

Court File No.: CV-11-0000-9135-00CL
ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

**GENERAL ELECTRIC CANADA REAL ESTATE FINANCE
HOLDING COMPANY AND GENERAL ELECTRIC APITAL
CANADA HOLDINGS COMPANY**

Applicants

– and –

**2008777 ONTARIO INC. also known as LA CHAUMIERE
RETIREMENT RESIDENCE, 2004631 ONTARIO INC.
also known as LIBERTY PLACE RETIREMENT RESIDENTS,
and 912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE**

Respondents

**MOTION RECORD
(RETURNABLE MARCH 21, 2011)**

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1.	Notice of Motion	March 17, 2011
	(a) Order	March 21, 2011
2.	First Report of Meyers Norris Penny Limited as Receivers	March 17, 2011

Tab 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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BEACH ARMS RETIREMENT RESIDENCE**

Respondents

NOTICE OF MOTION

MEYERS NORRIS PENNY LIMITED., in its capacity as Court Appointed Receiver (the "Receiver") pursuant to the Order of the Honourable Justice Brown dated March 10th, 2011, as amended, will make a motion to the court on March 21, 2011 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: the Motion will be heard orally.

THE MOTION IS FOR an Order substantially in the form attached hereto as Schedule "A":

1. If necessary, abridging the time for service and filing of this Notice of Motion and the Motion Record herein, validating service effected to date and dispensing with further service upon any other persons not already served with this Notice of Motion;
2. Approving the First Report of the Receiver dated March 17, 2011 and the actions and the activities of the Receiver set out therein;
3. Amending the Order of the Honourable Justice D. Brown dated March 10, 2011 appointing the Receiver so as to:
 - (a) clarify that the Property over which the Receiver is appointed includes all revenues generated from the retirement residence owned by 912087 Ontario Inc. and located at 505 Kingston Road (the "505 Kingston Road Residence");
 - (b) add 2007383 Ontario Inc. ("2007383") as a Respondent to the receivership Application;
 - (c) terminate certain management arrangements in place with Liberty Assisted Living Inc. in connection with the 505 Kingston Road Residence and provide that all further payments by residents, including the rights to all authorizations, pre-payments and post-dated cheques, shall be made over to the Receiver; and
 - (d) provide for such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. Following its appointment, the Receiver determined that there were a number of corporations involved in the operation and administration of the 505 Kingston Road Residence other than 912087 Ontario Limited.

2. Following its appointment, the Receiver determined that:
 - (a) 2007383 operated bank accounts used for funding the activities of the 505 Kingston Road Residence;

 - (b) Liberty Assisted Living Inc. is listed as landlord/lessor in a substantial number of tenancy agreements for the 505 Kingston Road Residence;

 - (c) monthly rental payments are made to a Canadian Imperial Bank of Commerce bank account in the name of 2007383; and

 - (d) 2007383 appears to be the employer of all employees working at the 505 Kingston Road Residence.

3. In view of the foregoing, the Receiver is concerned that revenues derived from the 505 Kingston Road Residence are not under the control of the Receiver and that the Receiver will be prejudiced in its administration of the businesses unless the rental income from the property is brought within the Receiver's control and the Receiver obtains control over the affairs of 2007383.

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

1. The First Report to the Court of the Receiver dated March 17, 2011.

2. Such further and other evidence as counsel shall advise and this Honourable Court shall permit.

Date: March 17, 2011

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TO: **MINISTRY OF REVENUE**
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TO: **CANADA REVENUE AGENCY**
Sudbury Tax Centre
1050 Notre Dame Avenue

Sudbury, ON P3A 5C1

- TO: **CHRISTIAN LABOUR ASSOCIATION OF CANADA**
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- TO: **2008777 ONTARIO INC.**
231 Avenue Road
Toronto, ON M5R 2J3
- TO: **2004631 ONTARIO INC.**
231 Avenue Road
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- TO: **912087 ONTARIO LIMITED**
231 Avenue Road
Toronto, ON M5R 2J3
- TO: **HONDA CANADA FINANCE INC.**
3650 Victoria Park Avenue
No. 302
North York, ON M2H 3P7
- TO: **COMPUTERSHARE TRUST COMPANY OF CANADA**
9th Floor, North Tower
100 University Avenue
Toronto, ON M5J 2Y1
- TO: **HER MAJESTY IN RIGHT OF**

TAB A

Schedule "A"

Court File No. CV-11-0000-9135-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 21st DAY
JUSTICE) OF MARCH, 2011.

BETWEEN:

**GENERAL ELECTRIC CANADA REAL ESTATE
FINANCING HOLDING COMPANY and GENERAL
ELECTRIC CAPITAL CANADA HOLDINGS COMPANY**

Applicants

- and -

**2008777 ONTARIO INC. also known as LA CHAUMIERE
RETIREMENT RESIDENCE, 2004631 ONTARIO INC. also
known as LIBERTY PLACE RETIREMENT RESIDENCE,
and 912087 ONTARIO LIMITED also known as BEACH
ARMS RETIREMENT RESIDENCE**

Respondents

ORDER

THIS MOTION made by Meyers Norris Penny Limited as Receiver and Manager of the Respondents for an Order, *inter alia*, amending the title of proceedings in this application to include 2007383 Ontario Inc. as a respondent to this application and appointing Meyers Norris Penny Limited as receiver (the "Receiver") over the property,

assets and undertaking of 2007383 Ontario Inc, *nunc pro tunc* to March 10, 2011, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the first report of the Receiver dated March 17 (the "**First Report**"), 2011, and on hearing the submissions of counsel and all others present and on being advised that all parties on the service list were duly served as appears from the affidavit of service of _____ sworn _____, 2011, and on reading the consent of Meyers Norris Penny Limited to act as the Receiver of 2007383 Ontario Inc.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the First Report.
3. **THIS COURT ORDERS** that the First Report be approved and that the actions and activities of the Receiver as set out therein be and are hereby approved.
4. **THIS COURT ORDERS** that paragraph 2 of the Initial Order be amended to read:

THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Meyers Norris Penny Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof and including, without limitation, all revenues generated from the 505 Kingston Road Residence (the "Property").

5. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to terminate the management agreement with Liberty in respect of the 505 Kingston Road Residence and is further authorized to convert all authorizations, pre-payments and post-dated cheques obtained from residents at the 505 Kingston Road Residence to the Receiver forthwith (the "**Beach Arms Receipts**").

6. **THIS COURT ORDERS** that all further payments by residents at the 505 Kingston Road Residence be made to the Receiver.

7. **THIS COURT ORDERS** that 2007383 Ontario Inc. be added as a Respondent to this application

8. **THIS COURT ORDERS** that the style of cause in this application and the Initial Order be and is hereby amended to:

Court File No. CV-11-0000-9135-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN :

**GENERAL ELECTRIC CANADA REAL ESTATE
FINANCING HOLDING COMPANY and GENERAL
ELECTRIC CAPITAL CANADA HOLDINGS COMPANY**

Applicants

- and -

**2008777 ONTARIO INC. also known as
LA CHAUMIERE RETIREMENT RESIDENCE,
2004631 ONTARIO INC. also known as
LIBERTY PLACE RETIREMENT RESIDENCE,
912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE;
and 2007383 ONTARIO INC.**

Respondents

Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN :

**GENERAL ELECTRIC CANADA REAL ESTATE
FINANCING HOLDING COMPANY and GENERAL
ELECTRIC CAPITAL CANADA HOLDINGS COMPANY**

Applicants

- and -

**2008777 ONTARIO INC. also known as
LA CHAUMIERE RETIREMENT RESIDENCE,
2004631 ONTARIO INC. also known as
LIBERTY PLACE RETIREMENT RESIDENCE,
and 912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE**

Respondents

**FIRST REPORT OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER
(MARCH 17, 2011)**

1. Pursuant to the Order the Honourable Mr. Justice D. Brown of the Ontario Superior Court of Justice (Commercial List) dated March 10, 2011 (the "**Initial Order**"), Meyers Norris & Penny Limited ("**MNP**") was appointed as Receiver and Manager (in such capacity, the "**Receiver**") of all of the assets, undertaking and properties of 2008777 Ontario Inc. ("**2008777**"), 2004631 Ontario Inc. ("**2004631**") and 912087 Ontario Inc. ("**912087**") (collectively, the "**Respondents**"). A copy of the Initial Order is attached hereto as **Appendix "A"**.

2. On March 10, 2011, the Honourable Mr. Justice D. Brown issued an additional Order authorizing the Receiver to enter into various agreements, including agreements with Unions who represent the employees of 2008777 and 2004631, and a management agreement with Responsive Seniors Management Inc. (“**RSMI**”) to manage the business of the Respondents. Attached as **Appendix “B”** is a copy of the Order of the Honourable Mr. Justice D. Brown dated March 10, 2011, with respect to the entering into of Agreements.

3. The circumstances leading to the Receiver’s appointment over the Respondents are set out in the affidavit of Brenda Burjaw (“**Burjaw**”) sworn March 8, 2011 (the “**First Burjaw Affidavit**”) and the First Report of MNP as the Proposed Receiver (the “**Proposed Receiver’s Report**”) both of which were included in the Application Record. The First Burjaw Affidavit and the Proposed Receiver’s Report (without Exhibits or Appendices) are attached hereto as **Appendices “C” and “D”**, respectively.

BACKGROUND

4. 2008777 is the registered owner and operator of the senior assisted living residence known as La Chaumiere Retirement Residence (“**La Chaumiere**”), which is located at 1023 County Court Road, R.R. #1, Town of Lakeshore, Ontario, N0R 1A0 (the “**County Road Residence**”).

5. 2004631 is the registered owner and operator of the senior assisted living residence known as Liberty Place Retirement Residence (“**Liberty Place**”), which is located at 500 Kingston Road, Toronto, Ontario (the “**500 Kingston Road Residence**”).

6. 912087 is the registered owner of the senior assisted living residence known as Beach Arms Retirement Lodge which is located at 505 Kingston Road, Toronto, Ontario (the “**505 Kingston Road Residence**”).

7. As set out below the Receiver now understands that 2007383 Ontario Inc. (“**2007383**”) is involved in the operation and administration of the senior assisted living premises at the 505 Kingston Road Residence.

8. Liberty Assisted Living Inc. (“**Liberty**”) provides management services to at least one, if not all, of the Respondents and 2007383.

9. The purpose of this Report is to:

- (a) provide this Honourable Court with an update with respect to the Receiver’s activities since the date of the Initial Order and the progress of the receivership generally; and
- (b) to provide a basis upon which this Honourable Court may grant certain relief recommended by the Receiver, including an Order substantially in the form attached as Schedule “1” to the Notice of Motion contained in the Application Record (the “**Draft Order**”), that, *inter alia*, expands the receivership to include 2007383 and an Order terminating the management contract (if any) with Liberty.

RECEIVER’S INITIAL ACTIVITIES

10. Immediately after obtaining the Initial Order, the Receiver attended at the County Road Residence, the 500 Kingston Road Residence and the 505 Kingston Road Residence

(collectively the “**Retirement Residences**”) with representatives of RSMI and applicable Unions.

11. At the time of the Receiver’s appointment, the Respondents’ most recent payrolls were overdue, or they were in arrears in relation to source deduction remittances. In addition, certain of their key suppliers were withholding critical supplies which potentially put the continuity of operations and the each of Retirement Residence’s residents (the “**Residents**”) safety at risk. As a result, the Receiver and RSMI’s initial activities concentrated on stabilizing the operations and ensuring the safety and care of the Residents. In this regard the Receiver and RSMI *inter alia*:

- (a) met with the employees (the “**Employees**”) and almost all of the Residents, individually or as a group, to review the Receiver’s appointment, the Management Agreement with RSMI and the continuation of operations under the control and supervision of the Receiver and RSMI;
- (b) reviewed security arrangements at the Retirement Residences with RSMI; reviewed daily operational and management issues with RSMI and applicable Employees, to make plans that would prevent potential disruptions to the Retirement Homes’ operations and ensure the level and quality of Residents’ care would be suitably maintained;
- (c) reviewed with RSMI and certain Employees arrangements for ongoing accounting, rent collections and bill payments by RSMI and the Receiver pursuant to the Management Agreement;
- (d) arranging for process and payment of all outstanding payrolls;

- (e) arranged for certain of the Employees to assist the Receiver in the administration of the receivership, as necessary; and
- (f) meeting with Greg Goutis (“Goutis”), the Chief Financial Officer of Liberty, at Liberty’s offices to arrange for access to and delivery certain of the Retirement Residences’ financial records necessary for the administration of the receivership.

12. In addition, as authorized by the Initial Order, the Receiver filed an Assignment in Bankruptcy for each of the Retirement Residences. Attached as **Appendix “E”** are copies of the Certificate of Appointment in respect of each Retirement Residence.

THE INITIAL INVESTIGATION WITH RESPECT TO 912087 AND THE ROLE OF 2007383

13. After consulting Goutis, the Receiver determined that there were a number of corporations associated with the administration of 505 Kingston Road Residence. In particular, the Receiver determined that the insurance certificates and bank accounts used for funding of the activities at 505 Kingston Road Residence were registered in the name of 2007383. Attached as **Appendix “F”** is a copy of the corporation profile report for 2007383. A review of same indicates that the officers and directors of 2007383 are the same as the officers and directors of 912087.

14. In addition, when asked for information on 505 Kingston Road Residence’s operations, Goutis provided the Receiver with documents and bank statements all in the name of 2007383.

15. The Receiver determined that the operating bank account for 505 Kingston Road Residence was in the name of 2007383 and was located at the Canadian Imperial Bank of Canada located at the Queensway and Atomic Banking Centre (the “**CIBC Account**”). Attached

as **Appendix “G”** is a copy of an e-mail from Goutis confirming that the said CIBC Account is, in fact, the operating account of 505 Kingston Road Residence, and that all deposits, Resident’s monthly rental payments and payroll flow through 2007383’s CIBC Account.

16. In addition, the Receiver has learned that the 50 people presently working at 505 Kingston Road Residence appear to be employed by 2007383 and receive payroll remittances from the CIBC Account. Goutis has further indicated to the Receiver that all prepaid authorized payments with respect to the 505 Kingston Road Residence are directed to or flow through the CIBC Account.

17. The Receiver has spoken to the Manager at the Canadian Imperial Bank of Commerce branch and has learned that the Receiver would not be able to access any of the funds or information relating to the CIBC Account unless this Honourable Court permits the Applicants to add 2007383 as a party Respondent.

18. Upon review of the parcel register for the 505 Kingston Road Residence the Receiver has discovered a Lease between 912087 and Windsor Cottage Heights Ltd. (“**Windsor**”) dated November 1, 1998 (the “**Lease**”). The Lease has a five year term which can be renewed for a further five years. This Lease further provides to Windsor a first right of refusal in respect of any offer to purchase the 505 Kingston Road Residence. Attached as **Appendix “H”** is a copy of the Lease.

19. The Receiver has obtained a corporate profile report for Windsor and a review of same indicates that Rahim Bhaloo and Amir Kassam, principals of 912087, are also principals of Windsor. Attached as **Appendix “I”** is a copy of the corporate profile report for Windsor.

20. The Receiver will report back to this Honourable Court as to the issues regarding the Lease and the status of Windsor.

LIBERTY ASSISTED LIVING INC.

21. Goutis has advised the Receiver that Liberty manages the Retirement Residences. Attached as **Appendix "J"** is a copy of the corporation profile report for Liberty. A review of same indicates that Rahim Bhaloo and Amir Kassam, principals of 912087 and Windsor, are also the principals of Liberty. Messrs. Bhaloo and Kassam also appear to be the principals of the Respondents and 2007383.

22. Attached as **Appendix "K"** and **Appendix "L"** are template applications for tenancy and tenancy agreements which were obtained by the Receiver and are currently used at the 505 Kingston Road Residence. A review of these documents indicates that the rental payments are to be made to Liberty. At the present time the monthly rental payments are being made to 2007383's CIBC Account. Accordingly, in order for the Receiver to obtain the revenues generated by the 505 Kingston Road Residence, it is necessary to terminate the management contract with Liberty and obtain all pre-payments, authorizations and post-dated cheques in Liberty's possession. Furthermore, the Receiver requests that this Honourable Court Order all further payments by residents at the 505 Kingston Road Residence be made to the Receiver.

URGENCY

23. As authorized by the Initial Order, the Receiver with the assistance of RSMI has taken possession and control of the 505 Kingston Road Residence's operations for the principal purpose of stabilizing operations and attending to the safety and wellness of the Residents. In

particular, the Receiver has assumed liability for all post appointment liabilities. However, absent the relief requested, it is unclear whether the Receiver has control over the rental revenues.

The Receiver understands that all of the employees of the 505 Kingston Road Residence are employed by 2007383 and that a payroll is due to be paid on March 18, 2011. The Receiver intends to make arrangements with most, if not all of the employees of 2007383 and wishes to ensure continued payments and remittances are made on behalf of these employees. The Receiver cannot do so unless 2007383 is placed into receivership thereby allowing the Receiver to make arrangements with said employees.

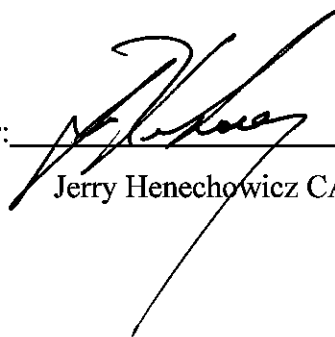
CONCLUSION AND RECOMMENDATION

24. The Receiver respectfully requests that this Honourable Court approve this report and provide the relief set out in the draft order attached to the Receiver's Notice of Motion.

All of which is respectfully submitted on this 17th day of March, 2011.

MEYERS NORRIS PENNY LIMITED, solely in its capacity as Receiver and Manager of 200877 Ontario Inc. also known as La Chaumiere Retirement Residence, 2004631 Ontario Inc. also known as Liberty Place Retirement Residence, and 912087 Ontario Limited also known as Beach Arms Retirement Residence

Per: _____



Jerry Henechowicz CA-CIRP

**APPENDIX "A" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 10TH DAY
JUSTICE D. Brown) OF MARCH, 2011.

BETWEEN:

**GENERAL ELECTRIC CANADA REAL ESTATE
FINANCING HOLDING COMPANY and GENERAL
ELECTRIC CAPITAL CANADA HOLDINGS COMPANY**

Applicants

- and -

**2008777 ONTARIO INC. also known as
LA CHAUMIERE RETIREMENT RESIDENCE,
2004631 ONTARIO INC. also known as
LIBERTY PLACE RETIREMENT RESIDENCE,
and 912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE**

Respondents

ORDER

THIS MOTION made by the General Electric Canada Real Estate Finance Holding Company ("GE Finance") and General Electric Capital Canada Holdings Company ("GE Capital") for an Order pursuant to section 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 Meyers Norris Penny Limited as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of

2008777 Ontario Inc. also known as La Chaumiere Retirement Residence ("La Chaumiere"), 2004631 Ontario Inc. also known as Liberty Place Retirement Residence ("Liberty Place"), and 912087 Ontario Limited also known as Beach Arms Retirement Residence ("Beach Arms" and together with La Chaumiere and Liberty Place are collectively the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Brenda Burjaw sworn March 8, 2011, and the Exhibits thereto (the "Burjaw Affidavit") and on reading the affidavit of Bruce Dickie sworn March 8, 2011, and the Exhibits thereto (the "Dickie Affidavit") and on reading the report of the proposed Receiver dated March 8, 2011, and on hearing the submissions of counsel and all others present and on being advised that all parties on the service list were duly served as appears from the affidavit of service of Janis Balvers sworn March 9th, 2011, and on reading the consent of Meyers Norris Penny Limited to act as the Receiver, and upon being advised of the objection of the indemnitor, Amer Kassam, SERVICE the respondents while disputing certain facts, otherwise not oppsing;

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof. JS.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Meyers Norris Penny Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property"). JS

3. THIS COURT ORDERS that the proposed receiver's report dated March 8th be accepted ~~and approved~~ and that the actions and activities of the Receiver as set out therein be and are hereby approved.

RECEIVER'S POWERS

4. 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 Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, 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) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in

collecting such monies, including, without limitation, to enforce any security held by the Debtors;

- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (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 Debtors, 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;
- (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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$300,000; 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;

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.

- (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;
- (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;
- (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, licences, 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 Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtors, (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.

6. 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 Debtors, 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, 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. Without limiting the generality of the foregoing, all Persons shall grant the Receiver immediate ~~and continued~~ access ^{to all records including Records} to the registered office premises of the Debtors at 231 Avenue Road, Toronto ~~and all Records relating to the Debtors and their~~ ~~business operations.~~ *jt J.*

7. 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

8. 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 DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, 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 Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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

11. 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 Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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, and that the Receiver shall be entitled to the continued use of the Debtors' 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 in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. 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

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver and the Manager shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 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 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, 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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. 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

17. 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

18. 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, 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 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. 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.

20. 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

21. 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 \$1,500,000 (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. 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.

22. 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.

23. 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.

24. 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

25. 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.

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

27. THIS COURT ORDERS that the Receiver is authorized and empowered to file an Assignment in Bankruptcy under the *BIA* by and on behalf of the Debtors naming Meyers Norris Penny Limited as Trustee of the Estate of the bankrupt.

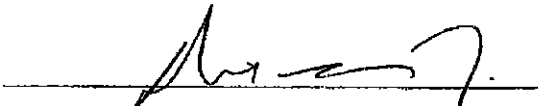
28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

29. 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.

30. THIS COURT ORDERS that the Applicants shall have their costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicants'

security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

31. 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.


ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAR 10 2011

PER / PAR: 

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

32. THIS IS TO CERTIFY that Meyers Norris Penny Limited, the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtors (on any one of them), including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (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.

33. 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.

34. 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, 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.

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

36. 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.

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

38. 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__.

Meyers Norris Penny Limited, solely in its
capacity as Receiver of the Property, and not in
its personal capacity

Per: _____

Name:

Title:

GENERAL ELECTRIC CANADA ET AL

and

2008777 ONTARIO INC. ET AL

Applicants

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**
Proceeding commenced at Toronto

ORDER

BLANEY McMURTRY LLP
Barristers and Solicitors
1500 - 2 Queen Street East
Toronto, ON M5C 3G5

Lou Brzezinski (LSUC #19794M)
Domenico Magisano (LSUC #45725E)
Grace Kim (LSUC #55262D)
Tel: (416) 593-1221
Fax: (416) 593-5437

Lawyers for the applicants

**APPENDIX "B" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

Court File No. CV-11-0000-9135-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE
D.
JUSTICE BROWN

THURSDAY, THE 10TH DAY
OF MARCH, 2011

BETWEEN:

GENERAL ELECTRIC CANADA REAL ESTATE
FINANCING HOLDING COMPANY and GENERAL ELECTRIC CAPITAL CANADA
HOLDINGS COMPANY

Applicant

- and -

2008777 ONTARIO INC. also known as
LA CHAUMIERE RETIREMENT RESIDENCE,
2004631 ONTARIO INC. also known as
LIBERTY PLACE RETIREMENT RESIDENCE,
and 912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE


Respondents


ORDER

THIS APPLICATION made by the General Electric Canada Real Estate Finance Holding Company ("GE Finance") and General Electric Capital Canada Holdings Company ("GE Capital") for an Order pursuant to section 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") approving certain agreements between Meyers Norris Penny

Limited in its capacity as receiver (in such capacities, the "Receiver") of all of the assets, undertakings and properties of 2008777 Ontario Inc. also known as La Chaumiere Retirement Residence ("La Chaumiere"), 2004631 Ontario Inc. also known as Liberty Place Retirement Residence ("Liberty Place"), and 912087 Ontario Limited also known as Beach Arms Retirement Residence ("Beach Arms" and, together with La Chaumiere and Liberty Place, the "Debtors") and certain unions certified as bargaining agents for La Chaumiere and Liberty Place and between the Receiver and Responsive Seniors Management Inc. ("Responsive" or the "Manager") heard this day at 330 University Avenue, Toronto, Ontario.


