enforceable Agreement

In order for this Agreement to be binding and enforceable, it shall be signed by the Borrower, Stakeholder and the Personal Guarantor by no later than 4:00 p.m. on December 5, 2013.

8.10 Execution in Counterparts

This Agreement may be executed and delivered by facsimile or email transmission and in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

8.11 No Set Off, etc.

The Borrower, Stakeholder and the Personal Guarantor reaffirm that the Credit Agreement, the Security and the Guarantee remain in full force and effect as amended hereby and acknowledge and agree that there is no defence, set off or counterclaim of any kind, nature or description to its obligations arising under the Credit Agreement, the Security and the Guarantee as a result of the execution of this Agreement or otherwise.

[Intentionally left blank with signature pages to follow]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

THE TORONTO-DOMINION BANK

Per: 

Title SENIOR MGR COMMERCIAL CREDIT

Per: 

Title Manager Commercial Credit

FAIRVIEW NURSING HOME LIMITED:

Per: _____

Title

Per: _____

Title

THE ESTATE OF HERBERT
WASHINGTON CHAMBERS, by its
Estate Trustee, The Bank of Nova
Scotia Trust Company

Per: 

Title Senior Manager

Per: 

Title SENIOR TRUST OFFICER

Witness

AGATHA CHAMBERS

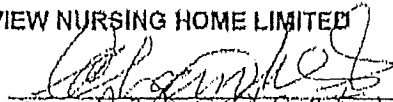
IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

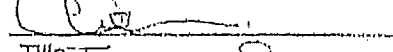
THE TORONTO-DOMINION BANK

Per: _____
Title

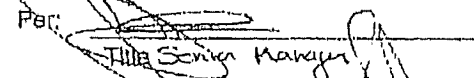
Per: _____
Title

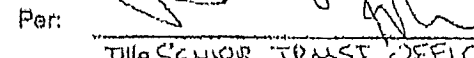
FAIRVIEW NURSING HOME LIMITED

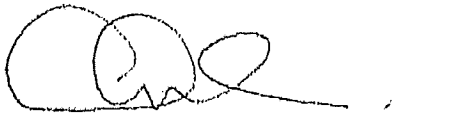
Per: 
Title PRESIDENT

Per: 
Title TREASURER, SECRETARY

THE ESTATE OF HERBERT
WASHINGTON CHAMBERS, by its
Estate Trustee, The Bank of Nova
Scotia Trust Company

Per: 
Title Senior Manager

Per: 
Title SENIOR TRUST OFFICER



Witness


AGATHA CHAMBERS

SCHEDULE A SECURITY

2. General Security Agreement granted by the Borrower in favour of the Lender dated July 16, 2010.
3. Collateral Charge granted by the Borrower in favour of the Lender over the Premises in the amount of \$1,500,000 registered on July 19, 2010.
4. General Assignment of Rents granted by the Borrower in favour of the Lender with respect to the Premises registered on July 19, 2010.
5. Unlimited Guarantee granted by the Personal Guarantor in favour of the Lender with respect to the obligations of the Borrower dated July 16, 2010.

15906690.5

10461395.6

SCHEDULE B

Fairview Nursing Home
Cash Flow Projection

WEEK (22nd to 21st of Each Month)
Funds Available
Balance @ opening acct
Balance @ opening acct
MOHLTC deposit (22nd)
Residents Co-payment (estimated)

Government A/P & Urgent Charges to be notified/paid
Revenue Canada PPE Feb. 16/13
Revenue Canada PPE Mar. 2/13

Treasurer, City of Toronto (property tax, Mar/13)
Accounts payable
Water bill arrears
Forbearance fees (\$25,000 x 2)

Payroll
Payroll
Payroll

Basic expenditures for the month
Surplus/(deficit)
Responsive Management Fee
Sale costs and capex

Lease & Interest payment

Projected cash flow
Cumulative cash flow

WEEK (22nd to 21st of Each Month)
Funds Available
Balance @ opening acct
Balance @ opening acct
MOHLTC deposit (22nd)
Residents Co-payment (estimated)

Government A/P & Urgent Charges to be notified/paid

Revenue Canada
Revenue Canada
Treasurer, City of Toronto (property tax, May/13)
Accounts payable (includes accrual for account to audit ARR)
Water bill arrears - added to tax installments
2013/2014 Fire & Safety funding expenditures