ON READING the affidavit of Brenda Burjaw sworn March 8, 2011 (the "Burjaw Affidavit") and the Exhibits thereto and on hearing the submissions of counsel and all others present and on being advised that all parties on the service list were duly served as appears from the affidavit of service of Tanice Bulvers sworn March 9, 2011 and on reading the consent of Meyers Norris Penny Limited to act as the Receiver,

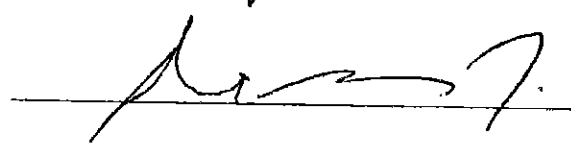
1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that the Receiver is authorized and directed to enter into an agreement with the National Automobile, Aerospace, Transportation and General Workers' Union of Canada and its Local 2458 CAW (together, "CAW") governing labour relations in respect of La Chaumiere on and after the appointment of the Receiver, in form and substance substantially similar to the draft agreement appended as Appendix "D" to the Pre-Appointment Report to the Court of Meyers Norris Penny Limited (the "Pre-Appointment Report") as proposed receiver (the "CAW Agreement"), and the CAW Agreement is hereby approved.
3. THIS COURT ORDERS that the Receiver is authorized and directed to enter into an agreement with the Christian Labour Association of Canada and the Healthcare and Service Workers Union Local 304 (together, "CLAC") governing labour relations in respect of Liberty Place on and after the appointment of the Receiver, in form and substance ~~substantially~~ similar to 

CAW Agreement, with necessary changes 

the ~~relevant draft agreement filed with the Court this day~~ (the "CLAC Agreement"), and the CLAC Agreement is hereby approved.

4. THIS COURT ORDERS that the Receiver is authorized and directed to enter into an agreement with Responsive providing for the day-to-day management of La Chaumiere, Liberty Place and Beach Arms, in form and substance substantially similar to the draft agreement appended as Appendix "C" to the Pre-Appointment Report (the "Management Agreement") and the Management Agreement and the appointment of the Manager in accordance with its terms is hereby approved.

5. THIS COURT ORDERS that the appointment of the Manager in accordance with the Management Agreement shall not disqualify the Manager from participating in any marketing and sales process involving the property of the Debtors ^{approved by the Court} and that the Manager shall be entitled, ~~provided the Manager otherwise qualifies to bid in that process~~ but not obligated, to bid on the property of the Debtors (or such part of the property of the Debtors as it may choose), subject to further Order of this Honourable Court establishing procedures for the marketing and sale of the Debtors' property. 



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAR 10 2011

PER / PAR:



**GE CANADA REAL ESTATE FINANCING HOLDING COMPANY
ET AL.**

- and -

**2008777 ONTARIO INC. aka LA CHAUMIERE
RETIREMENT RESIDENCE ET AL.**

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

(PROCEEDING COMMENCED AT TORONTO)

ORDER

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Barristers and Solicitors
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**Clifton Prophet (LSUC No.: 34845K)
Robin D. Walker (LSUC No. 11320W)**

Telephone: (416) 862-7525
Facsimile: (416) 862-7661

**Solicitors for Meyers Norris Penny Limited as
Proposed Receiver and Manager**

**APPENDIX "C" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**GENERAL ELECTRIC CANADA REAL ESTATE
FINANCING HOLDING COMPANY and GENERAL
ELECTRIC CAPITAL CANADA HOLDINGS COMPANY**

Applicants

- and -

**2008777 ONTARIO INC. also known as
LA CHAUMIERE RETIREMENT RESIDENCE,
2004631 ONTARIO INC. also known as
LIBERTY PLACE RETIREMENT RESIDENCE,
and 912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE**

Respondents

AFFIDAVIT OF BRENDA BURJAW

I, **BRENDA BURJAW**, of the City of Burlington, in the Province of Ontario, **MAKE**

OATH AND SAY:

1. I am the primary asset manager of General Electric Canada Real Estate Financing Holding Company and General Electric Capital Canada Holdings Company (collectively "GE") responsible for the management of the loans described herein, and as such have knowledge of the matters to which I hereinafter depose.
2. Where the information in this Affidavit is based upon information and belief, I have indicated the source of my information and belief and do verily believe it to be true.

3. To the extent that any of the information set out in this Affidavit is based on my review of documents, I verily believe the information in such documents to be true, unless otherwise stated.

THE PARTIES

4. GE is incorporated pursuant to the laws of Canada. GE is in the business of providing secured real estate financing throughout Canada.

5. 2008777 Ontario Inc. also known as La Chaumiere Retirement Residence is a corporation incorporated under the laws of Ontario and carries on business as La Chaumiere Retirement Residence ("2008777 or La Chaumiere"). Attached hereto and marked as **Exhibit "1"** of this affidavit is a copy of the corporation profile report for 2008777.

6. 2004631 Ontario Inc. also known as Liberty Place Retirement Residence is a corporation incorporated under the laws of Ontario and carries on business as Liberty Place Retirement Residence ("2004631 or Liberty Place"). Attached hereto and marked as **Exhibit "2"** to this affidavit is a copy of the corporation profile report for 2004631.

7. 912087 Ontario Limited also known as Beach Arms Retirement Residence is a corporation incorporated under the laws of Ontario and carries on business as Beach Arms Retirement Residence ("912087 or Beach Arms"). Attached hereto and marked as **Exhibit "3"** to this affidavit is a copy of the corporation profile report for 912087.

8. 2008777, 2004631 and 912087 (collectively, the "**Respondents**") operate assisted living retirement residences in the Province of Ontario. Assisted living residences provide minimal

supervision and assistance to its retired residents with respect to daily living, coordination of services by outside healthcare providers and monitoring of residence activities to help ensure their health, safety and well being.

9. The Respondents operate under the umbrella of a corporation known as Liberty Assisted Living Inc., which is incorporated under the laws of Canada. Often times, the Respondents are designated on promotional materials as being part of the "Liberty Group of Companies" or "Liberty Assisted Living" ("**Liberty**"),

10. In addition to the residences owned and operated by the Respondents, Liberty owns and operates a further series of assisted living residences in London, Kanata, and Kingston, Ontario under the name "The Royalton", and two assisted living residences in Quebec known as Chateau Dollard located in Montreal and Chateau Royal in Quebec City. Attached hereto and marked as **Exhibit "4"** to this affidavit is a copy of a page printed from the website called www.libertyassistedliving.com which lists all the residences operated by Liberty.

11. Rahim Bhaloo ("**Mr. Bhaloo**") is the President and Amar Kassam (hereinafter "**Mr. Kassam**") is a director and principal of the Respondents and Liberty.

12. 2004631 is the registered owner of and operates the premises municipally known as 500 Kingston Road, Toronto, Ontario, M4L 1V3 (the "**500 Kingston Road Residence**"). The 500 Kingston Road Residence consists of 106 suites - four large units, 31 semi-bedroom suites, 25 mid-sized rooms, 42 small-sized rooms, a ward consisting of two beds and 2 respite rooms. Average monthly rent for a suite is \$1,304.00.

13. 912087 is the registered owner of and operates the premises municipally known as 505 Kingston Road, Toronto, Ontario, M4L 3T5 (the "**505 Kingston Road Residence**"). The 505 Kingston Road Residence consists of 81 suites - 12 large rooms, 16 semi-bedrooms, 24 mid-sized suites and 29 small-sized suites. Average monthly rent is \$2,085.08.

14. 2008777 is the registered owner of and operates the premises municipally known as 1023 County Road, 22 R.R. #1, Town of Lakeshore, Ontario, N0R 1A0 (the "**County Road Residence**"). The County Road Residence consists of 92 suites - 30 large rooms, 30 semi-bedroom suites, 13 mid-sized rooms, ten small-sized rooms, and a ward containing nine beds. Average monthly rent for a suite is \$1,620.00.

15. Attached hereto and marked as **Exhibit "5"** to this affidavit is a copy of a page printed from the website www.libertyassistedliving.com which describes in detail the nature of the services provided by the Respondents.

THE LOANS

16. In or about June 2007, the Respondents required financing to fund the operations of the Liberty and to refinance pre-existing loans (the "**Loans**"). The Respondents received a letter of commitment (the "**Commitment**") from Column Financial ("**Column Financial**"). The Commitment set forth the terms and conditions of the Loans and the security required. Attached hereto and marked as **Exhibit "6"** to this affidavit is a copy of the Commitment.

17. The Commitment describes the Loans as follows:

BUSINESS TERMS

Loan A - Beach Arms Retirement Residence

BORROWER: 912087 Ontario Limited

LOAN AMOUNT: \$8,320,000

LOAN TO VALUE: Not to exceed 80% Loan to value

TERM/AMORTIZATION: 10 Year term / 30 Year amortization

**CROSS COLLATERAL /
CROSS DEFAULT** Loan A - Beach Arms Retirement Residence shall be cross collateralized/cross defaulted with Loan C - Le Chaumiere Retirement Residence.

PROPERTY DESCRIPTION: The subject property is a 73 unit retirement residence located at 505 Kingston Road, Toronto. Borrower's legal counsel will confirm legal description and municipal address.

(hereinafter referred to as the "912087 Loan")

Loan B - Liberty Place Retirement Residence

BORROWER: 2004631 Ontario Inc.

LOAN AMOUNT: \$4,920,000

LOAN TO VALUE: Not to exceed 80% Loan to value

TERM/AMORTIZATION: 10 Year term / 30 Year amortization

PROPERTY DESCRIPTION: The subject property is a 94-unit retirement residence located at 500 Kingston Road, Toronto. Borrower's legal counsel will confirm legal description and municipal address.

(hereinafter referred to as the "2004631 Loan")

Loan C - La Chaumiere Retirement Residence

BORROWER: 2008777 Ontario Inc.

LOAN AMOUNT: \$4,480,000

LOAN TO VALUE: Not to exceed 80% Loan to value

TERM/AMORTIZATION: 10 Year Term / 30 Year amortization

**CROSS COLLATERAL /
CROSS DEFAULT:** Loan A - Beach Arms Retirement Residence shall be cross collateralized/cross defaulted with Loan C - La Chaumiere Retirement Residence.

**PROPERTY
DESCRIPTION:** The subject property is a 71 unit retirement residence located at 1023 Highway 22, R.R.#1, Belle River, Ontario. Borrower's legal counsel will confirm legal description and municipal address.

(hereinafter referred to as the "2008777 Loan")

The Acquisition of the Loans by GE

18. On June 25, 2008, GE purchased the portfolio of the Loans from Column Financial. Attached hereto and marked as Exhibit "7" are true copies of the Notice of Loan Sale for 2008777, 912087 and 2004631 dated June 25, 2008.

19. In respect of the aforementioned loans, GE acquired security from Column Financial over all the property and assets owned by the Respondents, which is more particularly set out below (the "Respondents' Security").

Security Relating to the 912087 Loan

20. In respect of the 912087 Loan, the GE acquired from Column Financial the following security:

- (a) a first mortgage in the amount of \$8,320,000.00 registered on September 27, 2007, as Instrument No. AT1587986 (the "**912087 Mortgage**") in favour of Computershare Trust Company of Canada ("**Computershare**") who acted as custodian holding registered title to the security as mortgagee. Attached hereto and marked as **Exhibit "8"** to this affidavit is a copy of the 912087 Mortgage;
- (b) a general security agreement granted by 912087 in favour of Computershare (the "**912087 GSA**"). Attached hereto and marked as **Exhibit "9"** to this affidavit is a copy of the 912087 GSA;
- (c) a general assignment of leases of rents registered on September 27, 2007, as Instrument No. AT1587987 (the "**912087 Assignment**"). Attached hereto and marked as **Exhibit "10"** to this affidavit is a copy of the 912087 Assignment;
- (d) a collateral charge registered on September 27, 2007, as Instrument No. AT1588011 against those lands and premises owned by 200877 Ontario Inc. (the "**912087 Collateral Charge**"). Attached hereto and marked as **Exhibit "11"** to this affidavit is a copy of the 912087 Collateral Charge;
- (e) an indemnity from Mr. Kassam dated June 19, 2007, in favour of Computershare (the "**912087 Kassam Indemnity**"). Attached hereto and marked as **Exhibit "12"** to this affidavit is a copy of the 912087 Kassam Indemnity.

(Collectively the "**912087 Security**")

Security Relating to the 2004631 Loan

21. The applicant acquired from Column Financial the following security in respect of the 2004631 Loan:

- (a) a transfer of charge from Canada Trust Company ("**Canada Trust**") to Computershare registered on June 27, 2007, as Instrument No. AT1487808 and a charge amending agreement in favour of Computershare registered on June 27, 2007, as Instrument No. AT1487962 (collectively, the "**2004631 Mortgage**"). Attached hereto and marked as **Exhibit "13"** are copies of the 2004631 Mortgage;
- (b) a general security agreement in favour of Canada Trust as assigned to Computershare by way of general assignment dated June 20, 2007 (the "**2004631 GSA**"). Attached hereto and marked as **Exhibit "14"** is a copy of the 2004631 GSA;
- (c) a general assignment of leases and rents in favour of Canada Trust registered on February 1, 2002, as Instrument No. CA758157 together with notice of assignment of rents in favour of Computershare and registered on June 27, 2007, as Instrument No. AT1487809 (collectively referred to as the "**2004631 Assignment**"). Attached hereto and marked as **Exhibit "15"** to this affidavit is a copy of the 2004631 Assignment; and
- (d) an indemnity from Mr. Kassam dated June 19, 2007 to Computershare (hereinafter "**2004631 Kassam Indemnity**"). Attached hereto as **Exhibit "16"** is a copy of the 2004631 Kassam Indemnity.

(Collectively the "**2004631 Security**")

Security Relating to the 2008777 Loan

22. The applicant acquired from Column Financial the following security in respect of the 2008777 Loan:

- (a) a first mortgage in favour of Computershare registered on September 27, 2007, as Instrument No. R1547212 (Registry) and CE294915 (Land Titles) (the "**2008777 Mortgage**"). Attached hereto and marked as **Exhibit "17"** to this affidavit is the 2008777 Mortgage;
- (b) a general security agreement dated June 19, 2007, in favour of Computershare (the "**2008777 GSA**"). Attached hereto and marked as **Exhibit "18"** to this affidavit is a copy of the 2008777 GSA;
- (c) a general assignment of leases and rents registered on September 27, 2007, as Instrument No. R1547213 (Registry) and CE294916 (Land Titles) (the "**2008777 Assignment**"). Attached hereto and marked as **Exhibit "19"** to this affidavit is a copy of the 2008777 Assignment;
- (d) a collateral charge registered on those lands and premises owned by 912087 and on September 27, 2007, as Instrument No. R1547214 (Registry) and CE294950 (Land Titles) (the "**2008777 Collateral Charge**"). Attached hereto and marked as **Exhibit "20"** is a copy of the 2008777 Collateral Charge;
- (e) indemnity from Mr. Kassam in favour Computershare dated June 19, 2007 (the "**2008777 Kassam Indemnity**"). Attached hereto and marked as **Exhibit "21"** to this affidavit is a copy of the 2008777 Kassam Indemnity.

(Collectively the "**2008777 Security**")

23. Attached hereto and marked as **Exhibit "22"** to this affidavit are copies of the property abstracts for each of the lands and premises owned by the Respondents.

Obligations Imposed on the Respondents in the Mortgage Security

24. The 912087 Mortgage, the 2004631 Mortgage and the 2008777 Mortgage (collectively, the "**Mortgage Security**") are virtually identical.

25. The positive covenants imposed upon the defendants in the Mortgage Security are as follows:

18. Taxes, Other Covenants

The Chargor covenants to pay all Taxes and observe and perform all covenants, provisos and conditions herein contained.

19. Covenant to Pay

The Chargor covenants with the Chargee that the Chargor will pay the Indebtedness to the Chargee as and when provided in this Charge without any deduction, set-off, abatement or counterclaim. If more than one Person signs this Charge as Chargor, such Persons are jointly and severally liable to perform and observe all of the Chargor's obligations herein.

20. Taxes

(a) The Chargor covenants with the Chargee to pay the Taxes promptly as they fall due and will forthwith provide the Chargee with evidence satisfactory to the Chargee of payment thereof. Without limiting or restricting any other covenant or obligation on the part of the Chargor under this Charge, it is understood and agreed that the Chargee shall during the term of this Charge estimate the amount of the Taxes and,

(i) the Chargor will pay to the Chargee on each monthly instalment due date hereunder, an amount estimated by the Chargee to be sufficient to pay the Taxes as they become due and payable;

...

32. No Act to Encumber

The Chargor covenants that it has done no act to encumber the Charged Premises, except as the records of the appropriate land registry office disclose; the Chargor shall not, without the Chargee's prior written approval, charge, encumber or otherwise create any Lien in respect of the Charged Premises or any part thereof or interest therein or permit any lien Thereon.

33. Compliance and No Adverse Change

The Chargor is not aware of any action, proceedings, notices, judgments, orders or claims by any Person alleging or relating to any non-compliance by the Charged Premises with any Applicable Laws, Permitted Encumbrances, material agreements for any permits, licenses or approvals and the Chargor shall promptly deliver to the Chargee copies of any such actions, proceedings, notices, judgments, orders or claims received by the Chargor after the Loan advance. The Chargor covenants and agrees to forthwith provide written notice to the Chargee and to the Servicer of any circumstances, events, actions, claims or changes which have or may have an adverse effect on the Chargor's financial position or the financial position of any Guarantor.

35. Insurance

- (a) The Chargor shall insure the buildings, structures, chattels, fixtures and equipment, and improvements on the land forming part of the Charged Premises and keep them constantly insured against loss or damage by fire and against loss or damage by such other risks, hazards or perils as the Chargee may require to be protected by insurance, to the full extent of their insurable value on a stated amount replacement cost basis, both during the period of construction and thereafter. Without limiting the foregoing, this covenant shall include comprehensive broad form boiler insurance (including unfired pressure vessels and air conditioning equipment, if any, and including repair and replacement and use and occupancy coverage), rental and/or business interruption insurance for not less than a 12 month period and public liability insurance, all to be in amounts and with insurers satisfactory to the Chargee. Prior to the making of any advance by the Chargee, the Chargor shall deliver to the Chargee a policy or policies evidencing such insurance, and at least 30 days prior to the expiry of a policy or at least 15 days prior to the date fixed for cancellation of a policy, should notice of cancellation be given, the Chargor shall deliver to the Chargee evidence of renewal or replacement in a form satisfactory to the Chargee. Without limiting the generality of the foregoing, the Chargor shall comply with the insurance requirements contained in any commitment letter or application for property mortgage in connection with this transaction.

38. Observance of Laws

The Chargor covenants and agrees with the Chargee to promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Authority or agency concerning the Charged Premises (including without limitation all Requirements of Environmental Law) as well as with all private covenants and restrictions affecting the Charged Premises and the Chargor further agrees at its own cost and expense to make any and all repairs, alterations and improvements ordinary or extraordinary, which may be required at any time hereafter by any such present or future law, rule, requirement, order, direction, ordinance, regulation, covenant or restriction.

39. Financial Statements

The Chargor covenants and agrees with the Chargee to maintain at all times proper records and books of account with respect to the Charged Premises and to furnish to the Chargee:

- (a) On a monthly basis prior to the Loan and the Loan Documents being sold or securitized in a Secondary Market Transaction, and, from and after such Secondary market Transaction, on a quarterly basis, a certified, unaudited financial report in respect of the Charged Premises which shall include, without limitation, a rent roll, including occupancy statistics and Lease expiration dates for each Lease, a breakdown of fixed minimum rent payments, percentage rent calculations and temporary tenant income, monthly or quarterly, as the case may be and year to date operating statements prepared for each calendar month or quarter and other information necessary and sufficient to fairly represent the financial position and results of operation of the Charged Premises, all in form satisfactory to the Chargee, and the actual capital expenditure at the Charged Premises with respect to the particular monthly or quarterly period; and
- (b) within 120 days after the end of each fiscal year of the Chargor, a detailed, audited financial statement of the Chargor relating to the Charged Premises and the business of the Chargor pertaining thereto, including, without limitation, separate and specific income and expense statements prepared in accordance with generally accepted account principles, certified by the Chargor's independent, qualified accountants of recognized standing who are authorized to perform audits in Ontario and accompanied by detailed balance sheets, profit and loss statements, cash flow statements, statements of retained earnings and all supporting schedules for the fiscal year and any other information concerning the Chargor which has been made available by the Chargor to the public during the fiscal year. Such statements shall clearly identify the Charged

Premises both by municipal address and by the Chargee's mortgage reference number.

Remedies for Default in Mortgage Security

26. The following sets forth the provisions relating to default and remedies set forth in the mortgage security:

58. Acceleration

In addition to the Chargee's other rights under this Charge, at law, in equity, or otherwise (including the right to require payment of the Indebtedness or any part thereof), the Indebtedness shall, at the option of the Chargee, become immediately due and payable in each of the following events of default:

- (a) default by the Chargor in the payment of all or any portion of the Indebtedness when due under this Charge or any other indebtedness due under any other mortgage, encumbrance, lien or other charge ranking in priority or subsequent to this Charge;
- (b) failure by the Chargor to observe or perform any other covenant and obligation contained herein or in any instrument providing additional security for the Indebtedness or any part thereof;
- (c) breach of any other of the Chargor's covenants or other obligations under the provisions of any encumbrance, mortgage, lien or other charge ranking in priority or subsequent to this Charge;
- (d) any order is made or resolution passed for the winding-up, liquidation or other dissolution of the Chargor or any Guarantor (if either is a corporation), the Chargor or any Guarantor makes an assignment for the benefit of creditors, any proceedings shall be instituted by or against the Chargor or the Guarantor adjudicating it a bankrupt, or insolvent, or seeking liquidation, winding-up, dissolution, reorganization, arrangement, protection, or relief of either of them or their debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or other similar law, or seeking the appointment of a receiver, receiver and manager, trustee or other similar official of either of them or in respect of all or any of their respective undertaking, property or assets, or either of the Chargor or the Guarantor is declared bankrupt or a receiver, receiver and manager, trustee or other similar Guarantor is declared bankrupt or a receiver, receiver and manager, trustee or other similar official is appointed of either of them or any of their respective undertaking,

property and assets, or power of sale or foreclosure proceedings are commenced against the Charged Premises;

- (e) an encumbrancer takes possession of any part of the Charged Premises, or distress, execution or other similar process is brought against, or a liquidator, or receiver is appointed or an application for such appointment is made with respect to, all or any part of the undertaking, property or assets of the Chargor or any Guarantor;
- (f) any representation or warranty made by or on behalf of the Chargor in connection with this Charge is untrue or incomplete;
- (g) the Chargor or any Guarantor fails to observe or perform any of its obligations in any commitment letter or application for mortgage that may have been made; or
- (h) there has been an adverse change in:
 - (i) the financial position of the Chargor or any Guarantor;
 - (ii) the Chargor's representations and warranties made in connection with this Charge; or
 - (iii) the Charged Premises.

60. Possession

The Chargor covenants and agrees with the Chargee that upon default by the Chargor in the payment of the Indebtedness or in the performance or observance of any covenant, proviso or condition contained in this Charge, the Chargee may at its sole option and at such time or times as it may deem necessary and without the concurrence of any Person, enter into possession of the Charged Premises and may complete the construction thereof, repair any buildings, structures or improvements forming part of the Charged Premises, inspect, take care of and lease the Charged Premises for such term and subject to such provisions as it may deem advisable or expedient (including providing any leasehold improvements the Chargee deems necessary, in its sole discretion, to lease the Charged Premises), collect the rents of and manage the Charged Premises as it may deem expedient, and all costs, charges and expenses incurred by the Chargee in connection with the exercise of any such rights (including allowances for the time, service and effort of any officer of the Chargee or other person appointed for the above purposes) shall, together with the interest thereon at the Interest Rate, be added to the Indebtedness and secured by this Charge and shall be forthwith payable by the Chargor to the Chargee. Any lease made by the Chargee while in possession of the Charged Premises shall continue for the full term and

any permitted renewals thereof notwithstanding the termination of the Chargee's possession.

61. Receiver

It is hereby agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may, with or without entry into possession of the Charged Premises or any part thereof, and whether before or after such entry into possession, appoint a receiver or manager, or receiver and manager (herein called the "Receiver") of the Charged Premises or any part thereof and of the rents and profits thereof or of only the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any Receiver with or without appointing another in his stead and, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. Upon the appointment of any Receiver or Receivers from time to time, the following provisions shall apply:

Obligations Imposed upon the Respondents by the GSA Security

27. The 912087 GSA, the 2008777 GSA and the 2004631 GSA (collectively, the "GSA Security") are virtually the same in respect of their provisions.

28. The following sets forth the obligations in the GSA Security:

"3.02 Covenants

The Debtor covenants with the Secured Party that the Debtor will:

- (c) defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, will keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests except for those disclosed in a schedule hereto or hereafter approved in writing by the Secured Party prior to the creation of assumption;
- (e) pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same become due and payable, and will exhibit to the Secured Party, when required, the receipts and vouchers establishing such payment;
- (g) from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the

Collateral, and the Secured Party will be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party will have access to all premises occupied by the Debtor or where the Collateral may be found.”

Remedies Under the GSA Security

29. The remedies under the GSA Security are set forth as follows:

“6.01 Remedies

On or after the occurrence of any Event of Default, (i) any or all of the Obligations will at the option of the Secured Party become immediately due and payable or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonour, all of which are expressly waived; (ii) the obligation, if any, of the Secured Party to extend further credit to the Debtor will cease; (iii) any or all security granted hereby will, at the option of the Secured Party, become immediately enforceable; and (iv) in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

- (a) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “Receiver”) of the Collateral (which term when used in this Section 6.01 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings or any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term “Secured Party” when used in this Section 6.01 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver;
- (b) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
- (c) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral.”

30. Attached hereto as **Exhibit "23"** are copies of the searches conducted against the Respondents pursuant to the *Personal Property Security Act*.

CONTINUOUS DEFAULT BY THE RESPONDENTS

31. The Respondents have consistently failed to meet their obligations under the Respondents' security. Despite ongoing indulgences and alternative arrangements made between the Respondents and GE, the Respondents failed to comply generally and in a timely fashion with respect to reporting requirements, tax and interest payments, and other requirements more particularized hereafter in respect of the Respondents' security. This failure has continued and persisted through the years 2008, 2009, 2010 and up to the present.

Defaults under the Respondents' Security in 2008 - Late Reporting

32. As set out in Section 39 of the Mortgage Security, the Respondents have an obligation to provide quarterly unaudited financial reports to GE at the end of each quarter. By February of 2009, GE had yet to receive any quarterly reports from the Respondents for the year 2008. In January and February of 2009, my former analyst, Melody Lo, made repeated requests to Mr. Kassam and Gregory Goutis, Controller for Liberty, for the 2008 quarterly reports, which were due immediately after the end of each quarter in 2008. Attached hereto and marked as **Exhibit "24"** to this Affidavit are copies of e-mail correspondence between Ms. Lo and Messrs. Kassam and Goutis dated January 9, 26, and 30, 2009, and February 5, 9, and 10, 2009.

33. The 2008 quarterly reports were finally provided on February 11, 2009. Attached hereto and marked as **Exhibit "25"** to this affidavit is a copy of e-mail from Mr. Goutis to Ms. Lo dated February 11, 2009, attaching the 2008 quarterly reports.

Defaults under the Respondents' Security in 2009 - Late Reporting

34. I made similar repeated requests to the Respondents for the 2009 first quarterly financial reporting packages (i.e. income statements, balance sheets and rent rolls). The reports were not forthcoming. Accordingly, I sent e-mail correspondence to Messrs. Bhaloo and Kassam on April 17, May 6, 26 and August 12, 19, 2009 reminding them of GE's rights to charge a late penalty pursuant to section 39 under the terms of the Mortgage. The reports were delivered on August 24, 2009. Attached hereto and marked as **Exhibit "26"** to this affidavit are copies of the e-mail correspondence from myself to Messrs. Bhaloo and Kassam dated April 17, 2009, May 6 and 26, 2009, and August 12 and 19, 2009, requesting the first quarterly report for 2009.

**Defaults under the Respondents' Security in 2010
Tax Arrears, Late Reporting and Interest Payments**

35. Late reporting continued throughout 2009 and into 2010. On January 1, 2010, the first late reporting penalty was charged in the amount of \$6,000.00 in respect of the late quarterly reports for 2009. Attached hereto and marked as **Exhibit "27"** to this affidavit is an e-mail from my colleague, Lilian Wan, to me dated January 5, 2010, confirming the breakdown and charge of the late penalty charge. Attached hereto and marked as **Exhibit "28"** to this affidavit are copies of the transaction history reports evidencing the late penalty charges. Loan numbers 950082827, 950082828 and 950082829 correspond to, respectively, Liberty Place, La Chaumiere and Beach Arms.

36. After I made multiple requests by phone and e-mail for a contact person at each of the three retirement residences in order to arrange site visits, on January 6, 2010, my colleague, Brian Andersen, and myself visited the 500 Kingston Road Residence and the 505 Kingston

Road Residence. I was advised by Susan Turner, the Administrator at the 505 Kingston Road Residence, and Sharon Cryderman, the General Manager at the 500 Kingston Road Residence, that they believed Mr. Kassam was retiring. They further advised that Mr. Bhaloo was the principal contact with respect to Liberty, notwithstanding that under the Respondents' security Mr. Kassam was designated as the proper person to receive notice on behalf of the Respondents.

37. I contacted Mr. Bhaloo on January 22, 2010, to discuss our concern relating to the late reporting. Mr. Bhaloo advised he was under the impression that reporting was only due annually. I confirmed that financial reporting was due quarterly. Following that telephone call, I outlined this obligation by way of e-mail correspondence to Mr. Bhaloo. Attached hereto and marked as **Exhibit "30"** to this affidavit is a copy of the e-mail from myself to Mr. Bhaloo dated January 22, 2010.

38. On or about March 1, 2010, I e-mailed and telephoned Mssrs. Bhaloo and Goutis to advise them that another late penalty fee in the amount of \$6,000.00 for each of the overdue reporting packages (2009 3rd and 4th quarters) would be charged on the April 1, 2010, bill for a total of \$12,000.00. I provided a grace period of a week to deliver the reports prior to exercising this right. The Respondents failed to provide the late financial reports within the grace period. Attached hereto and marked as **Exhibit "31"** to this affidavit is a copy of the e-mail dated March 1, 2010, from myself to Mr. Bhaloo advising him of the further late charges and providing him with a grace period.

39. On March 17, 2010, I sent an e-mail to Mr. Bhaloo attaching a letter, which confirmed the conditions and obligations relating to late reporting and its associated penalties. The letter

advised Mr. Bhaloo that the above-noted penalty would be reflected on the April 1, 2010 bill. Attached hereto and marked as **Exhibit "32"** to this affidavit is a copy of the e-mail from myself to Mr. Bhaloo dated March 17, 2010.

40. On or about March 25, 2010, I obtained details of the tax arrears of 2008777 from the Town of Lakeshore. I further obtained from the City of Toronto tax certificates belonging to 2004631 and 912087 on or about April 7, 2010. Attached hereto and marked as **Exhibit "33"** to this affidavit are copies of the tax certificates from the Town of Lakeshore and City of Toronto. These certificates indicate that the tax arrears in respect of 2008777 were \$241,321.00, the arrears for 2004631 were \$71,114.89 and the arrears for 912087 were \$146,219.72.

41. On April 9, 2010, our lawyers, Blaney McMurtry LLP, on behalf of GE, sent letters to each of the Respondents demanding production of overdue financial reports and payment of all outstanding taxes. The letter advises the Respondents of GE's right to demand repayment of the Loan and enforce the Respondents' security under section 244 of the *Bankruptcy and insolvency Act*. The letter also encloses a Notice of Intention to Enforce a Security. Attached hereto and marked as **Exhibit "34"** to this affidavit are copies of the letters to the Respondents from S. Jeffrey of Blaney McMurtry LLP, dated April 9, 2010.

42. I am advised by Mr. Rowland, GE's Asset Management Leader, and do verily believe that on April 12, 2010, he met with Mr. Bhaloo to discuss the reporting and tax defaults. Mr. Bhaloo repeated to Mr. Rowland that he believed reporting was due annually as opposed to quarterly. I was advised by Mr. Rowland and do verily believe that Mr. Bhaloo was once again directed to the sections under the Respondents' security which pertain to the reporting

requirements. Mr. Rowland advised me that Mr. Bhaloo advised he would investigate the tax arrears. I was also advised by Mr. Rowland that he and Mr. Bhaloo agreed upon a reporting timeline. This timeline set April 22, 2010, as the deadline for providing overdue financial reports and documents evidencing the payment of tax arrears.

43. As follow up to the April 12th meeting, I sent a letter dated April 16, 2010, to Mr. Bhaloo wherein I outlined the Respondents' covenants contained in the Respondents' security including their obligation to provide rent rolls, year-to-date operating statements, evidence of payment of property taxes, quarterly reports and balance sheets, and such further financial information as required by GE. These covenants are specifically described in paragraph 25 set forth above. Attached hereto and marked as **Exhibit "35"** to this affidavit is a copy of the letter to Mr. Bhaloo dated April 16, 2010.

44. On May 6, 2010, I received an e-mail from Mr. Bhaloo outlining an agreement that had been reached between the Respondents and the Town of Lakeshore in respect of the tax arrears. Under the said agreement, the Respondents were required to pay \$8,000.00 per month towards unpaid taxes dating back to 2007. Attached hereto and marked as **Exhibit "36"** to this affidavit is a copy of Mr. Bhaloo's e-mail to me dated May 6, 2010.

45. Despite the Respondents' continuous failure to meet their obligations under the security, however attempting to acknowledge the eventual delivery of some financial reports, GE agreed to enter into a Forbearance Agreement. In June of 2010, the Forbearance Agreement was negotiated between Warren Appotive of GE ("**Mr. Appotive**") and Mr. Bhaloo and executed on

or about July 23, 2010. Attached hereto and marked as **Exhibit "37"** to this affidavit is a copy of the Forbearance Agreement.

46. Under the Forbearance Agreement, the Respondents were required to deliver evidence of a plan to pay for the tax arrears by August 31, 2010. I was advised by Mr. Appotive and do verily believe that the Respondents intended to sell non-collateral assets to obtain the equity required. The end of the forbearance period was set at October 31, 2010, to coincide with the closing date of the non-collateral assets.

47. Between July 23, 2010 and August 31, 2010, various e-mail correspondence was circulated by GE to the Respondents inquiring about the status of the plan relating to payment of tax arrears and delivery of the 2010 second quarter financial reports. Again, the Agreement was not honoured, and the required information was not provided by August 31, 2010.

48. On August 31, 2010, Mr. Bhaloo advised he was travelling and the requested information would be forthcoming within the following week. This commitment was not honoured. Attached hereto and marked as **Exhibit "38"** to this affidavit are copies of the e-mail between myself and Mr. Bhaloo dated August 31, 2010.

49. Throughout September of 2010, various e-mail correspondence were circulated by GE to the Respondents inquiring about the 2010 second quarter financial reports. On October 22, 2010, I sent an e-mail to Messrs. Bhaloo and Goutis notifying them that a late penalty fee would be charged on November 1, 2010 if reporting was not received before that date. Attached hereto and marked as **Exhibit "39"** to this affidavit is a copy of the October 22, 2010, e-mail.

50. On November 4, 2010, I confirmed with our finance team that our November 1st direct interest payment from the Respondents' bank account was reversed as the payment was "not in accordance with [the] loan agreement." I immediately placed a call to Messrs. Bhaloo and Goutis to seek an explanation. I have been advised by Mr. Rowland and do verily believe that he also made calls to Mssrs. Bhaloo and Goutis regarding the reversal of the interest payment. While Mr. Bhaloo acknowledged GE's right to charge a penalty for late reporting, he advised that all his attention had been focused on a transaction involving the sale of non-collateral assets. He agreed to deliver the outstanding financial reports and make interest payments subject to GE waiving the penalty. GE agreed to this arrangement provided that all outstanding reports would be provided no later than November 12th and that outstanding interest payments would be made. The Respondents partially honoured this commitment by making payment for overdue interest charged on Monday, November 8, 2010.

51. On December 1, 2010, interest payments were made and the loans were current. However, second and third quarter reports for 2010 remained outstanding.

Defaults in Security in 2011

52. In or around January of 2011, I called the City of Toronto and the Town of Lakeshore tax collections departments to inquire about outstanding tax arrears. I was advised by Ken Gray of the City of Toronto that the Toronto files were going to be sent to the Bailiff. Mary Ann Hamlin of the Town of Lakeshore advised that the Town would be sending out a Notice to commence a tax sale process should tax arrears remain outstanding by February 1, 2011.

53. On January 11, 2011, our lawyers sent letters to each of the Respondents advising of defaults under the Mortgage Security (the "**January 2011 Demands**"). The January 2011 Demands advised that the Respondents failed to provide financial reports and financial statements required under the mortgage agreements. Under the acceleration provisions provided in Section 58 of the Mortgage Security, immediate payment of all amounts owing under the mortgages were demanded as follows:

- (a) 2008777 Ontario Limited: \$4,275,390.62
- (b) 912087 Ontario Limited: \$4,695,294.94
- (c) 2004631 Ontario Inc.: \$7,940,011.37

54. The January 2011 Demands further advised that GE would be taking steps to make payment of the arrears of Taxes and water account arrears if such arrears were not promptly paid by the Respondents. The amounts were as follows:

- (a) 2008777 Ontario Inc.: \$289,907.25 in tax arrears
\$7,642.21 in water account arrears
- (b) 912087 Ontario Limited: \$115,307.87 in tax arrears
\$40,201.37 in water account arrears
- (c) 2004631 Ontario Inc.: \$81,634 in tax arrears
\$164,827.00 in water account arrears

55. The January 2011 Demands further provided that any such amounts paid by GE would be added to the principal balance and would accrue interest at the rate set out in the Respondents' security. The January 2011 Demands enclosed a Notice of Intention to Enforce Security under section 244 of the *Bankruptcy and Insolvency Act*. Attached hereto as **Exhibit "40"** to this affidavit are copies of the January 2011 Demands and notices of intention to enforce security from S. Jeffery of Blaney McMurtry LLP to the Respondents.

56. In letters dated January 14, 2011, demand was made on Mr. Kassam's three indemnities in respect of the outstanding taxes and water account arrears for each of the Respondents. Attached hereto and marked as **Exhibit "41"** to this affidavit are copies of the three letters from S. Jeffrey of Blaney McMurtry LLP to A. Kassam, dated January 14, 2011, in respect of the three indemnities.

57. On January 17, 2011, GE paid the Respondents' tax arrears and water bill to the City of Toronto and the Town of Lakeshore in an effort to protect the residents of the Respondents and the collateral. The total amount paid was \$699,519.57, which was added to the loan balances in accordance with the loan agreement.

58. On January 28, 2011, GE received the 2010 second and third quarterly financial reports. However, the rent rolls for this period remained outstanding.

59. On February 1, 2011, GE received interest payments for 2004631 Ontario Inc. and 912087 Ontario Limited. The interest payment for 2008777 remained outstanding. I directed our finance team to contact RBC. I was advised by the team that the account for 2008777 Ontario Inc. was frozen. I called Mr. Bhaloo to inquire about the outstanding interest payment and the frozen account. During a conference call on February 4th between myself, Msrs. Rowland, Appotive, and, Mr. Bhaloo advised that he had frozen the account for 2008777 Ontario Inc. as he thought a fraudulent transaction had taken place. He then agreed to send a cheque on the following Monday. This commitment was not honoured.

60. I am advised by Mr. Appotive and do verily believe that on February 15, 2011, he sent an email to Mr. Bhaloo requesting payment of overdue interest in the amount of approximately

\$28,000 owing by 2008777 Ontario Inc. and copies of overdue quarterly reports. Attached hereto and marked as **Exhibit "42"** to this affidavit are copies of the e-mail from Mr. Appotive to Mr. Bhaloo dated February 15, 2011.

61. Attached hereto and marked as **Exhibit "43"** to this affidavit is a copy of an exchange of e-mails between Mr. Appotive and Bhaloo on February 17, 2011. In this e-mail exchange, Bhaloo advises Mr. Appotive as follows:

"Please note that our intention is not to work against you. We have many balls in the air right now and we are trying to do the best we can.

In terms of the payment, the cash flow situation is tight. So may I request a double payment on the first of March for La Chaumiere."

62. I am advised by Mr. Appotive and do verily believe that between February 17th and the date hereof, discussions took place between Mr. Appotive and Mr. Bhaloo in respect of the Respondents' defaults under the Respondents' security.

63. On or about March 1, 2011, I was advised by Lilian Wan of my finance team that pre-authorized payment had been processed so as to allow the March 1, 2011, interest payments to be made by the Respondents and to allow the arrears owing by 200877 for the February 1st payment to be made. I wish to advise this Honourable Court that the preauthorized payment process allows the Respondent a ten-day period to reverse any payment.

64. On March 3, 2011, I received an email from Bhaloo wherein he threatened that unless he was provided with a forbearance agreement he would hold on to the mortgage payments for March 1, 2011 "until we know where we stand." Attached hereto as **Exhibit "44"** to this affidavit is a copy of the e-mail from Mr. Bhaloo dated March 3, 2011.

65. On March 3, 2011, I was advised by Lilian Wan, that all March 1st direct interest payments from our RBC account, totalling \$137,883.66, were reversed by the Respondents. Attached hereto and marked as **Exhibit "45"** to this affidavit is a copy of the Returned Item Report from the Royal Bank of Canada.

THE PRESENT STATE OF DEFAULT

66. I wish to advise this Honourable Court that at the present date of signing this affidavit, the Respondent remains in default for the following amounts:

(a)	2008777 Ontario Inc.	
	Outstanding realty tax:	\$289,907.25 as at January 14, 2011
	Water account arrears:	\$ 7,642.21 as at January 14, 2011
	Interest Payments for February 1 st and March 1 st	\$ \$56,831.80 as at March 4, 2011
(b)	2004631 Ontario Inc.	
	Outstanding realty taxes:	\$ 81,634.00 as at January 14, 2011
	Water account arrears:	\$ 164,827.00 as at January 14, 2011
	Interest Payment for March 1 st :	\$ 30,700 as at March 4, 2011
(c)	912087 Ontario Limited	
	Outstanding Realty taxes:	\$115,307.87 as at January 14, 2011
	Water account arrears:	\$ 40,201.37 as at January 14, 2011
	Interest Payment for March 1 st :	\$ 50,301 as at March 4, 2011
	Total	<hr/> \$ 1,044,010.38

67. The total amount of outstanding arrears in respect of the water account and realty tax (\$699,51.97) has been paid in full by GE and now forms part of the outstanding balance of each loan respectively.

68. On February 23, 2011, I instructed counsel to conduct an execution search against the Respondents. Attached hereto and marked as **Exhibit "46"** to this affidavit is a copy of a

Sheriff's certificate in respect of 2008777 which indicates that a writ of seizure and sale has been filed by the Ministry of Revenue on August 7, 2009 in the amount of \$18,685.10.

69. In addition to the above 2008777 is in arrears with respect to realty taxes as at March 2, 2011 in the amount of \$39,519.85. Attached hereto is **Exhibit "47"** to this affidavit is a copy of a statement of account in respect of tax arrears for 2008777 as at March 2, 2011.

70. Furthermore, there is owing by 2008777 in respect of water arrears as at March 2, 2011, the amount of \$3,981.19. Attached hereto as **Exhibit "48"** to this affidavit is a copy of a statement of account in respect of the water arrears.

71. The Respondents also remains in default for their failure to provide their rent rolls for the second, third and fourth quarters of 2010, their income statements for the fourth quarter of 2010, their budgets for 2011 and their audited year-end 2010 financial statements.

MISMANAGEMENT OF THE RESIDENCES

72. It is my view and belief that the Respondents have mismanaged the three assisted living residences. As a consequence of same, the collateral has deteriorated and the health and safety of these three residences have been placed in jeopardy. I base my view and belief on the following facts:

- (a) the residences operated by the Respondents require at least \$700,000.00 in capital expenditures in order to make them more competitive. Attached hereto and marked as **Exhibit "49"** to this affidavit is a copy of an e-mail dated February 17, 2011, from Mr. Bhaloo to Mr. Appotive which requests that the \$700,000.00 owed for arrears in taxes and water not be paid to GE but, rather, be invested in

capital expenditures required by the Respondents which would make these assets more competitive. These funds would be generated by the sale of another assisted living residence property owned by a company related to the Respondents, known as The Royalton;

- (b) the financial records we have received from the Respondents are inaccurate. They include property taxes as an expense when it is clear they are not being paid. Attached hereto and marked as Exhibit "50" to this affidavit is a copy of the 2009 financial records;
- (c) on January 13, 2011, I came across a news article which reported that the employees of La Chaumiere had not been paid wages for over two months. Since then a series of newspaper articles about La Chaumiere have come to my attention. These articles were published in the Windsor Star between December 14, 2010, and February 23, 2011. Attached hereto and marked as Exhibit "51" are copies of five separate articles that appeared in the Windsor Star. A review of these articles would indicate the following:
 - (i) The Windsor Star reports on December 14, 2010, under the headline, **"Union Deplores Horrible Treatment"**,
The situation at La Chaumiere Retirement Residence in Puce has become so bleak, workers are collecting food baskets from the union that represents them.
...
... the union has filed 15 grievances with the Ministry of Labour which last month ordered the company to pay wages and benefits.