Payroll
Payroll
Payroll

Basic expenditures for the month
Surplus/(deficit)
Responsive Management Fee

Lease & Interest payment

Projected cash flow
Cumulative cash flow

***** FDR DISCUSSION PURPOSES ONLY *****

	Nov-13	Dec-13
	\$ 117,445	
	139,533	
	390,000	
	<u>130,000</u>	
	\$ 776,978	
	42,000	
	<u>42,000</u>	
	0	
	200,000	
	<u>7,000</u>	
	175,000	
	120,000	27-Dec-13
	<u>110,000</u>	10-Jan-14
	\$ 531,000	
	\$ 255,278	
	0	
	40,000	
	<u>12,000</u>	
	\$ 203,278	
	\$ 203,278	
	\$ 115,978	

	Nov-14	Dec-14
	\$ 435,000	
	130,000	
	<u>130,000</u>	
	\$ 565,000	
	40,000	
	<u>41,000</u>	
	41,000	
	29,000	
	185,000	
	<u>7,000</u>	
	30,000	
	120,000	
	<u>110,000</u>	
	\$ 496,000	
	\$ 69,000	
	30,000	
	<u>10,000</u>	
	\$ 29,000	
	\$ (179,959)	

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
	\$ 424,363	\$ 435,000	\$ 435,000	\$ 435,000	\$ 435,000	\$ 435,000	\$ 435,000	\$ 435,000	\$ 435,000	\$ 435,000	\$ 435,000	\$ 435,000
	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>
	\$ 554,363	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000
	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>
	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
	0	29,000	29,000	29,000	29,000	29,000	29,000	29,000	0	0	0	0
	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000
	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
	26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300
	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>
	\$ 623,000	\$ 572,000	\$ 558,300	\$ 562,000	\$ 496,000	\$ 525,000	\$ 525,000	\$ 640,000	\$ 537,000	\$ 525,000	\$ 496,000	\$ 496,000
	-\$ 68,637	-\$ 7,000	-\$ 6,700	-\$ 3,000	-\$ 69,000	-\$ 40,000	-\$ 40,000	-\$ 75,000	-\$ 28,000	-\$ 35,000	-\$ 69,000	-\$ 69,000
	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	\$ (108,637)	\$ (47,000)	\$ (33,300)	\$ (37,000)	\$ 29,000	\$ -	\$ -	\$ (115,000)	\$ (12,000)	\$ (1,000)	\$ 29,000	\$ 29,000
	\$ 7,341	\$ (99,659)	\$ (72,959)	\$ (109,959)	\$ (80,959)	\$ (80,959)	\$ (80,959)	\$ (189,959)	\$ (207,959)	\$ (209,959)	\$ (179,959)	\$ (150,959)

Notes: This forecast includes the MOHLTC clawback recovery of \$52,637 for 2011 only in the months of October 2013 to January 2014 only. It does not include any legal or other professional fees.

THE TORONTO-DOMINION BANK

Applicant

- and -

FAIRVIEW NURSING HOME LIMITED

Respondent

Court File No. CV-13-10365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**AFFIDAVIT OF KENNETH J. MALCOLM
(sworn December 10, 2013)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSUC # 37934U)

Tel: (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Lawyers for The Toronto-Dominion Bank

TAB 3

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

FAIRVIEW NURSING HOME LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

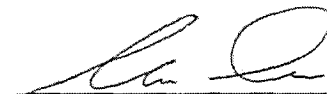
CONSENT

The undersigned, BDO Canada Limited ("BDO"), hereby consents to the appointment of BDO as receiver, without security, of all of the assets, undertakings and properties of Fairview Nursing Home Limited (the "Debtor") pursuant to the provisions of subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and the terms of an order substantially in the form filed in the above proceeding.

DATED at Richmond Hill, this 8th day of August, 2013.

BDO CANADA LIMITED

Per:


Name: Matthew Low
Title: Senior Vice President

THE TORONTO-DOMINION BANK

- and -

FAIRVIEW NURSING HOME LIMITED

Applicant

Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

CONSENT

AIRD & BERLIS LLP
Barristers and Solicitors
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Sanjeev P.R. Mitra (LSUC # 37934U)
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Email: smitra@airdberlis.com

Lawyers for The Toronto-Dominion Bank

15180968.1

THE TORONTO-DOMINION BANK

- and -

FAIRVIEW NURSING HOME LIMITED

Applicant

Respondent

Court File No. CV-13-10365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**APPLICATION RECORD
(Returnable December 18, 2013)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

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Fax: (416) 863-1515
Email: smitra@airdberlis.com

Lawyers for The Toronto-Dominion Bank