...

The company appears to be in dire financial straits. At its two homes in Montreal, residents were recently visited by a bailiff who told them to make their rent cheques out to the local gas company or the province of Quebec. There, Liberty was behind on taxes and utility bills.

- (ii) The Windsor Star reports on December 16, 2010, under the headline **“Residents Troubled Over Retirement Home Cuts”**,

Staff have held protests walking picket lines outside the home without going on strike. They’ve tried to shame their employer into meeting its obligations to them. Union Steward Lynn Pelletier, who has worked at the home for 19 years, said she and her fellow employees are loath to look for work elsewhere, hoping that the 80 bed home gets sold to a better owner. She states “we are going to stay and fight”.

- (iii) the Windsor Star reports on February 22, 2010 under the headline **“Windsor area retirement home owes wages, taxes...”** .

...

La Chaumiere retirement residence in Puce hasn’t paid wages in over a month and any retirement taxes in over two years and owes nearly \$280,000.00 in back taxes and interest charges.

“It’s tragic” said Bruce Dickie (President of CAW Local 2458) whose union made up food baskets and handed out grocery vouchers to workers last week.

“We’ve dealt with receiverships and bankruptcies but nothing like this.”

- (iv) On January 29, 2011, the Windsor Star reported under the headline **“Retirement Home paid dispute in court. Workers say they are owed \$115,000.00”**.

The union for workers at La Chaumiere Retirement Residence went to court last Friday to go after \$124,000 they say they're owed after the employer failed to meet an arbitrator's Thursday deadline. "It's not like any employer we've ever dealt with, maybe they think if they ignore everything it will go away" said Bruce Dickie, President of CAW Local 2458.

- (v) On February 21, 2011 The Windsor Star reported under the headline **“Unpaid La Chaumiere Workers to Rally”**,

There are about 60 residents in the 80 bed facility, down from full capacity last November, shortly before the company paid its workers.

...

A January court order demanded the company pay its employees \$115,000 back pay from 2010 when employees were paid sporadically. The court order allowed the union to seize one of Liberty assisted Living bank accounts but it won't have access to the money for at least 30 days."

- (vi) On February 23, 2011 The Windsor Star reported under the headline **“Take Control of La Chaumiere”**,

At Tuesday's rally, CAW National President Ken Lewenza implored the provincial government to step in and fix the situation at La Chaumiere and regulate places like it. "I am begging the provincial government to take

control of this facility” Lewenza yelled into the loud speak in front of several workers and their supporters, adding “the CAW will use all its goddamn powers to help the employees”.

I verily believe the obvious negative publicity which has arisen as a result of the publication of these articles may have a serious impact on the reputation and business of all the Respondents, and particularly 2008777.

- (d) the operating account of 2008777 has been frozen by the actions of the CAW in serving a garnishment on the CIBC account;
- (e) as a result of the continuing failure of 2008777 to pay the water account and other utilities, there is a real threat that the water and electricity to the La Chaumiere residents may be cut off by the Town of Lakeshore;
- (f) in May of 2010, a grievance was filed by the Healthcare and Service Workers Union Local 304 against 2004631. The particulars of the grievance are as follows: the pay cheques of the employees of 2004631 were returned by the bank for insufficient funds. 2004631 failed to correct the error in accordance with the terms of the collective agreement. Attached hereto and marked as **Exhibit “52”** to this affidavit is a copy of the grievance form.

73. On June 11, 2010, 2004631 entered into a memorandum of settlement to pay the outstanding wages, bank fees and interest charges. Attached hereto and marked as **Exhibit “53”** to this affidavit is a copy of the memorandum of settlement dated June 11, 2010.

74. Attached hereto and marked as **Exhibit "54"** to this affidavit is a copy of a letter dated June 30, 2010, from the Healthcare and Service Workers Union Local 304 associated with the Christian Labour Association (hereinafter "**CLAC**") to Greg Goutis at Liberty Place. This letter outlines breaches of the memorandum of settlement dated June 11, 2010. In particular, the letter points out that the employer (2004631 Ontario Inc.) failed to pay union remittances for May 2010. In addition, the employer (2004631 Ontario Inc.) again issued payroll cheques that were returned for insufficient funds.

75. This breach was addressed by the parties entering into yet another Memorandum of Agreement dated August 9, 2010. Attached hereto and marked as **Exhibit "55"** is a copy of the Memorandum of Agreement dated August 9, 2010. In my view, the tendering of two sets of "NSF" cheques indicates a failure of the company to administer its finances and bank accounts.

CONCLUSION-URGENT NEED FOR NEW ADMINISTRATION, INTENTIONS OF GE

76. Filed separately in this motion record is an affidavit sworn by Bruce Dickie, President of CAW Local 2458, in respect of the operating practices of La Chaumiere (the "**Dickie Affidavit**"). The Dickie Affidavit details a lengthy list of complaints not only with respect to Liberty's failure to pay its employees, but also details a list of defaulted payments to suppliers. The Dickie Affidavit also recounts administrative errors and continuous issues of mismanagement. It further addresses the significant stress and anxiety caused to the residents and staff of La Chaumiere as a result of the instability, the poor administration of La Chaumiere and the uncertainty of its future.

77. It is self-evident that the poor administration of La Chaumiere will continue to cause stress and anxiety, and will have a significant and adverse impact on this vulnerable population. The evidence of Bruce Dickie clearly indicates that the situation manifested above must be addressed immediately and in an urgent fashion.

78. It is the intention of GE to fund the operations of the Respondents through the appointment of a receiver to bring immediate stability to the three residences and relieve the stress and anxiety of both the residents and employees. It is the further intention of GE through the appointed receiver to ensure that, in the long run, experienced and qualified management be put in place by selling the operations of the three residences to a suitable buyer who will be approved by this Honourable Court.


79. There has been and continues to be a significant monetary default in respect of the Respondents' security, which has accelerated the entire balance under the three loans to become due and payable. As a result, there is owing to GE at the swearing of this affidavit a total amount of \$17,748,049.43. The Respondents appear to be insufficiently capitalized and are not financially able to meet their obligations as they become due.

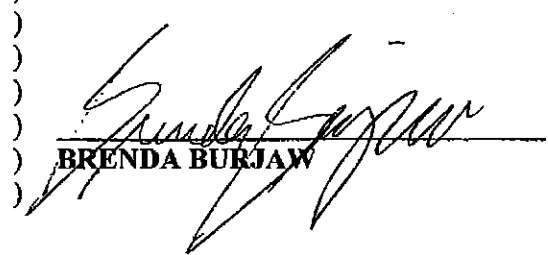
80. Moreover, based on conversations with Mr. Bhaloo and my review of historical financial records provided by the Respondents, the revenues generated by the business of the Respondents are being appropriated and redirected to other retirement residences operated by Liberty. This has prevented the Respondents and especially La Chaumiere from making necessary capital repairs, from paying utility taxes, employee wages, and keeping the Loans in good standing.

81. Most importantly, the safety and well being of the residents who are particularly vulnerable are at risk as a result of the Respondents' mismanagement, lack of funds, damaged reputation, and the instability which has caused enormous stress and anxiety to the residents and employees. This has created a situation of urgency, where new management is immediately required. In all the circumstances set forth above, it is respectfully submitted that, not only is it just and equitable to appoint a receiver, it is required.

82. GE requests that this Honourable Court appoint Meyers Norris Penny Limited (hereinafter "MNP") as the Receiver. MNP proposes the appointment of Responsive Seniors Management Inc. (hereinafter "Responsive") as the interim management company, which will be the subject of a separate report filed by the proposed Receiver. This report will outline the proposed operating agreement with Responsive and agreements to be entered into with the unions and non-unionized employees. I wish to advise this Honourable Court that MNP is not only well-financed, but in conjunction with Responsive, is well-prepared to address any of the Court's potential concerns regarding resident care and safety, and employee/union issues.

SWORN BEFORE ME
at the City of Toronto,
in the Province of Ontario,
this 8th day of March, 2011


A Commissioner for Taking Affidavits

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BRENDA BURJAW

**APPENDIX "D" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**GE CANADA REAL ESTATE
FINANCING HOLDING COMPANY and GENERAL
ELECTRIC CAPITAL CANADA HOLDINGS COMPANY**

Applicant

- and -

**2008777 ONTARIO INC. also known as
LA CHAUMIERE RETIREMENT RESIDENCE,
2004631 ONTARIO INC. also known as
LIBERTY PLACE RETIREMENT RESIDENCE,
and 912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE**

Respondents

**FIRST REPORT OF MEYERS NORRIS PENNY LIMITED
AS PROPOSED COURT APPOINTED RECEIVER AND MANAGER OF
2008777 ONTARIO INC. also known as
LA CHAUMIERE RETIREMENT RESIDENCE,
2004631 ONTARIO INC. also known as
LIBERTY PLACE RETIREMENT RESIDENCE,
and 912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE**

DATED MARCH 8, 2011

INTRODUCTION

1. Meyers Norris Penny Limited (“MNP”) understands that GE Canada Real Estate Financing Holding Company and General Electric Capital Canada Holdings Company (collectively “GE”) as mortgagees of the real property owned by 2008777 Ontario Inc. also known as La Chaumiere Retirement Residence (“La Chaumiere”), 2004631 Ontario Inc. also known as Liberty Place Retirement Residence (“Liberty Place”) and 912087 Ontario Limited also known as Beach Arms Retirement Residence (“Beach Arms”) (collectively the “Retirement Homes”) and as the Retirement Homes’ principal secured lender, intends to make an application to the Ontario Superior Court of Justice – Commercial List (the “Court”) for an order (the “Receivership Order”) appointing MNP as receiver and manager (the “Receiver”) of the Retirement Homes (the “Receiver”), pursuant to section 243 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. The Receivership Order would include the approval of the Receiver entering into a proposed Facility Management Agreement (the “Management Agreement”) and agreements with the various unions that represent certain of the Retirement Homes’ employees.
2. MNP has consented to act as Receiver in these proceedings should the Court issue the Receivership Order. This report (“Report”) has been prepared in MNP’s capacity as proposed Receiver.

PURPOSES OF THIS REPORT

3. The purposes of this Report are to:
 - (a) provide background information about the Retirement Homes;
 - (b) summarize the circumstances leading to GE’s bringing the application for the appointment of the Receiver;
 - (c) summarize the legal opinion dated March 8, 2011 provided by Gowling Lafleur Henderson LLP (“Gowlings”), counsel to MNP as proposed Receiver, in respect of the security granted by the Retirement Homes in favour of GE (the “Security”); and

- (d) review the Receiver's proposed course of action to continue the operations of the Retirement Homes in particular the necessity to enter into the Management Agreement and other agreements with unions representing certain of the Company's employees.

TERMS OF REFERENCE

4. In developing this Report, MNP has relied upon information regarding the Retirement Homes:
 - (a) provided by GE and its counsel, Blaney McMurtry LLP ("Blaney");
 - (b) included in the Affidavit of Ms. Brenda Burjaw of GE dated March 8, 2011 (the "Burjaw Affidavit") and filed with this Court in support of the Receiver's appointment;
 - (c) provided by CAW CANADA and CAW Local 2458 ("CAW");
 - (d) included in the affidavit of Bruce Dickie (President of CAW Local 2458) dated March 8, 2011; and
 - (e) as otherwise available to MNP and Gowlings.
5. MNP expresses no opinion or other form of assurance with respect to the accuracy of any financial or other information presented in this Report, or relied upon by MNP in preparation of this Report.
6. All currency references are in Canadian dollars unless otherwise specified.

RETIREMENT HOMES BACKGROUND

7. Each of La Chaumiere, Liberty Place and Beach Arm's sole businesses comprise a retirement home and assisted living facility. Common areas include a reception area, lounge, dining room, activity room and beauty salon. The Retirement Home services include:
 - (a) complete daily meal service;
 - (b) health care staff on site 24 hours a day, 7 days a week;
 - (c) housekeeping and laundry services;
 - (d) beauty and barber salon;
 - (e) activity director on staff; and

(f) other traditional services provided in retirement and assisted living facilities.

8. La Chaumiere is located at 1023 County Road, 22 RR #1, Town of Lakeshore, Ontario N0R 1A0 and comprises 92 rental suites consisting primarily of private studios units located in the Town of Lakeshore, Ontario. Most units are traditional one bedroom suites. This Retirement Home currently has 59 residents (the "Residents"). The average monthly rent for a suite as reported in 2010 by La Chaumiere to GE is \$1,620.00.
9. Liberty Place is located at 505 Kingston Road, Scarborough, Ontario M4L 3T5 and comprises 106 rental suites consisting primarily of private studios units located in Scarborough, Ontario. Most units are traditional one bedroom suites. The average monthly rent for a suite as reported in 2010 by Liberty Place to GE is \$2,085.08.
10. Beach Arms is located at 500 Kingston Road, Scarborough, Ontario M4L 1V3 and comprises 81 rental suites consisting primarily of private studios units located in Scarborough, Ontario. Most units are traditional one bedroom suites. The average monthly rent as reported in 2010 by Beach Arms to GE for a suite is \$1,304.00.
11. The Ontario Retirement Communities Association ("ORCA") has developed a comprehensive set of professional operating standards pertinent to ensuring a safe quality living environment for retirement home residents. In order to be an accredited ORCA member, a retirement residence must comply with 100% of the standards at their first survey and at subsequent surveys to attain and maintain membership. Not one of the Retirement Homes is accredited by ORCA.
12. Based on available information we understand that the Retirement Homes operate under the umbrella of a corporation known as Liberty Assisted Living Inc., which is incorporated under the laws of Canada. Often times, the Retirement Homes are designated on promotional materials as being part of the "Liberty Group of Companies" or "Liberty Assisted Living" (hereinafter referred to as "Liberty").

We understand that substantially all of the Retirement Homes accounting and finance functions are completed at Liberty's head office at 231 Avenue Road, Toronto, Ontario, M5R 2J3.

CIRCUMSTANCES LEADING TO THE RECEIVERSHIP APPLICATION

13. As set out in the Burjaw Affidavit, Liberty and the Retirement Homes are in default of their obligations under the terms of the various security granted (the "Security") to GE. The defaults include unpaid realty taxes, late reporting and interest arrears. We understand that Notices of Intention to Enforce Security were sent to Liberty and the Retirement Homes on January 11, 2011 and have expired.
14. We have been advised by Gowlings that GE holds real estate mortgage security, a General Security Agreement and an Assignment of Leases and Rents in respect of each of the three Respondents which is more particularly described in paragraphs 20-23, inclusive of the Burjaw Affidavit.
15. Gowlings has opined, subject to the usual assumptions and qualifications, that the Security is properly perfected and valid and enforceable.

NEED FOR EXPERIENCED MANAGER

16. As set out in the Dickie and Burjaw Affidavits, the operations and general condition of La Chaumiere has deteriorated significantly over the preceding 10 months. Specifically, La Chaumiere's employees have gone unpaid for extended periods of time, key suppliers are likely withholding critical supplies due to overdue invoices or insisting on COD terms, and the facilities have significant maintenance and equipment repair problems. In combination, the continuity of operations and the Residents well being and safety appear to be risk.
17. The Receiver has reviewed the operational status of the Retirement Homes with GE, Blaney Gowing and the CAW. Given the specialized nature of the Retirement Homes operations and risks to the safety and well being of the Residents, it was determined that for the benefit of all stakeholders a suitably qualified and experienced retirement home manager (the "Manager") would need to be retained by the Receiver. In particular, the Manager would as a minimum need to be accredited by ORCA and have the depth of skills, resources and personnel required in the circumstances.

18. In addition, as the employees at two of the Retirement Homes' are unionized, the Manager selected would require experience with unions and have working relationships with the respective unions, namely the CAW and The Christian Labour Association of Canada ("CLAC").

19. Given the reported deteriorating status of La Chaumiere (the status of Liberty Place and Beach Arms is not as clear), upon its appointment the Receiver and Manager principal mandate is to stabilize operations and take those steps necessary to ensure the well being and safety of Residents. Once operations are stabilized, the Manager will be mandated to make a comprehensive assessment of the Retirement Homes and provide a plan to bring the Retirement Homes operations to the minimum ORCA standards.

20. Between February 28 and March 7, 2011, the Receiver and GE interviewed three prospective Managers that had signed Non Disclosure and Confidentiality Agreements with the Receiver to review:

- (a) the regulatory and operating environment of the Retirement Homes generally;
- (b) the status of the Retirement Homes;
- (c) the Manager's Retirement Home experience, resources, specialized skills and reputation;
- (d) the likely operational and funding requirements for the proposed Receivership;
- (e) the likely saleability of the Retirement Homes, remediation requires and expected duration of Management Agreement; and
- (f) the Manager's proposed basis of remuneration and general terms of a Management Agreement.

Background information regarding the Managers interviewed is attached hereto as Appendix "A".

RESPONSIVE SENIORS MANAGEMENT INC. AS MANAGER

21. Based on the interviews and discussions among GE, the Receiver and Gowlings, Responsive Seniors Management Inc. ("Responsive") was selected as the proposed Manager. Responsive's 2011 Profile is attached hereto as **Appendix "B"**.
22. Responsive carries on business as an owner and/or operator of retirement residences and long term care homes across Canada. MNP is presently the auditor of certain of the retirement residences that Responsive operates. As of the date of this affidavit, Responsive owns and operates through its wholly owned subsidiary entities, 5 retirement and 12 long term care facilities in Ontario. Responsive has in place a professional, organized network of staff and services to properly operate the Retirement Home.
23. Responsive's wholly owned subsidiaries employ approximately 2300 full and part-time workers in both the Retirement Home and Long Term Care sectors. These employees include Executive Directors, Registered Nurses, Registered Practical Nurses, Nursing support staff, as well as, activities, dietary, housekeeping, laundry, maintenance and other administrative staffing.
24. The Receiver and GE are of the opinion that Responsive has the experience, skills, staff, systems, service and supply network in place to properly operate and improve the Retirement Homes to the Receiver and Court's satisfaction.
25. Responsive and the proposed Receiver are prepared to enter into a Management Agreement, for the operation of the Retirement Homes subject to Court approval. Attached hereto and marked as **Appendix "C"** is a copy of the draft Management Agreement.
26. Under the terms of the draft Management Agreement, it is intended that Responsive will operate the Retirement Homes for a fee of 6% of gross revenue based on a minimum 75% occupancy factor. This will facilitate the management of the Retirement Home and will be beneficial to the residents. Moreover, the Receiver fees for the administration and management of the estate will be minimized.

27. The Management Agreement also provides that the Manager will complete a comprehensive assessment on the Retirement Homes with a view to developing a plan of action to bring the Retirement Homes up to ORCA standards and the developing regulations of the *Retirement Home Act (Ontario)* in advance of a sale process.
28. In order to operate the Retirement Homes, the Receiver will require funding. As a result, it is intended that the Receiver will be granted the power to borrow funds from GE who confirmed they have allocated up to \$1,000,000 to finance the receivership on the basis that any such borrowing will be secured by a Receiver's Borrowing Charge which will rank in priority to all of the Retirement Homes secured and unsecured creditors. GE has confirmed that they will immediately advance \$500,000 upon the Receiver's appointment to assist in the stabilization of the Retirement Homes' operations.

CAW CANADA

29. On March 3, 2011, the Receiver, GE, Blaney and Gowlings met with the CAW to review La Chaumiere's status generally, the proposed Receivership application, concerns regarding the quality and likely cooperation from La Chaumiere and Liberty's management, the Residents' safety and well being, and other related issues.
30. In addition, La Chaumiere's arrears for unremitted union dues, employee and employer contributions to the CAW's defined contribution pension plan, accrued vacation pay and other grievances amounts (the "Employee Claims") were reviewed as well as a proposed payment schedule for these arrears.
31. Following further discussion and negotiation, the Receiver and CAW are prepared to enter into an Agreement (the "CAW Agreement"), governing labour relations at La Chaumiere during receivership, subject to Court approval. Attached hereto and marked as **Appendix "D"** is a copy of the draft CAW Agreement, which has been agreed in substance, subject to certain outstanding details.
32. The CAW Agreement provides a framework the continuation of Workplace Practices and settlement process for any pre and post receivership Employee Claims and other arrears that may be due to the CAW or its members.

33. The Receiver understands there is no union at the Beach Arms Facility. CLAC is involved with Liberty Place. It is expected that the Receiver will enter into an agreement with CLAC, similar to that entered into with the CAW, in relation to unionized employees at Liberty Place and will advise the Court in due course.

RECOMMENDATION

34. MNP respectfully requests that this Honourable Court accept this Report and upon the issuance of the Receivership Order include authorization for the Receiver to enter into the Management and CAW Agreements.

MEYER NORRIS PENNY LIMITED, in its capacity as the proposed Court-appointed Receiver and Manager of 2008777 Ontario Inc. also known as La Chaumiere Retirement Residence, 2004631 Ontario Inc. also known as Liberty Place Retirement Residence and 912087 Ontario Limited also known as Beach Arms Retirement Residence, and not in its personal or corporate capacity

Per: 

Name: Jerry Henechowicz CA-CIRP
Title: Vice President

TOR_LAW\76050993

**APPENDIX "E" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**



Office of the Superintendent
of Bankruptcy Canada

An Agency of
Industry Canada

Bureau du surintendant
des faillites Canada

Un organisme
d'Industrie Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-1473576
Estate No.: 31-1473576

In the Matter of the Bankruptcy of:

912087 Ontario Limited

Debtor

MEYERS NORRIS PENNY LIMITED / LIMITÉE

Trustee

Ordinary Administration

Date and time of bankruptcy:	March 15, 2011, 07:32	Security:	\$0.00
Date of trustee appointment:	March 15, 2011		
Meeting of creditors:	April 01, 2011, 10:00 1100 - 2 Bloor Street East Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act: Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: March 15, 2011, 07:39

E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

Canada



Office of the Superintendent
of Bankruptcy Canada

An Agency of
Industry Canada

Bureau du surintendant
des faillites Canada

Un organisme
d'Industrie Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-1473574
Estate No.: 31-1473574

In the Matter of the Bankruptcy of:

2004631 Ontario Inc.

Debtor

MEYERS NORRIS PENNY LIMITED / LIMITÉE

Trustee

Ordinary Administration

Date and time of bankruptcy:	March 15, 2011, 07:17	Security:	\$0.00
Date of trustee appointment:	March 15, 2011		
Meeting of creditors:	April 01, 2011, 10:00 1100 - 2 Bloor Street East Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act: Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: March 15, 2011, 07:35

E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

Canada



Office of the Superintendent
of Bankruptcy Canada

An Agency of
Industry Canada

Bureau du surintendant
des faillites Canada

Un organisme
d'Industrie Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-1473575
Estate No.: 31-1473575

In the Matter of the Bankruptcy of:

2008777 Ontario Inc.

Debtor

MEYERS NORRIS PENNY LIMITED / LIMITÉE

Trustee

Ordinary Administration

Date and time of bankruptcy:	March 15, 2011, 07:22	Security:	\$0.00
Date of trustee appointment:	March 15, 2011		
Meeting of creditors:	April 01, 2011, 10:00 1100 - 2 Bloor Street East Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act: Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: March 15, 2011, 07:37

E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

Canada

**APPENDIX "F" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

Request ID: 012994196
 Transaction ID: 43791375
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2011/03/14
 Time Report Produced: 08:50:26
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2007383	2007383 ONTARIO INC.	2001/12/04
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
231 AVENUE ROAD	NOT APPLICABLE	NOT APPLICABLE
TORONTO ONTARIO CANADA M5R 2J3	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	Letter Date	
231 AVENUE ROAD	NOT APPLICABLE	
TORONTO ONTARIO CANADA M5R 2J3	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: 012994196
Transaction ID: 43791375
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/03/14
Time Report Produced: 08:50:26
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2007383

2007383 ONTARIO INC.

Corporate Name History

Effective Date

2007383 ONTARIO INC.

2001/12/04

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

**Administrator:
Name (Individual / Corporation)**

Address

RAHIM
BHALOO

120 CARLTON STREET
Suite # 419
TORONTO
ONTARIO
CANADA M5A 4K2

Date Began

First Director

2002/02/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Request ID: 012994196
Transaction ID: 43791375
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/03/14
Time Report Produced: 08:50:28
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2007383

2007383 ONTARIO INC.

**Administrator:
Name (Individual / Corporation)**

Address

AMIR

120 CARLTON STREET

KASSAM

Suite # 419
TORONTO
ONTARIO
CANADA M5A 4K2

Date Began

First Director

2002/02/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

**Administrator:
Name (Individual / Corporation)**

Address

AMIR

120 CARLTON STREET

KASSAM

Suite # 419
TORONTO
ONTARIO
CANADA M5A 4K2

Date Began

First Director

2002/02/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Request ID: 012994198
Transaction ID: 43791375
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/03/14
Time Report Produced: 08:50:26
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2007383

Corporation Name

2007383 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2005	1C	2006/06/24

**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.

**APPENDIX "G" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

Lou Brzezinski

From: Jerry Henechowicz [Jerry.Henechowicz@mnp.ca]
Sent: March 14, 2011 12:13 PM
To: Lou Brzezinski; clifton.prophet@gowlings.com; robin.walker@gowlings.com; Domenico Magisano
Cc: Alan Shiner
Subject: Fw: 2007383 Ontario Inc. Beach Arms Retirement Residence

Everyone,

Please see the email chain below, Gregory Goutis the CFO of Liberty has confirmed that both resident receipts and disbursements for Beach Arms are through CIBC account 00322 71-46418 which per CIBC, is owned by 2007383 Ontario Inc. o/a Beach Arms Retirement Residence.

We have also traced the February 2010 Resident PAD payments to Beach Arms into this account.

In addition, we have identified another entity Beach Arms Retirement Lodge Inc. that should be investigated.

Since 2007383 is the employer of record for Beach Arm's employees and has a significant source liability, we should consider the impact of expanding the Receivership Order on CRA's source claim.

Regards,

Jerry Henechowicz
CA CIRP

2 Bloor Street East
Suite 1100
Toronto, Ontario
M4W - 1A8

DIRECT 416.515.3924
FAX 416.596.7894
jerry.henechowicz@mnp.ca
mnpdebt.ca



MEYERS NORRIS PENNY LIMITED

Member of Praxity, AISBL
Global Alliance of Independent Firms



----- Forwarded by Jerry Henechowicz/Toronto/mnp on 14-03-2011 12:01 PM -----

From: "Gregory Goutis" <ggoutis@libertyassistedliving.com>
To: "Jerry Henechowicz" <Jerry.Henechowicz@mnp.ca>
Date: 14-03-2011 11:43 AM
Subject: RE: Re Beach Arms Retirement Residence

Hi Jerry,

03/15/11

Your assumption is correct. All deposits are made into the operating account and payroll is out from the same account.

Gregory Goutis CMA
Chief Financial Officer
Liberty Assisted Living Inc.
Tel. 416.925.4447 ext224
Cel. 416.937.8701
Fax.416.925.3655

From: Jerry Henechowicz [<mailto:Jerry.Henechowicz@mnp.ca>]
Sent: March-14-11 11:35 AM
To: Gregory Goutis
Subject: Re Beach Arms Retirement Residence

Greg,

Please confirm that the Beach Arms' Residents monthly payments have and are scheduled to be deposited (either by cheque or PAD) into CIBC account 00322 71-4618. Further that all employees of Beach Arms are paid from this bank account.

We require your response as soon as possible.

Jerry Henechowicz
CA CIRP

2 Bloor Street East
Suite 1100
Toronto, Ontario
M4W - 1A8

DIRECT 416.515.3924
FAX 416.596.7894
jerry.henechowicz@mnp.ca
mnpdebt.ca



MEYERS MORRIS PENNY LIMITED

Member of Praxity, AISBL
Global Alliance of Independent Firms



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=

03/15/11

**APPENDIX "H" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

Document General

Form 4 - Land Registration Reform Act

D

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">FOR OFFICE USE ONLY</p> <p style="text-align: center;">C A 5 8 9 7 7 5</p> <p style="text-align: center;">CENTRAL OFFICE OF REGISTRATION CERTIFICATE OF REGISTRATION TORONTO (REGISTRATION LOG) DOWNSIDE OFFICE OF REGISTRATION TORONTO M5H 1A13</p> <p style="text-align: center;">'99 03 5 13 : '19</p> <p style="text-align: center;"><i>John DeLoria</i> LAND REGISTRAR/REGISTRAR</p> <p>New Property Identifiers</p> <p>Additional See Schedule <input type="checkbox"/></p> <p>Reservations</p> <p>Additional See Schedule <input type="checkbox"/></p>	<p>(1) Registry <input checked="" type="checkbox"/> Land Titles <input type="checkbox"/> (2) Page 1 of 3 pages</p> <p>(3) Property Identifier(s) Stock <input type="checkbox"/> Property <input checked="" type="checkbox"/> Additional See Schedule <input type="checkbox"/></p> <p>(4) Nature of Document LEASE</p> <p>(5) Consideration Dollars \$ NIL</p> <p>(6) Description Part of Lots 4, 5, 6 and 7, Plan 90, York and part of Lot 32, Plan 1295, City of Toronto as set out on the schedule attached hereto</p>
--	--

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch (b) Schedule (c) Description Additional Parties Other

(8) This Document provides as follows:

Continued on Schedule

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest) Name(s)

WINDSOR COTTAGE HEIGHTS LTD.
(Lessee)

Signature(s) *[Signature]* Date of Signature Y M D 1999 03 02

per: Name: Vivian Anthony, Title: Director

"I/WE have authority to bind the corporation"

(11) Address for Service **505 KINGSTON RD., TOR. ONT. M4L 1V5**

(12) Party(ies) (Set out Status or Interest) Name(s)

912087 ONTARIO LIMITED

Signature(s) _____ Date of Signature Y M D _____

(13) Address for Service

<p>(14) Municipal Address of Property</p> <p>505 Kingston Rd. Toronto, ONT. M4L 1V5</p>	<p>(15) Document Prepared by:</p> <p>John F. Spratley Barrister & Solicitor 4 King St. W., Suite 1320 Toronto, M5H 1B6</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">FOR OFFICE USE ONLY</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Fees and Tax</th> </tr> </thead> <tbody> <tr> <td>Registration Fee</td> <td style="text-align: center;">50</td> </tr> <tr> <td></td> <td style="text-align: center;">AT</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">50</td> </tr> </tbody> </table>	Fees and Tax		Registration Fee	50		AT	Total	50
Fees and Tax										
Registration Fee	50									
	AT									
Total	50									

THIS INDENTURE made as of the 1st day of November, 1998.
IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT.
BETWEEN:

912087 Ontario Limited, a corporation incorporated under
the laws of the Province of Ontario,
(hereinafter called the "Landlord")

OF THE FIRST PART,

-and-

Windsor Cottage Heights Limited
(hereinafter called the "Tenant")

OF THE SECOND PART.

Interpretation

1.01 Definitions in this lease:

(a) "Demised Premises" means that retirement home located at 505 Kingston Road, Toronto, containing 74 rooms plus dining hall, kitchen facilities, activity room, existing equipment and installed fixtures, demised and leased to the Tenant hereto and together with the use of the surrounding area driveways, entrances and exits to the Demised Premises;

(b) "Lease Year" means that period of time from the commencement date hereof to the last day of December next following and thereafter each consecutive twelve month period commencing on the first day of January in each year and the balance, if any, of the term being less than twelve months following the end of the last full twelve month period of this lease. In the case of any Lease Year being less than twelve months, all obligations and covenants to pay rent, percentage rent and additional rent hereunder shall be pre-rated by multiplying the amount of such rent, percentage rent and additional rent (determined for the twelve month period commencing on the first day of the Lease Year) by the actual number of days in such Lease Year and by dividing the product thereof by 365;

(c) "Property" means that parcel of land municipally located at 505 Kingston Road, in the City of Toronto.

Severability

1.02 If any one or more clauses or paragraphs or part or parts thereof in this Lease be illegal or unenforceable it or they shall be considered separate and severable from the Lease and the remaining provisions of the Lease shall

remain in full force and effect and shall be binding upon the parties hereto as though the said clause or clauses or part or parts of clauses had never been included.

Number

1.03 Whenever a word importing the singular number only is used in this lease, such word shall include the plural and words importing either gender or firms or corporations shall include the persons or other gender and firms or corporations where applicable. Any reference to the term of this lease shall, unless the context otherwise requires, be deemed to include any renewals thereof.

Captions

1.04 The word "clause" shall refer to each portion of this lease introduced or headed by an integer and the word "paragraph" shall refer to the sequentially numbered paragraphs of each clause. The captions appearing in the margin of this lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this lease or of any provisions thereof.

Premises

2. WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord has demised and leased and by these presents doth demise and lease the Demised Premises to the Tenant.

Term

3. TO HAVE AND TO HOLD the Demised Premises for and during the term of Five (5) years to be computed from and inclusive of the 1st day of November, 1998, and from thenceforth next ensuing and fully to be completed and ended on 31st day of October, 2003.

4. 4.01 YIELDING AND PAYING THEREFOR unto the Landlord its successors and assigns, in lawful money of Canada, without any deduction defalcation or set-off whatever, as a fixed annual minimum rent in each Lease Year of the term a sum equal to the following:

- (a) the tenant agrees to pay any and all mortgage payments of a first and a second mortgage that may be registered on the property on or about the month of November 1998, providing that the principal amount of the said mortgage(s) does not exceed four million eight hundred thousand (\$4,8000,000.00) dollars and bears annual interest at the then current rates of interest charged by most financial institutions in Canada, and based on a 15 year amortization period for the first mortgage and a 10 year amortization for any second mortgage. It is acknowledged that a second mortgage is at present registered on the property.
- (b) (i) The Tenant agrees to pay to the Landlord, upon presentment from the Landlord, the Capital Tax, if the Landlord is assessed by the Ministry of Revenue or by Revenue Canada, for its ownership of this property (505 Kingston Road, Toronto).
- (ii) Any delays in payment greater than 15 days of the above, which result in penalties or extra charges or interest being added on by the above (Manulife Mortgage, Lutheran Life and the Ministry of Revenue) shall become the responsibility of the Tenant as extra rent and shall be paid by the Tenants.
- (iii) The Tenant agrees to pay to the Landlord upon presentment from the Landlord any Federal and/or Provincial and/or Municipal and/or Regional Government that may be levied upon the Landlord by any level of Government with regard to its possession of 505 Kingston Road, Toronto.
- (c) The Tenant agrees to pay all other charges as outlined in other clauses of this lease.

4.02 All installments to be made in advance, on the first day of each and every month during the said term, such payments to be made by cheque or money order at the address for the service of the Mortgage Companies and, or as the Landlord may direct from time to time; for the other charges, provided that if the term hereof does not commence on the first day of a calendar month or ends on any day other than the last day of a calendar month rent for the broken part of a calendar month at the commencement or end of the said term

5

shall be pro-rated at a rate per day equal to 1/365th of the annual rent specified in this clause.

Payment

5.0 If, at the end of any Lease Year, the total amount of rent paid by Tenant is less than the total amount of fixed minimum rent and additional rent required to be paid by Tenant during such Lease Year, the Tenant shall pay forthwith to Landlord the amount of such deficiency.

6. THE TENANT COVENANTS WITH THE LANDLORD AS FOLLOWS:

Pay Rent

6.01 To pay all rent hereby reserved in the manner herein provided without any deduction or set-off whatsoever;

Monthly Accounting

6.02 That Tenant upon request from the Landlord will on the 7th day of each and every month provide the Landlord with all bills and expenses for property taxes, insurance, water and sewage, hydro, etc. .

Tenant's Taxes

6.03 To pay all duties, real property taxes, local improvement rates, business taxes, assessments and payments, extraordinary as well as ordinary, as shall during the term hereof be laid, levied, assessed or imposed upon the Demised Premises or in respect of any personal property, fixtures, business or any other activity carried out by the Tenant upon or in connection with the Demised Premises, by virtue of any present or future laws, orders or ordinances of any department, office or bureau thereof or any governmental authority;

Building Taxes

6.04 (i) To pay and discharge as additional rent all duties, real property taxes, local improvement rates, business taxes, assessments and payments, extraordinary as well as ordinary, whether foreseen or not, as shall during the term hereby demised be laid, levied, assessed or imposed upon the Demised Premises or the Property by virtue of any present or future law, order or ordinance of Canada or of the provincial, city, country or local government or of any department, office or bureau thereof or any other governmental authority.

The duties taxes, rates, assessments and payments described in paragraphs 6.02 and 6.03 hereof are sometimes referred to herein collectively as "Taxes";

If the Demised Premises or the Property are at any time during the term assessed for the support of separate schools for any reason other than the act, election or religion of Landlord, the amount of any increase in the taxes or rates payable in respect of the Demised Premises or the Property shall be paid by Tenant as additional rent;

(ii) The Tenant will pay all Taxes when the same become due and payable, without interest or penalty, to the department, officer or bureau charged with the collection thereof, or in the event that Landlord has paid such Taxes, Tenant shall remit its payment as determined hereunder to Landlord;

Nothing herein contained shall require or be construed to require Tenant to pay any inheritance, income, payroll, excise, privilege, rent, estate or profit tax or any tax of similar nature that is or may be imposed upon Landlord, except the taxes as outlined as per Paragraph 4.01 (c) unless such taxes are levied upon the rent herein reserved in lieu of the Taxes.

(iii) That any Taxes relating to a fiscal period of the taxing authority, a part of which is within the term and a part of which is prior to the commencement of the term or subsequent to the terminal date of the term whether or not such Taxes shall be payable during the demised term, shall be apportioned and adjusted between Landlord and Tenant as of the stated date of commencement or the actual date of termination of the demised term, as the case may be;

6.05 That Tenant upon request of Landlord will promptly exhibit to Landlord all paid bills for Taxes, which bills after inspection by Landlord shall be returned to Tenant;

Utilities

6.06 That Tenant shall pay as the same become due respectively, all charges for public utilities which, without limiting the generality of the foregoing shall include water, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the Demised Premises and the Property and for fittings, machines, apparatus, meters or other things leased in respect thereof and for all work or services performed by any corporation or commission in connection with such public utilities and for any and all cost

8

Repair on Termination

6.09 The Tenant will, at the expiration or sooner determination of the said term, peacefully surrender and yield up unto Landlord the Demised Premises in good and substantial repair and condition, including unreasonable wear and tear and damage by fire, lightning and tempest or other perils against which the Tenant agrees to be insured for.

Landlord's Recovery

6.10 In the event that the Landlord shall perform any repairs or maintenance, or any sum of money due or payable by the Tenant, either at the request of the Tenant, or by reason of any default by the Tenant in performance of its covenants herein contained, the Tenant shall, forthwith after notice from the Landlord, as additional rental hereunder, the cost of performing such repairs and maintenance or the amount paid by the Landlord on Tenant's behalf, together with the Landlord's management fee of 15% of such amount;

Use and Operation

6.11 The Tenant covenants that the Demised Premises shall be used and occupied only for the purpose of a retirement home and for the renting of rooms to senior citizens and the provision of food and laundry services and all ancillary uses thereto and such other uses as approved by the Landlord and for no other purpose whatsoever and that the Tenant shall not carry on or permit to be carried on in the Demised Premises any business or activity which shall be deemed by the Landlord upon reasonable grounds to be a nuisance. Should the premises be used by any other person or persons, or for any other purpose than as herein provided, without the written consent of the said Landlord, this lease, at the option of the said Landlord, shall cease and be void and the term hereby created expire and be at an end, anything herein before contained to the contrary notwithstanding.

Comply With All Laws

6.12 The Tenant shall comply promptly with and conform to the requirements of all applicable statutes, laws, by-laws, regulations, ordinances and orders from time to time or at any time in force during there term hereof and affecting the condition, equipment, maintenance, use or occupation of the Demised Premises and with every applicable regulation, order or requirement of the Canadian Fire Underwriters' Association or any body having similar

associated with the existing phone system including maintenance and advertising. In no event shall Landlord be liable for any injury to Tenant, its servants, agents, employees, customers and invitees or for any injury or damage to the Demised Premises, the Property or to any property of Tenant or to any property of any other person, firm or corporation on or about the Demised Premises, or the Property caused by an interruption or failure in the supply of any such utilities to the Demised Premises;

Repairs and Maintenance

6.07 The Tenant at its own expense shall repair the Demised Premises and the Property and shall maintain and keep the Demised Premises and the Property and every part thereof in a clean and sanitary condition and in accordance with all laws, directions, rules and regulations of the governmental agencies having jurisdiction and will keep the Demised Premises and the Property (including the interior and exterior walls, the roof, roof moisture protection and structure supports, the paved, sodded and planted areas and all permitted signs) and every part thereof in good order and repair and painted or otherwise presentable and will maintain in good order and operating condition and replace whenever reasonably required, all structural elements and the heating, air conditioning, mechanical, electrical, communications and plumbing systems, services and equipment installed in the Demised Premises and will replace all broken glass with glass of equal quality, including unreasonable wear and tear and damage by fire, lightning, tempest or other perils against which the Tenant agrees to be insured for.

Inspection

6.08 It shall be lawful for the Landlord and its agents at all reasonable times during the said term to enter the Demised Premises to inspect the condition thereof. Except in the case of an emergency, Landlord will give Tenant 24 hours written notice of such inspection. Where an inspection reveals repairs are necessary and required by the lease to be done by the Tenant, Landlord shall give Tenant notice in writing, and thereupon Tenant will, within fifteen days from delivery of the notice, make, or commence making and diligently proceed to complete, the necessary repairs in a good and workmanlike manner;

functions or of any liability or fire insurance company by which the Landlord and the Tenant or either of them may be insured at any time during the term hereof, and, in the event of the default of the Tenant under the provision of this paragraph, the Landlord may itself comply with any such requirements as aforesaid and the Tenant will forthwith pay all costs and expenses incurred by the Landlord in this regard and that Tenant agrees that all such costs and expenses shall be recoverable by the Landlord as if the same were additional rent reserved and in arrears under this lease; notwithstanding the generality of this paragraph, the Tenant shall comply with all applicable governmental requirements concerning snow removal and weed control;

Insurance

6.13 (a) The Tenant shall throughout the term of this lease provide, at its own expense, and keep in force for the benefit of the Landlord and the Tenant the following insurance coverages:

(i) comprehensive general liability insurance in respect of injury to or death of one or more persons or property damage with limits of not less than \$2,000,000.00 per occurrence;

(ii) insurance against loss or damage by fire in respect of the Demised Premises, and all improvements and equipment appurtenant thereto, to the full insurable value \$4,750,000.00 thereof under an all-risk policy and covering loss of rent by the Landlord during any reconstruction period set out in Section 12.01 hereof; and

(iii) broad form boiler and pressure vessel insurance (if applicable to the Demised Premises).

All insurance shall be effected with insurers in an amount and upon terms and conditions satisfactory to the Landlord. The policies are to be endorsed to provide that in the event of any change in them which could affect the Landlord, or in the event of their cancellation, the insurer will give notice by registered mail to the Landlord thirty days prior to the effective date of such change or cancellation. The Tenant shall promptly furnish to the Landlord copies of insurance policies and other evidence satisfactory to the Landlord as to such insurance and any renewals thereof. In the event that the Tenant fails to insure as herein required or fails to promptly furnish to the Landlord satisfactory evidence of such insurance or of the renewal thereof prior to its expiration, the Landlord may from time to time effect such insurance for the benefit of the Tenant or the Landlord or both of them for a period not exceeding

one year and any premium paid by the Landlord shall be recoverable by the Landlord as if the same were additional rent reserved and in arrears.

The Landlord and Tenant agree that all insurance requirements contained in this lease will be reviewed from time to time and insurance coverages will be adjusted to the amounts and types normal for comparable properties in the Province of Ontario. Any dispute concerning the amount of any of the foregoing coverages shall be conclusively determined by a qualified adjuster appointed by the Landlord.

Waiver

(b) Neither the Tenant nor anyone claiming by, through or under or on behalf of the Tenant shall have any claim, right of action or right of subrogation against the Landlord, its agents or employees, for or based upon any injury, loss or damage to any person or persons or to the demised premises or any property therein or thereon, caused by fire, explosion or any other peril covered by a standard extended coverage insurance policy or all risk policy, whether or not such injury, loss or damage results or arises from the negligent act or omission of the Landlord or any person or persons for whom the Landlord is in law responsible, and the Tenant covenants and agrees that any and all policies of insurance providing coverage as aforesaid shall be forthwith endorsed with a waiver of any and all subrogation rights which might otherwise vest in the insurer of such policy or policies of insurance;

Use of Premises (Insurance)

6.14 (a) Neither the Tenant nor its officers, directors, agents, servants, licensees, concessionaires, assignees or sub-tenants shall bring onto the Demised Premises, nor do, nor omit nor permit to be done or omitted upon or about the Demised Premises anything which shall cause the rate of insurance upon the Demised Premises or the building or any part thereof or its contents to be increased and if the said rate of insurance shall be increased by reason of the use made of the Demised Premises or by reason of anything done or omitted or permitted to be done or omitted by the Tenant or its officers, directors, agents, servants, licensees, concessionaires, assignees or sub-tenants or by anyone permitted by the Tenant to be upon the Demised Premises, the Tenant shall pay to the Landlord forthwith upon demand as additional rent, the amount of such increase;

(b) If any policy of insurance upon the Demised Premises or the Property or any part thereof or the contents shall be cancelled or refused to be

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renewed or granted by an insurer by reason of the use or occupation of the Demised Premises or any part thereof by the Tenant or any of its officers, directors, agents, servants, licensees, concessionaires, assignees or sub-tenants or by anyone permitted by the Tenant to be upon the Demised Premises or the Property, the Tenant shall forthwith upon demand remedy or rectify such use or occupation and if the Tenant shall fail to do so forthwith the Landlord may at its option terminate this lease by delivering to the Tenant notice in writing of such termination and the Tenant shall immediately deliver up possession of the Demised Premises to the Landlord and the Landlord may re-enter and take possession of the Demised Premises and the Tenant shall thereupon pay all rent and any other payment for which the Tenant is liable under this lease, apportioned to the date of such termination, together with all losses, damages or costs of any kind arising out of the Tenant's breach of this provision and/or the termination of this lease under this paragraph;

Waste

6.15 The Tenant shall not do or suffer any waste or damage, disfiguration or injury to the Demised Premises or the fixtures and equipment thereof nor permit or suffer any overloading of the floors thereof and shall not use or permit to be used any part of the Demised Premises for any dangerous, noxious or offensive trade or business and shall not do anything or permit anything to be done upon or about the Demised Premises nor anything to be brought thereon which the Landlord may reasonably deem to be a nuisance and the Tenant shall take every reasonable precaution to protect the Demised Premises from danger, fire, water damage or the elements, and the Tenant shall not allow any ashes, refuse, garbage or other loose, objectionable material to accumulate in, on or about the Demised Premises and will at all times keep them in a clean and wholesome condition;

Electrical Facilities

6.16 The Tenant shall not install or use any electrical or other equipment or electrical arrangement which may overload the electrical or other service facilities unless he does so with the express written consent of the Landlord and at his own expense makes whatever changes are necessary to comply with the reasonable and lawful requirements of the Landlord's insurance underwriters and governmental authorities having jurisdiction and in any event the Tenant shall make no changes until he first submits plans and specifications for the same to the Landlord and obtains the Landlord's written approval for such plans and specifications which will not be unreasonably withheld;

Alterations

6.17 The Tenant may make alterations or improvements to the Demised Premises in order to make the Demised Premises suitable for the purposes of the Tenant. Notwithstanding, the Tenant shall not make any alteration or improvement without first submitting the plans and specifications (including materials to be used) thereof to the Landlord, and without first obtaining the approval in writing thereof of the Landlord, such approval not to be unreasonably withheld. All work shall be done only by contractors who shall first be approved in writing by the Landlord, such approval not to be unreasonably withheld. Any erection, improvement placed upon the Demised Premises shall be subject to all provisions of this lease, and if removed as hereinafter provided, the Tenant shall repair all damage caused by the installation and removal thereof;

Right to Show Premises

6.18 The Landlord or its agents and employees shall have the right at any time during business hours of the Tenant upon giving not less than 24 hours written notice to enter upon the Demised Premises for the purpose of exhibiting same to prospective purchasers or mortgagees, provided that the exercise of such rights shall not unreasonably interfere with the Tenant's business;

Provided that the Landlord shall have the right within six (6) months prior to the termination of the said term or any renewal thereof to place upon the Demised Premises a notice of reasonable dimensions and reasonably placed so as not to interfere with the Tenant's business, stating that the Demised Premises are to let; further, provided the Tenant will not remove such notice or permit the same to be removed. The Landlord and its agents and employees shall also be permitted to enter upon the Demised Premises within the aforesaid period to show the same to prospective tenants;

Liability to Invitees, Licensees

6.19 That Landlord shall not in any event whatsoever be liable or responsible in any way for any personal injury or death that may be suffered or sustained by Tenant or any employee of Tenant or any other person who may be upon the Demised Premises or common areas or for any loss or damage or injury to any property belonging to Tenant or to its employees or to any other person while such property is on the Demised Premises and in particular (but without limiting the generality of the foregoing) Landlord shall not be liable for

any damage to any such property caused by steam, water, rain or snow which may leak into, issue or flow from any part of the Demised Premises or from the water, steam, sprinkler or drainage pipes or plumbing works of the same or from any other place or quarter of for any damage caused by or attributable to the condition or arrangement of any electrical or other wiring or for any damage caused by anything done or omitted to be done by the Tenant;

Tenant's Indemnity of Landlord

6.20 That Tenant will indemnify and save harmless Landlord of and from all liabilities, fines, suits, claims, demands and actions of any kind or nature to which Landlord shall or may become liable for or suffer by reason of any breach, violation or non-performance by Tenant of any covenant, term or provision hereof or by reason of any injury or death resulting from, occasioned to or suffered by any person or persons or any property by reason of any act, neglect or default on the part of Tenant or any of its agents and employees; such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death occurring during the term of the lease shall survive any termination of this lease anything in this lease to the contrary notwithstanding;

Heat

6.21 The Tenant covenants to heat the Demised Premises to a reasonable temperature to prevent all pipes, plumbing fixtures and equipment contained therein from bursting or damage. The Tenant further agrees to comply with all applicable municipal and other by-laws, laws or regulations with respect to provision of heat in residential buildings.

7. THE LANDLORD COVENANTS AND AGREES WITH THE TENANT AS FOLLOWS:

Fixtures

(a) That the Tenant when not in default hereunder, may not remove the Landlord's fixtures, at the end of the term; the Tenant will not remove from the Demised Premises during the term of this lease any chattels, fixtures, or effects which are the property of the Tenant, even though there is not rent in arrears, without the written consent of the Landlord, provided further, however, that all installations, alterations, additions, partitions, and fixtures other than the trade or tenant's fixtures in or upon the Demised Premises, whether placed there by the Tenant or the Landlord, shall be the Landlord's

property upon termination of this lease without compensation therefor to the Tenant and shall not be removed from the Demised Premises at any time either during or after the term hereof, and notwithstanding anything herein contained the Landlord shall be under no obligation to repair or maintain any installations, alterations, additions, partitions and fixtures of anything in the nature of a leasehold improvement made or installed by or for the Tenant; and further that, notwithstanding anything herein contained, the Landlord shall have the right upon the termination of this lease by effluxion of time or otherwise to require the Tenant to remove his installations, alterations, additions, partitions and fixtures or anything in the nature of a leasehold improvement made or installed by the Tenant, and to make good any damage caused to the Demised Premises by such installation or removal. Notwithstanding the generality of the foregoing, the Tenant shall not remove any trade fixtures installed in the Demised Premises prior to the commencement of the Term or any fixtures installed by Tenant in place of any such trade fixtures, all of which shall be the property of the Landlord.

Abandonment of Goods

(b) Any goods, not including chattels, fixtures, inventory, equipment (which may belong to the Landlord), and other property of the Tenant not removed from the Demised Premises within seven days from the expiry of the Term, shall be deemed to have been abandoned by the Tenant and the Landlord may thereupon remove and dispose of them, retain them or convey them to a new Tenant or otherwise deal with them in any manner whatsoever without compensation to the Tenant.

Signs

8. The Tenant shall have the right from time to time during the term hereby granted to erect, maintain, alter, change or remove advertising signs on the exterior walls of the Demised Premises. All such signs shall be dignified in appearance and shall be approved in writing by Landlords as to dimensions, type, location and appearance prior to installation, such approval not to be unreasonably withheld. Such signs shall comply with the lawful requirements of municipal and governmental authorities.

Assigning and Sub-letting

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9. (a) The Tenant will not assign, set over, transfer, sub-let or sub-lease, hypothecate, encumber or in any way deal with or part with the whole or any part of the said Demised Premises to anyone, for or during the whole or any part of this term, without written consent first being obtained from the Landlord, but such consent shall not be unreasonably withheld.

Provided, however, and it is made a condition to the giving of such consent that:

- (i) the proposed assignee or sub-lessee of the lease shall agree in writing to assume and perform all of the terms, covenants, conditions and agreements by this lease imposed upon the Tenant herein in a form to be approved by the solicitor for the Landlord; and
- (ii) in the event of an assignment consented to by the Landlord the Tenant shall nonetheless remain responsible to the Landlord for the fulfillment of all obligations created by this lease.
- (iii) the Tenant shall pay to the Landlord an amount of \$500.00 in advance plus any legal fees charged by the Landlord's solicitors in connection with the applications for consent herein. It is understood that this amount represents a reasonable cost to the Landlord for reviewing such application.

(b) Notwithstanding anything contained in this Lease, if the Tenant from time to time receives a bona fide offer in writing for the assignment of this Lease or for the sublet of the whole or any part of the Demised Premises, which the Tenant is prepared to accept, then prior to acceptance of any such offer, the Tenant shall provide the Landlord with a signed copy of such offer and the Landlord shall have the option, exercisable within seven days of receipt of such offer, to terminate this Lease with respect to that part of the Demised Premises referred to in such offer. If the Landlord exercises its option, the Tenant may, within three days thereafter, revoke its application to the Landlord, but if such application is not revoked, the Tenant shall peaceably surrender and yield up to the Landlord possession that part of the Demised Premises referred to in such offer on the day prior to the date that the proposed assignee or sub-lessee was to take possession pursuant to such offer and the rent and additional rent payable hereunder (save and except for any rent payable pursuant to Article IV hereof) shall be reduced proportionately.

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(c) Notwithstanding the generality of the foregoing, the Tenant shall have the right, without the prior consent of the Landlord, to permit the occupation of the Demised Premises by residents of the retirement home; provided however, that the Tenant shall not grant any long-term lease or occupancy licence to extend beyond the date of termination of this Lease.

Monthly Tenancy

10. If the Tenant shall continue to occupy the Demised Premises after the expiration of the term of this lease, with the consent of the Landlord and without any further written agreement, the Tenant shall be a monthly tenant at a monthly rental equal to the monthly installments of rent multiplied by two and one-half, together with additional rent payable hereunder during the term hereby granted or any renewal thereof, such rental to be payable in advance on the first day of each and every month and such monthly tenancy to be on the terms and conditions and subject to all other charges and amounts payable herein set out except as to length of tenancy.

Rezoning, Additions

11. The Tenant covenants that it will not oppose or cause to be opposed any applications for additions to the Demised Premises or changes of zoning concerning the lands on which the Demised Premises is situate, or any lands of the Landlord within a radius on one (1) mile of the Demised Premises, which are instituted by the Landlord, provided the ability of the Tenant to use the Demised Premises for the purposes herein provided is not adversely affected thereby. Upon the request of the Landlord, the Tenant shall execute a suitable acknowledgment that it does not oppose any such application.

Damage or Destruction

12.01 In the event of damage to or destruction of the Demised Premises, and in the event that, using reasonable diligence, the building is incapable of being rebuilt or made reasonably fit for occupancy within 180 days from the date of damage or destruction either party may terminate this Lease on written notice given within 45 days after the occurrence of such damage or destruction;

12.02 In the event of such damage or destruction occurring in the last year of the term hereof or any renewal thereof, so that the Demised Premises

are incapable of being rebuilt or made reasonably fit for occupancy within 30 days from the date of damage or destruction, the Landlord may terminate this lease on written notice given within 20 days after the occurrence of such damage or destruction;

12.03 Notwithstanding the provisions of sub-clause 12.01 hereof, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance substantially sufficient to pay for the cost of Demised Premises or making fit the Demised Premises are not payable to or received by the Landlord, due to actions beyond the control of the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, the Landlord may terminate this lease on written notice;

12.04 Upon the termination of this lease, as hereinbefore provided, rent and any other liabilities of the Tenant shall be appointed and paid to the date on which the damage or destruction occurred and the Tenant shall forthwith deliver up possession of the Demised Premises;

12.05 The certificate of the Landlord's architect as to the length of time required, using reasonable diligence, to rebuild or restore the Demised Premises, or as to when the Demised Premises or any portion thereof are reasonably fit for occupancy by the Tenant shall be conclusive and binding upon the Landlord and the Tenant.

Right of Re-entry

13.01 The Landlord may re-enter upon non-payment or non-performance of covenants subject to the provisions of this lease;

Remedies of Landlord

13.02 If the Tenant shall fail to make any payment or part thereof for fifteen (15) days after the due date therefor, or shall fail to perform or observe any other covenants, provisos or agreements contained herein, and such failure shall continue for fifteen (15) days after written notice thereof, then, and in each case, the Landlord shall have the following remedies:

Termination

(i) The Landlord may by written notice terminate this lease, without prejudice to any other rights or remedies it may have including, without limitation, the right to receive compensation for loss of future rent and additional rent and for loss or diminution of revenue from the Demised Premises, and rent and any other payments for which the Tenant is liable shall be apportioned and paid in full to the date of such termination of this lease and the Tenant shall immediately deliver up possession of the Demised Premises to the Landlord;

Recovery of Expenses

(ii) The Landlord may enter the Demised Premises and perform the obligation on behalf of the Tenant, and shall not be liable for any loss or damage to the Tenant's goods, chattels or business caused in so doing. Any reasonable expenses incurred by the Landlord in so doing (including, without limitation, legal fees and compensation for the Landlord's services) shall be paid by the Tenant to the Landlord forthwith on demand therefor and shall be recoverable in the same manner as rent;

Right to Relet

(iii) the Landlord shall have the right to enter the Demised Premises and to relet them as agent for the Tenant for whatever term, and on whatever conditions the Landlord shall, in its sole discretion, deem advisable, and the Tenant shall pay to the Landlord, in monthly instalments for the balance of the term of this lease (which shall be deemed for the purposes of this sub-clause (iii) not to have been terminated by any action of the Landlord hereunder, including the making of alterations to the Demised Premises deemed by the Landlord to be necessary or advisable for the purpose of reletting them), any deficiency between the sum of one-twelfth of the rent and additional rent payable pursuant to this lease and the net amount, if any, of rent and additional rent actually received by the Landlord in respect of the Demised Premises, after deducting therefrom all amounts reasonably attributable to the reletting of the Demised Premises or any portion thereof;

Cure Default

13.03 In the event of a default by the Tenant, such as can be cured only by the performance of work or the furnishing of materials, and if such work cannot reasonably be completed or such materials reasonably obtained and/or utilized within fifteen (15) days, such default shall not be deemed to continue if the Tenant proceeds promptly with such work as may be necessary to cure the default and diligently completes the same;

Liens

13.04 The Tenant shall indemnify and hold the Landlord harmless from and against any liability, claim, damages or expenses (including legal expenses) due to or arising from any claim made against the Demised Premises for all liens related to all work which the Tenant is obliged to do and any such liability, claims, damages or expenses incurred by the Landlord shall be paid by the Tenant to the Landlord forthwith upon demand; and the Tenant shall cause all registration of claims for liens and/or certificates of action under the Construction Lien Act and relating to any such work done by or on behalf of the Tenant, and all work which the Tenant is obliged to do, to be discharged or vacated as the case may be within fifteen (15) days of such registration or within five (5) days after notice from the Landlord, failing which the Landlord, in addition to any other rights or remedies it may have hereunder, may, but shall not be obligated to, discharge such liens and/or certificates by payment to the claimant, payment into court, or otherwise; any such payments and the Landlord's legal costs (on a solicitor and his client basis) and other costs of obtaining and registering such discharges shall be repaid by the Tenant to the Landlord forthwith after notice thereof, and shall be recoverable as if the same were rent reserved and in arrears hereunder.

Distress

13.05 The Tenant waives and renounces the benefit of any present or future statute taking away of limiting the Landlord's right of distress and covenants and agrees that notwithstanding any such statute none of the goods and chattels of the Tenant on the Demised Premises at any time during the term shall be exempt from levy by distress for rent or any other charges. The Tenant agrees to provide the Landlord with a key which will at all times open the locks to the Demised Premises and hereby expressly licences and authorizes the Landlord to use such key for the purposes of affecting entry to the Demised Premises to distrain on the goods and the chattels of the Tenant;

in the event that the Landlord is unable to gain access to the Demised Premises by the use of such key, the Tenant hereby expressly licences and authorizes the Landlord to use such other means of ingress for the purpose of effecting distress as the Landlord may in its sole discretion determine including without limitation, the breaking of the lock or of any window, without being liable for any prosecution therefor. If the Tenant shall leave the Demised Premises leaving rent or other amounts owing under this lease unpaid, the Landlord in addition to any other available remedy, may seize and sell the goods and chattels of the Tenant at any place to which the Tenant or other person may have removed them in the same manner as if such goods and chattels had remained and been distrained upon the Demised Premises.

Interest

13.06 All sums, for rent or otherwise, payable to the Landlord under the terms of this lease shall bear interest at a rate equal to 5% in excess of the rate of interest from time to time charged on demand loans to the Landlord by its bankers from their respective due dates until the actual dates of payment.

Application of Receipts

13.07 The Tenant covenants and agrees that the Landlord may, at its option, apply all sums received from the Tenant to any rent or other amounts payable hereunder in such order as the Landlord sees fit.

Bankruptcy etc.

14. Without prejudice to any other rights or remedies available to the Landlord, the Tenant covenants and agrees that if the term hereby granted or any of the goods and chattels of the Tenant on the Demised Premises shall be at any time during the term hereof seized or taken in execution or attachment by any creditor of the Tenant (including, without limitation, if a receiver or receiver and manager shall enter into possession of the Demised Premises) or if the Tenant shall make any assignment for the benefit of creditors, or any bulk sale of goods on the Demised Premises, except in the ordinary course of its business, or becoming bankrupt or insolvent shall take the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors, or if a receiving order is made against the Tenant, or if any order shall be made for the winding up of the Tenant, or if the Demised Premises shall without the written consent

of the Landlord become and remain vacant for a period of four (4) days, or be used by any other persons than such as entitled to use them under the terms of this lease, or if the Tenant shall without written consent of the Landlord abandon or attempt to abandon the Demised Premises or, except in the ordinary course of its business to sell or dispose of goods or chattels of the Tenant or to remove them or any of them from the Demised Premises so that there would not in the event of such abandonment, sale or disposal be sufficient goods on the Demised Premises subject to distress to satisfy the rent above due or accruing due, or if the Demised Premises are used for any purpose other than that as herein provided then in every such case, the then current month's rent and the next ensuing three month's rent together with all additional charges payable by the Tenant hereunder (to be pro-rated if necessary) shall immediately become due and be payable and the Landlord may re-enter and take possession of the Demised Premises as though the Tenant or the servants of the Tenant or any other occupant of the Demised Premises were holding over after the expiration of the term hereof, and the said term shall at the option of the Landlord, forthwith become forfeited and determined, and in every one of the cases above, such accelerated rent shall be recoverable by the Landlord in the same manner as the rent hereby reserved.

Notices

15. All notices or other documents required or which may be given under this agreement shall be in writing, duly signed by the party giving such notice and transmitted by registered or certified mail, telecopier, telegram or telex addressed as follows:

Landlord: 912087 Ontario Limited
 505 Kingston Road
 Toronto, Ontario
 M4L 1V5

Tenant: Windsor Cottage Heights Limited
 320 Yonge Street, Unit #202
 Barrie, Ontario
 L4N 4C8

Any notice or document so given shall be deemed to have been received when delivered, or on the fifteenth business day following the date of mailing, if

sent by registered mail or telegraphed, but shall be deemed to have been received on the next business day if transmitted by telecopier or telex. In the event of interruption of the postal system by labour strike, such notice shall be sent by telex, telecopier or delivered. Any party may from time to time by notice given as provided above change its address for the service of notices.

Legal Costs

16. If the Landlord shall commence an action for collection of rent or other sums payable under this lease or if the same shall be collected upon the demand of a solicitor or if the Landlord shall commence an action to compel performance of any of the terms, conditions, covenants or provisos under this lease or for damages for failure of the Tenant to perform the same shall be performed upon the demand of a solicitor then; unless the Landlord shall lose such action, the Landlord shall collect from the Tenant and Tenant shall pay to the Landlord all reasonable solicitor's fees in respect thereof on a solicitor and client basis.

Prior Interests

17.01 (a) This lease is subject and subordinate to all mortgages or deed of trust and all renewals, modifications, consolidations, replacements and extensions thereof which may now or at any time hereafter affect the Demised Premises in whole or in part. The Tenant shall at any time on notice from the Landlord attorn to and become a tenant of a mortgagee or trustee under any such mortgage or deed of trust upon the same terms and conditions and shall execute upon request by the Landlord any instruments of postponement or attornment or other instruments from time to time requested to give full effect to this requirement and the Tenant hereby constitutes the Landlord the agent or attorney of the Tenant for the purpose of executing any such instruments of postponement or attornment.

(b) Any statement delivered pursuant to the provisions of this Section may be conclusively relied upon by any purchaser or prospective purchaser or any mortgagee or any prospective mortgagee of the fee or the lease-hold or any other sub-lessee or prospective sub-lessee save as to any default on the part of the Landlord or the Tenant of which the party giving such statement does not have notice at this date thereof.

(c) From time to time and upon the request of the Landlord, the Tenant shall deliver to the Landlord the Tenant's most recent financial statements, together with such other financial information and for such periods of time as may be requested by a mortgagee or prospective mortgagee or purchaser of the Demised Premises.

Acknowledgments

17.02 In the event that a mortgagee demands possession of the Demised Premises pursuant to the provisions of its mortgage and if the Tenant has not been in default under this lease the Landlord shall use its best efforts to obtain the consent of such mortgagee to permit the Tenant to continue in occupation of the Demised Premises in accordance with and subject to all the rents, covenants, conditions and agreements contained herein. After the date of this lease and, prior to entering into any new mortgage of the Demised Premises the Landlord shall obtain from any new mortgagee a written agreement that the Tenant may remain in possession of the Demised Premises in the event of default by the Landlord under such mortgage, so long as the Tenant pays its rent to the mortgagee and continues to perform the covenants contained in this lease.

Priority of Lease

17.03 The Tenant agrees that the holder of any lien, mortgage, charge or encumbrance of the Demised Premises at any time by an instrument in writing registered against the title to the Demised Premises may subordinate such lien, mortgage, charge or encumbrance to this Lease without any further consent or agreement of the Tenant.

No Waiver of Default

18.01 No condoning, excusing, overlooking or delay in acting upon by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenant, proviso or condition in this lease shall operate as a waiver of the Landlord's rights under this lease in respect of any such or continuing subsequent default, breach or non-observance and no waiver shall be inferred from or implied by anything done or omitted by the Landlord except an express waiver in writing;

Remedies Cumulative

18.02 All rights and remedies of the Landlord set forth in this lease shall be cumulative and not alternative;

Assignment by Landlord

18.03 If the Landlord shall assign this lease to a mortgagee or mortgagees of the Demised Premises or to any other person or persons whatsoever the Landlord shall nonetheless be entitled to exercise all rights and remedies reserved under this lease without providing evidence of the approval or consent of such mortgagee, mortgagees or any other persons whatsoever;

Expropriation

18.04 If at any time during the term, all, but not less than all of the Demised Premises is acquired or expropriated by any lawful expropriating authority or if, in the Landlord's opinion, reasonable access to the Demised Premises is materially affected by any such acquisition or expropriation, then in either of such events, at the option of the Landlord, this Lease shall cease and terminate as of the date of the interest acquired or expropriated vesting in such expropriating authority and the Tenant shall have no claim against the Landlord for the value of any unexpired term or for damages or for any reason whatsoever. If less than all of the Demised Premises is expropriated, this Lease shall continue in full force and effect, provided that the rent payable by the Landlord in the proportion which the number of rooms of the remaining Demised Premises is of the original Demised Premises. If and to the extent that any portion of the Demised Premises is expropriated, then the full proceeds accruing therefrom or awarded as a result thereof shall belong solely to the Landlord and the Tenant will execute such documents as in the opinion of the Landlord are or may be necessary to give effect to this intention.

Entire Agreement

19. The Tenant acknowledges that there are no covenants, representations, warranties, agreements or conditions, express or implied, collateral or otherwise, forming part of or in any way affecting or relating to this lease save as expressly set out or imported by reference in this lease and that this lease constitutes the entire agreement duly executed by the Landlord and the Tenant.

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Registration of Notice

20. The Tenant shall not register this Lease or any notice thereof except in a form which shall be acceptable to the solicitors for the Landlord and which shall be executed by both the Landlord and the Tenant prior to registration. At the request of the Landlord, the Tenant will register a notice of this Lease in form approved by the Landlord at any time during the term hereof.

Successors

21. This lease, together with the Schedules annexed hereto and forming a part hereof, shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, legal personal representative, successors and assigns (as limited by the provisions of this lease) and shall be interpreted in accordance with the laws of the Province of Ontario and the parties hereto attorn to the jurisdiction of the courts of the Province of Ontario.

Net-net Lease

22. This is a "care free" lease and it is the mutual intention of the parties hereto that said rentals herein provided to be paid shall be net to Landlord and clear of all taxes (except Landlord's income taxes, but including the amount of any business transfer, value added or other transactions tax collectible by Landlord from Tenant or which may at any time be imposed upon or in respect of rental or real property), costs and charges arising from or relating to the Demised Premises and that Tenant bear all costs of and be responsible for all matters in relation to the operation, maintenance and repair of the Demised Premises and shall pay all charges, impositions and expenses of every nature and kind relating to the Demised Premises and Tenant covenants with Landlord accordingly.

Planning Act

23. This lease is entered into subject to the express condition that the provisions of the Planning Act (Ontario), as amended and in force from time to time, with respect to subdivision control, shall be complied with, and it is expressly agreed that if the term of this lease and of any renewals hereinafter provided extends for a period of twenty-one (21) years or more and by reason thereof the consent of the applicable Municipal Council or Land Division

Committee or other appropriate body is required in order to comply with the said provisions and if such consent has not been obtained within ninety (90) days from the date of commencement of the term of this lease, all such rights and obligations granted or created by the said provision shall then terminate, and the parties hereto agree to treat this demise as a lease for not more than twenty-one (21) years less one day upon the same terms and conditions save and except as to the term of the demise.

Rules & Regulations

24. The Tenant and its officers, directors, servants, agents and all persons visiting or doing business with it shall be bound by and shall observe the rules and regulations attached to this lease as Schedule C hereto and any further and other reasonable rules and regulations hereafter made by the Landlord of which notice shall be given to the Tenant, and all such rules and regulations shall be deemed to be incorporated into and from part of this lease.

Force Majeure

25. Whenever, and to the extent that either party shall be unable to fulfill, or shall be delayed or restricted in the fulfillment of any obligation under this lease in respect of the supply or provision of any service or utility or the doing of any work or the making of any repairs by reason of strike, lock-out, war, act of God or by reason of being unable to obtain material, goods, equipment, services, utility or labour required to enable it to fulfill such obligation or by reason of any statute, law or order-in-council, or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administration, controller or board, or any governmental department or officer or other authority or by reason of not being able to obtain any permission or authority required thereby, or by reason of any other cause beyond its control, whether of the foregoing character or not, such party shall, so long as any such impediment exists, be relieved from the fulfillment of such obligation and the other party shall not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned, but nothing herein shall entitle the Tenant to withhold payment of the rent.

Building Rental

26. The Tenant acknowledges that it is renting the building on an as is basis.

Renewal

27. Provided the Tenant is not in default hereunder, upon notice in writing delivered to the Landlord not later than 6 months prior to the expiry of the term hereof, the Tenant shall have the right to renew this lease for a further term of 5 years commencing upon the expiration of the term hereof, upon the same terms and conditions save and except as to the fixed minimum rent. The fixed minimum rent payable during the renewal term shall be agreed upon between the parties at least 90 days before the commencement of the renewal term. If Landlord and Tenant have not agreed upon the renewal rent within 90 days after the giving of notice of renewal, the matter shall be referred to arbitration of a sole arbitrator in accordance with the Arbitration Act (Ontario). The arbitrator shall determine the fair market rental for properties of a similar nature in a comparable location, having regard to the specialized use and suitability of the Demised Premises as a retirement home. In no event shall the fixed minimum rent during the first renewal period be less than the fixed minimum rent paid during the term hereof.

First Right of Refusal

28. (a) For the purposes of this paragraph 28, the term "bona fide offer" shall mean an offer received in good faith by the Landlord from a person, firm or corporation which is not directly or indirectly a subsidiary or affiliate or a controlling person of the Landlord or a person, firm or corporation dealing at "arm's length", as that phrase is defined in the Income Tax Act (Canada), with the Landlord to purchase all or any part of the Demised Premises from the Landlord. In this paragraph "affiliate" means any company or corporation directly or indirectly owned or controlled by the controlling person of the Landlord, or any partner in the Landlord.

(b) In the event that, during the term of this Lease or the first renewal period only, the Landlord receives a bona fide offer (hereinafter referred to as the "Offer") to purchase all or any part of the Demised Premises owned or controlled by the Landlord and the Landlord wishes to sell or dispose of the Demised Premises owned or controlled by the Landlord in accordance with the

Offer, the Landlord shall send to the Tenant a notice in writing setting forth the terms of the Offer (including any special conditions relating to the proposed sale or disposition, such as the right to pay the selling price over a period of time), together with a statutory declaration duly made by the person or persons (or by a responsible officer or officers thereof if such person is a body corporate) named in the Offer as Offeror or Offerors to the effect either that such person or persons have made such Offer in his or their own behalf, or revealing, if such be the case, the identity of any person on whose behalf such Offer is made.

(c) Subject as hereinafter provided, the Tenant shall have the right until 5:00 o'clock p.m. on the seventh day next after the date of receipt (the "Notice Period") of the said notice to purchase all or part of the Demised Premises which are subject to the Offer in accordance with the terms of the Offer by giving written notice (an "Intent to Buy") to the Landlord by the end of the Notice Period of the Tenant's intention to purchase.

(d) If an Intent to Buy is so given by the Tenant to the Landlord, the transaction of purchase and sale shall take place in accordance with the terms of the Offer. If the Tenant shall not give the Landlord the Intent to Buy or shall notify the Landlord that it will not purchase all or any part of the Demised Premises which are the subject of the Offer, then the Landlord may sell all or part of the Demised Premises which were subject of the Offer, but only at the price and on and in accordance with the exact terms and conditions contained in the Offer, to the person or persons named in the Offer as Offeror or Offerors. If the Landlord desires to sell or dispose of all or any part of the Demised Premises on terms or conditions different than that set out in the Offer, then the Landlord shall not do so without again first giving the Tenant the opportunity to purchase all or any part of the Demised Premises in accordance with the revised or amended Offer, as set above. If the transaction of sale is not completed for any reason, the Tenant shall not be deemed to have waived its rights with respect to this right of first refusal, which shall remain in full force and effect.

(e) If, by reason of the bankruptcy, insolvency, winding up, dissolution or liquidation of the Landlord while the provisions of this paragraph 28 are applicable, any person becomes entitled to all or any part of the Demised Premises or otherwise becomes entitled to sell or otherwise dispose of all or any part of the Demised Premises, such person shall be bound forthwith to give a

written notice of sale with respect to all or any such part of the Demised Premises in accordance with the preceding provisions of this paragraph 28 and the same results shall follow as in the case of a voluntary Offer given.

(f) Any notice, offer or acceptance required or desired to be given under this paragraph 28, shall be given in the manner set out in paragraph 15 hereof.

IN WITNESS WHEREOF the parties hereto have executed this indenture.

WINDSOR COTTAGE HEIGHTS LIMITED (Tenant)

Per _____


912087 ONTARIO LIMITED (Landlord)

Per _____


ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto (formerly the County of York) and Province of Ontario and being composed of parts of Lots 4, 5, 6 and 7 on the southerly side of Kingston Road as shown on Registered Plan 90 York and a part of Lot 32 as shown on a Plan of Subdivision registered in the Registry Office for the County of York on the 7th day of June, 1905 as Plan 1295 which said Plan (showing thereon, also, Lots 26, 27, 28, 29, 30 and 31 hereinafter referred to) is on file in the Registry Office for the Registry Division of Toronto which said parcel may be more particularly described as follows:

PREMISING the bearing of the easterly limit of Lots 31 and 32 aforesaid is north 16 degrees 00 minutes west and relating all bearings herein thereto;

COMMENCING at a point in the southerly limit of Kingston Road as shown on said Plan 90 York where an iron stake has been planted distant 75 feet 7 inches more or less measured westerly therealong from the north west angle of Lot 7 as shown on said Plan;

THENCE WESTERLY along the southerly limit of Kingston Road 61 feet 2 inches;

THENCE SOUTH 17 degrees 05 minutes east 160 feet;

THENCE SOUTH 59 degrees 13 minutes west 23 feet 6 inches;

THENCE SOUTH 60 degrees 44 minutes west parallel to the southerly limit of Kingston Road 51 feet 8 1/4 inches more or less to a point in the westerly limit of said Lot 4 distant 161 feet 8 inches measured southerly therealong from the southerly limit of Kingston Road;

THENCE SOUTH 16 degrees 05 minutes east along the westerly limit of Lot 4 aforesaid 149 feet 8 inches to the south westerly corner of the parcel of land herein described;

THENCE NORTH 62 degrees 56 minutes east along the northerly boundary of said Lot 26, 18 feet 1 1/2 inches to the north easterly corner thereof;

THENCE NORTH 59 degrees 04 minutes east along the northerly boundary of said Lot 27, 51 feet 9 inches to the north easterly corner of said Lot 27;

THENCE NORTH 60 degrees 10 minutes east along the northerly boundary of said Lot 28, 45 feet 4 inches to the north easterly corner of said Lot 28;

THENCE NORTH 56 degrees 48 minutes east along the northerly boundary of said Lot 32, 31 feet 5 inches to a point where it is intersected by a line drawn parallel to the southerly boundary of said Lot 32 at a distance of 33 feet measured northerly therefrom at right angles thereto;

THENCE NORTH 74 degrees 13 minutes 30 seconds east along the

134 feet 10 1/2 inches;

THENCE NORTH 60 degrees 59 minutes 30 seconds east 18 feet 5 inches;

THENCE SOUTH 16 degrees 05 minutes east parallel to the westerly limit of Lot 4 aforesaid, 110 feet 9 1/2 inches;

THENCE NORTH 74 degrees 13 minutes 30 seconds east parallel to the southerly limit of Lot 32 as shown on Registered Plan 1295 York 51 feet more or less;

THENCE SOUTHERLY parallel to the easterly limit of Lot 32 aforesaid 2 feet 0 inches;

THENCE NORTH 74 degrees 13 minutes 30 seconds east along a line parallel to the southerly boundary of Lot 32 aforesaid and distant 43 feet measured northerly therefrom at right angles thereto 60 feet to the westerly limit of Wheeler Avenue;

THENCE SOUTH 16 degrees 00 minutes east along the said westerly limit of Wheeler Avenue 10 feet to an iron stake planted therein;

THENCE SOUTH 74 degrees 13 minutes 30 seconds west along a line parallel to and distant 33 feet at right angles northerly from the southerly boundary of Lot 32 aforesaid 60 feet to an iron stake planted at its intersection with the northerly boundary of Lot 32 aforesaid;

THENCE SOUTH 56 degrees 48 minutes west along the northerly boundary of Lot 32 aforesaid 31 feet 5 inches to an iron stake planted therein at its point of intersection with the easterly boundary of Lot 28 aforesaid;

THENCE SOUTH 60 degrees 10 minutes west along the northerly boundary of Lot 28 aforesaid 33 feet 9 3/4 inches to the point of commencement.

The said Right of Way being outlined in Yellow on a plan by Unwin, Murphy & Esten dated April 29th, 1959 attached to registered Instrument No. 59843 E.X.

EXCEPTING FROM the above described parcel that part of said parcel described as follows:

COMMENCING at a point in a line parallel to and distant 79 feet easterly at a right angle from the westerly boundary of said Lot 4, the said point being distant 60 feet 2 1/2 inches measured northerly along said parallel line from its intersection with the southerly limit of said Lot 5 being the northerly limit of said Lot 28;

THENCE SOUTH 16 degrees 05 minutes east along the said parallel line 21 feet 6 inches;

THENCE SOUTH 73 degrees 55 minutes west 24 feet 6 inches;

THENCE NORTH 16 degrees 05 minutes west 21 feet 6 inches;

THENCE NORTH 73 degrees 55 minutes east 24 feet 6 inches to the

said last mentioned parallel line 60 feet to the westerly limit of lands dedicated by By-law 16156 of the said City of Toronto which line now is the westerly limit of Wheeler Avenue;

THENCE NORTH 16 degrees 00 minutes west along the said westerly limit of Wheeler Avenue 10 feet;

THENCE SOUTH 74 degrees 13 minutes 30 seconds west along the said last mentioned parallel line 50 feet;

THENCE NORTH 16 degrees 00 minutes west 2 feet;

THENCE SOUTH 74 degrees 13 minutes 30 seconds west 51 feet more or less to a line parallel to the westerly boundary of Lot 4 aforesaid distant 97 feet easterly at right angles therefrom;

THENCE NORTH 16 degrees 05 minutes west parallel to the westerly boundary of Lot 4 aforesaid 110 feet 9 1/2 inches;

THENCE NORTH 60 degrees 59 minutes 30 seconds east 66 feet 1 1/2 inches;

THENCE NORTH 74 degrees 13 minutes 30 seconds east 48 feet 7 1/2 inches to the said westerly limit of Wheeler Avenue, the said point being distant 107 feet 3 inches measured northerly along said limit of Wheeler Avenue from its intersection with the northerly boundary of Lot 32 aforesaid;

THENCE NORTH 16 degrees 00 minutes west along said limit of Wheeler Avenue 23 feet 8 1/4 inches;

THENCE SOUTH 60 degrees 43 minutes west 49 feet 0 1/2 inch;

THENCE NORTH 28 degrees 05 minutes west 150 feet 4 inches to the place of beginning.

The said parcel being outlined in Red on a plan by Unwin, Murphy & Esten dated April 29th, 1959 attached to registered Instrument No. 59843 E.X.

SUBJECT to a right of way to all others legally entitled thereto, over, along and upon a private lane in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario consisting of parts of Lots 5 and 6 on the southerly side of Kingston Road as shown on Registered Plan 90 York and of a part of Lot 32 as shown on Registered Plan 1295 York which said Private Lane may be more particularly described as follows:

PREMISING that the bearing of the easterly limit of Lot 32 as shown on Registered Plan 1295 York is north 16 degrees 00 minutes west and relating all bearings herein thereto;

COMMENCING at a point in the northerly limit of Lot 28 as shown on Registered Plan 1295 York where it is intersected by a line drawn parallel to the westerly limit of Lot 4 aforesaid and distant 79 feet 0 inches easterly therefrom measured at right angles thereto, said point being distant 11 feet 6 1/4 inches more or less measured easterly along the northerly limit of said Lot 28 from the north westerly angle of Lot 28 aforesaid;

THENCE NORTH 16 degrees 05 minutes west along said parallel line

point of commencement.

The said parcel being outlined in Green on a Plan by Unwin, Murphy & Eaten dated April 29th, 1959 and attached to Instrument registered as No. 59843 E.X.

SUBJECT to an easement for light granted by Instrument No. 59507 E.X. over that part of the above lands described as follows:

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto and Province of Ontario and being composed of part of Lots 4 and 5 on the southerly side of Kingston Road according to a Plan registered in the Registry Office for the Registry Division of East Toronto (now Toronto), as No. 90 more particularly known and described as follows:

COMMENCING at a point in the existing westerly limit of said Lot 4 distant 161 feet 8 inches measured southerly thereon from the southerly limit of Kingston Road;

THENCE NORTH 60 degrees 44 minutes east and parallel to the southerly limit of Kingston Road 51 feet 8 1/4 inches to a point;

THENCE NORTH 59 degrees 13 minutes east 23 feet 6 inches to a point;

THENCE SOUTH 16 degrees 05 minutes east 25 feet to a point;

THENCE SOUTH 59 degrees 13 minutes west 23 feet 6 inches;

THENCE SOUTH 60 degrees 44 minutes west 51 feet 8 1/4 inches to a point in the existing westerly limit of said Lot 4;

THENCE NORTH 16 degrees 05 minutes west along the existing westerly limit of said Lot 4, 25 feet to the point of commencement.

The said parcel being outlined in Brown on a plan by Unwin, Murphy & Eaten dated April 29th, 1959 and attached to Registered Instrument No. 59843 E.X.

SCHEDULE "B"

Rules and Regulations

Tenant agrees as follows:

1. That all loading and unloading of merchandise, supplies, materials, garbage and other chattels shall be effected only through or by means of such doorways or corridors as Landlord shall designate, namely the west side entrance.
2. All garbage and refuse shall be kept in the kind of covered container specified by the City of Toronto and shall be placed outside of the Demised Premises prepared for collection in the manner and the times and places specified by such City, if Landlord is required by the City to provide or designate a service for picking up refuse and garbage, Tenant shall use same at Tenant's cost. Tenant shall pay the cost of removal of any of Tenant's refuse or rubbish.
3. No loudspeakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside the Demised Premises without the prior written consent of Landlord.
4. Tenant, tenant's employees and residents shall park their cars only in those portions of the parking area designated for that purpose by Landlord, acting reasonably.
5. The plumbing facilities shall not be used for any other purpose than that for which they are constructed and no foreign substance of any kind shall be thrown therein and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Tenant. Tenant, its employees or agents, shall not mark, paint, drill or in any way deface any walls, ceilings, partitions, floors, wood, stone or iron without the written consent of Landlord.
6. Tenant shall use at the Tenant's cost, a licenced pest extermination contractor at such intervals as Landlord may reasonably require.
7. No animals except for caged birds and fish in aquariums shall be kept in or about the Demised Premises.
8. Tenant shall give to Landlord prompt written notices of any accident or any defect in the water pipes, gas pipes, heating apparatus, telephone or electric light or wires in any part of the Demised Premises which comes to the attention of Tenant.
9. No flammable oils or other flammable, dangerous or explosive material shall be kept or permitted to be kept in the Demised Premises unless Tenant provides for and installs a complete sprinkler system for the Demised Premises.
10. Landlord shall have the right to make such other and further reasonable rules and regulations and to alter, amend or cancel all rules and regulations as in its judgment may from time to time be needed and the same insofar as they are applicable to the Tenant shall be kept and observed by Tenant. Landlord may from time to time waive any of such rules and regulations and is not liable to Tenant for breaches thereof by other Tenants.
11. Tenant shall not construct or in any way affix to the Demised Premises a television, radio or like antenna, without the Landlord's prior written consent, which may not be unreasonably withheld.

Affidavit of Residence and of Value of the Consideration
Form 1 - Land Transfer Tax Act

Refer to all instructions on reverse side.
IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) Part lots 4, 5, 6 and 7, Plan 90
Toronto

35

BY (print names of all transferors in full) Windsor Cottage Heights Ltd.

TO (see instruction 1 and print names of all transferees in full) 912087 Ontario Limited

I, (see instruction 2 and print name(s) in full) Suzana Milovanovic

MAKE OATH AND SAY THAT:

1. I am (place a check mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s); (see instruction 2))
- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
 - (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
 - (c) A transferee named in the above-described conveyance.
 - (d) The authorized agent or solicitor acting in this transaction for (insert name(s) of principal) Windsor Cottage Heights Ltd.
described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)
 - (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for (insert name(s) of corporation(s))
described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)
 - (f) A transferee described in paragraph(s) (a), (b) or (c) above, as applicable, and am making this affidavit on my own behalf and on behalf of (insert name of spouse) who is my spouse described in paragraph () (insert any one of paragraph (a), (b) or (c) above, as applicable) and as such, I have personal knowledge of the facts herein deposed to.

2. (To be completed where the value of the consideration for the conveyance exceeds \$400,000.)
I have read and considered the definition of "single family residence" set out in clause 1(1)(a) of the Act. The land conveyed in the above-described conveyance
- contains at least one and not more than two single family residences.
 - does not contain a single family residence. *Note: Clause 2(1)(d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of \$400,000 where the conveyance contains at least one and not more than two single family residences.*
 - contains more than two single family residences. (see instruction 3)
3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. (see instructions 4 and 5)
None

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$ <u>nil</u>	} All Monies Must Be Paid In, Less "Nil" Where Applicable.
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$ <u>nil</u>	
(ii) Given back to vendor	\$ <u>nil</u>	
(c) Property transferred in exchange (detail below)	\$ <u>nil</u>	
(d) Securities transferred to the value of (detail below)	\$ <u>nil</u>	
(e) Liens, logies, annuities and maintenance charges to which transfer is subject	\$ <u>nil</u>	
(f) Other valuable consideration subject to land transfer tax (detail below)	\$ <u>nil</u>	
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f))	\$ <u>nil</u> \$ <u>nil</u>	
(h) VALUE OF ALL CHATTELS - items of tangible personal property (Federal Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1990, c.45c, as amended)	\$ <u>nil</u>	
(i) Other consideration for transaction not included in (g) or (h) above	\$ <u>nil</u>	
(j) TOTAL CONSIDERATION	\$ <u>nil</u>	

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 4)
Relationship is that of Lessor/Lessee
6. If the consideration is nominal, is the land subject to any encumbrance? n/a
7. Other remarks and explanations, if necessary. The term of the lease, including any renewals, options and extensions contained in the Lease arrangement and any other documents cannot exceed fifty (50) years.

Sworn before me at the City of Toronto
in the
this 5 day of March 19 99

[Signature]

[Signature]

A Commissioner (or taking Affidavits, etc.) John F. Spratley

Property Information Record

- A. Describe nature of instrument: _____
- B. (i) Address of property being conveyed (if available) 505 Kingston Rd. Toronto
- (ii) Assessment Roll No. (if available) _____
- C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7) AS in B(i) ABOVE
- D. (i) Registration number for last conveyance of property being conveyed (if available) _____
- (ii) Legal description of property conveyed: Same as in D.(i) above. Yes No Not known
- E. Name(s) and address(es) of each transferee's solicitor
JF Spratley, 4 King St. W., #1320, Tor. M5H 3L5

For Land Registry Office Use Only	
Registration No.	
Registration Date	Land Registry Office No.

School Tax Support (Voluntary Election): See reverse for explanation

- (a) Are all individual transferees Roman Catholic? Yes No
- (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? Yes No
- (c) Do all individual transferees have French Language Education Rights? Yes No
- (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? Yes No

NOTE: As to (c) and (d) the land being transferred will be assigned to the French Public School Board or Sector unless otherwise directed in (a) and (b). 04292 (97-00)

**APPENDIX "I" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

Request ID: 013001331
 Transaction ID: 43814871
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2011/03/15
 Time Report Produced: 15:13:36
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1376965	WINDSOR COTTAGE HEIGHTS LTD.	1999/09/28
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
231 AVENUE ROAD	NOT APPLICABLE	A
TORONTO ONTARIO CANADA M5R 2J3	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	Letter Date	
231 AVENUE ROAD	NOT APPLICABLE	
TORONTO ONTARIO CANADA M5R 2J3	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
	00001	00010
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

Request ID: 013001331
Transaction ID: 43814871
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/03/15
Time Report Produced: 15:13:36
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1376965

Corporation Name

WINDSOR COTTAGE HEIGHTS LTD.

Corporate Name History

WINDSOR COTTAGE HEIGHTS LTD.

Effective Date

1999/09/28

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

WINDSOR COTTAGE HEIGHTS LTD.

GLENGOWAN POND INC.

Corporate Number

1012707

1012708

Request ID: 013001331
Transaction ID: 43814871
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/03/15
Time Report Produced: 15:13:36
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1376965

WINDSOR COTTAGE HEIGHTS LTD.

Administrator:
Name (Individual / Corporation)

Address

RAHIM
BHALOO

120 CARLTON STREET
Suite # 419
TORONTO
ONTARIO
CANADA M5A 4K2

Date Began

First Director

2002/02/28

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Administrator:
Name (Individual / Corporation)

Address

AMIR
KASSAM

120 CARLTON STREET
Suite # 419
TORONTO
ONTARIO
CANADA M5A 4K2

Date Began

First Director

2002/02/28

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 013001331
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Ministry of Government Services

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Page: 4

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Ontario Corp Number

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Address

120 CARLTON STREET
Suite # 419
TORONTO
ONTARIO
CANADA M5A 4K2

Date Began

2002/02/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Request ID: 013001331
Transaction ID: 43814871
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/03/15
Time Report Produced: 15:13:36
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1376965

Corporation Name

WINDSOR COTTAGE HEIGHTS LTD.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2006	1C	2007/05/30

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.

**APPENDIX "J" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**



Industry Canada > Business Tools and Resources > Corporations Canada > Online Filing Centre

Corporations Canada

Federal Corporation Information

[Glossary of Terms used on this page](#)

[Return to Search Results](#)

[Start New Search](#)

Corporation Number 3981916	Business Number (BN) 864168935RC0001	Governing Legislation <i>Canada Business Corporations Act - 2001-12-11</i>
--------------------------------------	--	--

Corporate Name
LIBERTY ASSISTED LIVING INC.

Status
Active

Registered Office Address
231 Avenue Road
TORONTO ON M5R 2J3
Canada

Active CBCA corporations are required to [update this information](#) within 15 days of any change.

Directors

Minimum	Maximum
1	10

Directors
RAHIM BHALOO
KASSAM AMIR

Email or fax [Corporations Canada](#) to obtain addresses of directors.

Active CBCA corporations are required to [update this information](#) within 15 days of any change.

Annual Filings

Anniversary Date (MM-DD)
12-11

Date of Last Annual Meeting
2009-06-30

Annual Filing Period (MM-DD)
12-11 to 02-09

Type of Corporation
Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2011 - Not due
2010 - Overdue
2009 - Filed

Corporate History

Corporate Name History

2001-12-11 to Present LIBERTY ASSISTED LIVING INC.

Certificates Issued

Certificate of Incorporation

2001-12-11

Date Modified: 2011-02-03

CORPORATION DOCUMENT LIST

Ontario Corporation Number

1526779

Corporation Name

LIBERTY ASSISTED LIVING INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: CHUN, KEN Y.	2	2007/06/01
CIA	INITIAL RETURN PAF: KASSAM, AMIR	2	2002/06/05

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

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

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1526779	LIBERTY ASSISTED LIVING INC.	2001/12/11
		Jurisdiction
		CANADA
Corporation Type	Corporation Status	Former Jurisdiction
FEDERAL CORP WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
231 AVENUE ROAD	NOT APPLICABLE	NOT APPLICABLE
TORONTO ONTARIO CANADA M5R 2L3	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Principal Place of Business in Ontario	Letter Date	NOT APPLICABLE
231 AVENUE ROAD	Revival Date	Continuation Date
TORONTO ONTARIO CANADA M5R 2L3	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
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	2001/12/11	NOT APPLICABLE

Request ID: 013009008
Transaction ID: 43838682
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/03/17
Time Report Produced: 14:25:56
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1526779

LIBERTY ASSISTED LIVING INC.

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	2	2007/06/01

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.

**APPENDIX "K" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**

Tenancy Agreement

Between: Beach Arms Retirement Residence, o/b Liberty Assisted Living Inc.
(hereinafter referred to as "THE RESIDENCE")

And: _____
(hereinafter referred to as "THE RESIDENT")

And: _____
(hereinafter referred to as "THE RESPONSIBLE PARTY")

WHEREAS THE RESIDENT has expressed a desire to be accepted as a resident of THE RESIDENCE, in order to receive care services and meals, and to enjoy the care-giving and supportive atmosphere of THE RESIDENCE in accordance with the terms set out below.

AND WHEREAS THE RESIDENT wishes to enter an agreement with THE RESIDENCE for the provision of accommodation, meals and care services at THE RESIDENCE as described below; in return for payment by THE RESIDENT of all charges provided for below;

Rented
Premises

1. (a) THE RESIDENCE hereby agrees to rent to THE RESIDENT the following room/suite,
Suite No. _____, Suite Type _____, Accommodation _____
at 505 Kingston Road, Toronto.

Use of
Premises

(b) THE RESIDENT(S) agrees to use the room or suite as a residential premises and for no other purpose; to abide by the covenants, agreements, rules and regulations of this agreement; and not allow the suite to be occupied by anyone other than the persons listed in this agreement.

(c) THE RESPONSIBLE PARTY agrees to observe and be bound by the provisions of this agreement.

2. THE RESIDENCE further agrees to provide the residential facilities, care services and meals herein stated, and THE RESIDENT agrees to pay to THE RESIDENCE the fees herein stated under the terms and conditions set out in this agreement.

Term

3. This tenancy created by this agreement commences on _____ and shall run on a monthly basis subject to renewal by the parties or to continuation as provided for in The Tenant Protection Act.

Monthly
Fee

4. (a) THE RESIDENT(S) agrees to pay the monthly rental fee to THE RESIDENCE in advance on the first day of each month during the herein term, at THE RESIDENCE as follows:

Monthly Fee \$ _____

(b) A pro-rated fee of \$ _____ (\$ _____ x _____ days) is to be paid in advance to cover the period from _____, to _____.

(c) The monthly fee for accommodation, care services and meals is \$ _____ per month (the "Basic Fee") calculated as follows:

Accommodation (Rent)	\$ _____
Care Services	\$ _____
Meals Services	\$ _____
BASIC FEE (TOTAL)	\$

The Basic Fee is payable in advance by THE RESIDENT to THE RESIDENCE and shall be due on the first of each month. If any month THE RESIDENT fails to pay the entire Basic Fee plus any other charges which may be owing under this agreement, any monies received will go first to payment of the care services, meals and any other charges which may be payable under this agreement, exclusive of the accommodation component of the Basic Fee. Only when all such outstanding amounts have been paid in full will any balance be applied on account of the accommodation.

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Monthly
Fee (cont'd)

- (d) THE RESIDENT and/or THE RESPONSIBLE PARTY agree to deposit with THE RESIDENCE the sum of \$ _____, being one month's fee, as prepaid fee to be applied towards the last month's fee of this agreement and THE RESIDENCE agrees to pay interest annually on such prepaid rent in accordance with the Tenant Protection Act. Immediately following any increase in the monthly rent THE RESIDENT shall deposit with THE RESIDENCE an additional amount such that the deposit then held and such additional amount equals the rent as increased.
- (e) THE RESIDENT and/or THE RESPONSIBLE PARTY agree to pay all reasonable personal expenses which THE RESIDENCE may advance or incur on THE RESIDENT'S behalf;
- (f) THE RESIDENT and/or THE RESPONSIBLE PARTY agree to pay all charges, which are not covered by the Ontario Health Insurance Plan, related to medication, treatment, hospitalization, ambulance transfer, escort service, incontinent pads, treatment supplies, foot care, companions, lab services, etc...
- (g) THE RESIDENT and/or THE RESPONSIBLE PARTY agree to pay all charges related to telephones, cable T.V., tack shop, hair salon, etc...
- (h) THE RESIDENT and/or THE RESPONSIBLE PARTY understand, acknowledge and agree that THE RESIDENCE is a full service facility, providing accommodation, meals and care services as previously outlined, to all residents as a standard base package, meaning that THE RESIDENCE does not rent suites to those residents who do not want any or only part of the standard base package that THE RESIDENCE provides. Furthermore, THE RESIDENT and/or THE RESPONSIBLE PARTY understand and agree to pay for all care services and meals fee each month as outlined in the attached Schedule "A", as well as the accommodation fee. Those charges are due and owing regardless if the resident uses the care services and meals for whatever reason;

Sublet

5.

THE RESIDENT covenants not to assign, sublet, nor part with possession of the Premises without leave from THE RESIDENCE, but such leave shall not be arbitrarily or unreasonably withheld. THE RESIDENT shall pay THE RESIDENCE'S reasonable out of pocket expenses incurred thereby.

Services
Provided

6.

THE RESIDENCE agrees to provide to THE RESIDENT, accommodation, meals, and care services on the following terms and conditions:

ACCOMMODATION

- I. The Suite: THE RESIDENCE agrees to admit THE RESIDENT and to provide accommodation to THE RESIDENT namely a room or suite, optionally furnished, with a four-piece ensuite washroom, two emergency call bells, with access to and use of a common area parlor/activity lounge, dining room, sun room, garden/patio, hair salon and nurse's station.

MEALS

- II. Dining: THE RESIDENCE agrees to provide to THE RESIDENT(S) three (3) nutritious meals each day, prepared in THE RESIDENCE'S kitchen; breakfast, lunch and dinner and served to THE RESIDENT in the dining room, and tea time twice daily, serving juice, tea and coffee as well as cookies or baked goods or snacks to THE RESIDENT in the activity lounge and in the sun room.

CARE SERVICES

- III. a) Supplies: THE RESIDENCE agrees to provide all linens, blankets and towels to THE RESIDENT in THE RESIDENT'S suite, and provide to the housekeeping staff all the cleaning supplies and related equipment for the weekly fulfillment of the housekeeping service.
- b) Housekeeping: THE RESIDENCE agrees to provide a housekeeping service which includes, daily bed making, waste removal and tidy-up, and on a weekly basis, vacuuming, dusting, washroom cleaning, toilet tissue, bed linens and washroom towels, and a thorough tidy-up. Once a year, the suite carpet is shampooed.
- c) Laundry: THE RESIDENCE agrees to provide personal laundry service for THE RESIDENT once a week, including pick up of the laundry from THE RESIDENT'S suite, washing, folding and returning of the personal laundry to THE RESIDENT'S suite.

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Services
Provided
(cont'd)CARE SERVICES (cont'd)IV. Resident Activities:

- a) THE RESIDENCE agrees to provide recreational activities as well as special occasional entertainment and outings. All activities are designed to promote THE RESIDENT's success and increase self esteem. Activities to focus on THE RESIDENT's strengths, abilities and pertinent social roles. The goal of activities is to promote a normalized lifestyle for residents by actively involving them in all activities of daily life within the Residence.
- d) THE RESPONSIBLE PARTY agrees to provide to THE RESIDENCE information as to THE RESIDENT's past occupations, hobbies, group affiliations, and all other relevant information that might be important in encouraging the participation of THE RESIDENT in the activities at THE RESIDENCE.

V. Medical Care:

- a) Access to Medical Care: THE RESIDENCE will arrange for the provision of medical care by THE RESIDENCE'S on call physician, and as per his direction.
- b) Providing Medical Information: THE RESIDENT and/or THE RESPONSIBLE PARTY agrees to provide to THE RESIDENCE and to THE RESIDENCE'S on call physician all pertinent information regarding THE RESIDENT's health status and care requirements, and to respond to any requests for such information as well as provide to THE RESIDENCE a medical examination report and chest x-ray from a medical doctor, prior to admission. In addition, THE RESIDENT and THE RESPONSIBLE PARTY agrees to provide a photocopy of a Power of Attorney document with regard to THE RESIDENT in order that THE RESIDENT's wishes regarding consent are preserved and respected. If necessary, THE RESIDENT and/or THE RESPONSIBLE PARTY authorizes THE RESIDENCE'S on call physician to provide such medical services as are, in the physician's opinion, necessary including examination, diagnosis, and treatment, while THE RESIDENT is residing at THE RESIDENCE.
- c) Supervisory Services: THE RESIDENCE agrees to provide 24 hour supervision, assistance with bathing once a week (if requested by THE RESIDENT), and ordering and dispensing medication (with a Physician's prior authorization).
- d) Authorization: THE RESIDENT and/or THE RESPONSIBLE PARTY agrees to authorize THE RESIDENCE'S on call physician to release to the medical staff of any hospital and/or clinic in which THE RESIDENT maybe referred, and give any information related to THE RESIDENT's health status and treatment which is required for the provision of ongoing care. Furthermore, THE RESIDENT and/or THE RESPONSIBLE PARTY acknowledge and agree to indemnify THE RESIDENCE, its officers, agents and employees from any and all liability which may be incurred arising out of the release of such information.

- | | | |
|---------------------------------------|----|---|
| Optional
Extras | 7. | THE RESIDENT agrees to accept the residential facilities, care services, and meals as set out on Schedule "A" and to pay the monthly charges for such optional extras as set out on Schedule "A" in addition to the Basic Fee. |
| Increase
of Fee or
for Services | 8. | Notwithstanding the amount set out in this agreement for the Basic Fee or any other amount payable to THE RESIDENCE under this agreement, THE RESIDENT agrees that THE RESIDENCE will be entitled to increase the Basic Fee or any other charge in the future in accordance with the Tenant Protection Act or any successor legislation, to the extent such legislation may be applicable by law. |
| Right of
Entry | 9. | Without limiting any right of entry to the Premises that THE RESIDENCE may have under the Tenant Protection Act or any successor legislation, THE RESIDENT agrees that THE RESIDENCE shall have the right to enter the Premises in the following circumstances:
<p>(a) Once notice of termination has been given by either party to this agreement, in order to show the Premises to prospective clients, or residents.</p> <p>(b) To look in, to check on the well being of THE RESIDENT; by THE RESIDENCE'S staff, a shift supervisor, or other responsible party.</p> |

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- Right of Entry (cont'd).**
- (c) In order to inspect the state of maintenance and repair and to carry out repairs, maintenance or renovations which THE RESIDENCE, in its sole discretion, deems necessary or advisable.
 - (d) In order to carry out any services requiring access to the Premises which THE RESIDENCE is required to provide under the terms of this agreement.
 - (e) In order to show an example suite to prospective purchasers, mortgagees of the property, government officials, if the property should be listed for sale or subject to re-financing, or due for government inspection.
 - (f) In case of emergency.
 - (g) To close windows, shut off running taps, toilets and tubs left open by THE RESIDENT.
 - (h) To adjust heating of the suite for THE RESIDENT's comfort and health.
 - (i) To clean and perform regular housekeeping duties on a regular basis.
 - (j) 24 Hours after a written notice of intention to enter has been given to THE RESIDENT.
 - (k) If THE RESIDENT is asked by an agent of THE RESIDENCE to enter right away and THE RESIDENT agrees.
- Entry for Emergency** 10. In cases of emergency, in which THE RESIDENCE shall be the sole judge, in its sole discretion, THE RESIDENCE and persons having authority from THE RESIDENCE may immediately enter the premises at any time without notice.
- Emergencies include, but shall not be limited to, the following situations:
- (a) When the emergency call button, smoke or fire alarm systems register a signal coming from the premises;
 - (b) When there is evidence that significant damage is occurring (e.g. water damage) because of something happening in or related to the premises (e.g. faucets have been left open, fire, smoke, etc...);
 - (c) If there is no response to a telephone call following THE RESIDENT's unexpected absence from the Dining Room or other scheduled appearances;
 - (d) When staff have reasonable grounds to believe the health and safety of THE RESIDENT, or of visitors to the Premises may be at risk.
- Termination** 11. THE RESIDENT is entitled to terminate this agreement in accordance with the provisions of the Tenant Protection Act or any successor legislation, i.e. thirty (30) days written notice given. THE RESIDENCE reserves its right to terminate this agreement and obtain possession of the Premises in accordance with the provisions of the Tenant Protection Act or as may be otherwise permitted by law, including the right of re-entry for non payment of rent or non observance of covenants.
- Health/Risk** 12. THE RESIDENCE is not a hospital nor a nursing home within the meaning of the laws of Ontario and is limited by law in how much care it can provide. THE RESIDENT acknowledges that a deterioration in the health of THE RESIDENT could present a safety risk to other residents of the facility and/or substantially interfere with their reasonable enjoyment of the accommodation and their own well-being, contrary to the purpose of residing at THE RESIDENCE.
- In the event that:
- I. Health or nursing care is required, beyond what is agreed upon between THE RESIDENCE and THE RESIDENT, THE RESIDENT has the following options:
 - (a) Contract or otherwise make arrangements with an external care provider for additional care required, assuming that THE RESIDENCE cannot or is not willing in its sole discretion to provide the care required; and/or
 - (b) Give notice of termination under the agreement in accordance with the provisions of the Tenant Protection Act or any successor legislation, and arrange for a transfer to a different facility or long-term care facility.
 - II. If THE RESIDENCE is of the opinion that THE RESIDENT has daily care needs of a temporary or permanent duration which exceed the care services provided under this agreement, THE RESIDENCE will be entitled to give written notice to THE RESIDENT that as of the date set out in the notice, THE RESIDENT and THE RESPONSIBLE PARTY

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- Health/Risk (cont'd).** assume exclusive responsibility for the health, well-being and safety of THE RESIDENT and THE RESIDENCE will have no responsibility for any deterioration in the health or well-being of THE RESIDENT, including the decease of THE RESIDENT. In those circumstances, THE RESIDENT and THE RESPONSIBLE PARTY agree to co-operate in locating alternate accommodation for THE RESIDENT expeditiously.
- III. If THE RESIDENT's health deteriorates and THE RESIDENT refuses to leave the Premises or refuses to make arrangements for the appropriate care in the Premises, THE RESIDENT and/or THE RESPONSIBLE PARTY agree to indemnify THE RESIDENCE fully for any costs incurred by THE RESIDENCE to regain possession of the Premises, including legal fees, disbursements and GST. THE RESIDENCE shall have the right to unilaterally make the necessary arrangements at the expense of THE RESIDENT and/or THE RESPONSIBLE PARTY.
- Liability** 13. THE RESIDENCE shall not in any event whatsoever be liable or responsible in any way for:
- (a) any personal injury or death that may be suffered or sustained by THE RESIDENT or any employee of THE RESIDENCE or any member of THE RESIDENT's family, his agents, or guest(s), or any other person who may be upon the rented premises and/or the property, and/or the premises of THE RESIDENCE, and/or
 - (b) any loss of or damage or injury to any property belonging to THE RESIDENT or to any member of THE RESIDENT's family or to any other person while such property is on the rented premises, and/or on the property, and/or on the premises of THE RESIDENCE, and/or
 - (c) without limiting the generality of the foregoing, any damages to any such property caused by water, rain or snow which may leak into, issue or flow from any part of the rented premises or the premises of THE RESIDENCE or from water sprinklers or drainage pipes or plumbing works of the same or from any place or quarter; and/or
 - (d) any damage caused by or attributable to the conditions or arrangement of any electrical or other wiring; and/or
 - (e) any damage caused by anything done and/or omitted to be done by any tenants of THE RESIDENCE, and/or staff of THE RESIDENCE.
- Insurance** 14. THE RESIDENT agrees to take out and keep in force such insurance as he or she may deem necessary on his or her own person and on his or her own furniture and personal effects, on his or her legal liability to THE RESIDENCE for damage to the residence and on any third party liability which he or she may incur. THE RESIDENT acknowledges that THE RESIDENCE'S insurance does not cover any of these items.
- Rules** 15. THE RESIDENT shall abide by all policies, rules and regulations as maybe in existence from time to time, such as, but not limited to, Schedule "B"
- Third Party** 16. THE RESIDENT, as the proposed tenant of the Premises and THE RESPONSIBLE PARTY, understand and agree that they have the right to consult a third party advocate, such as a lawyer or family member or friend or Minister or associate, etc. about this agreement within five days after into it. Furthermore, this Residency Agreement comes into effect five days after it has been signed, unless THE RESIDENT and/or THE RESPONSIBLE PARTY notifies THE RESIDENCE in writing before the five days are up; that they wish to cancel this agreement and then this agreement shall become null and void and all deposit monies shall be returned to THE RESIDENT and/or THE RESPONSIBLE PARTY.
- Responsible Party** 17. THE RESPONSIBLE PARTY:
- (a) covenants with THE RESIDENCE that THE RESIDENT shall fulfil and observe all terms of this agreement and that if any default is made by THE RESIDENT under this agreement, THE RESPONSIBLE PARTY shall on demand pay any fees owing under this agreement and/or compensate THE RESIDENCE for any damages suffered as a result of THE RESIDENT's breach of this agreement;

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- Responsible Party (cont'd).**
- (b) covenants that he or she is jointly and severally bound with THE RESIDENT for the fulfillment of all obligations of THE RESIDENT under this agreement. In the enforcement of its rights under this agreement, THE RESIDENCE may proceed against THE RESPONSIBLE PARTY as if THE RESPONSIBLE PARTY were the named RESIDENT;
- (c) waives any right to require THE RESIDENCE to proceed against THE RESIDENT or to pursue any other remedy which is available to THE RESIDENCE before proceeding against THE RESPONSIBLE PARTY;
- (d) acknowledges that no action and/or omission of THE RESIDENCE regarding the enforcement of the obligations of THE RESIDENTS under this agreement discharges or in any way releases or reduces the obligations of THE RESPONSIBLE PARTY under this agreement.
- No Waiver** 18. If THE RESIDENCE overlooks, excuses, condones or suffers any default, breach, or non-observance by THE RESIDENT of any obligation under this agreement, this shall not operate as a waiver of such obligation in respect of any continuing or subsequent default, breach or non-observance and no waiver shall be effective unless expressed in writing by THE RESIDENCE.
- Contract Severable** 19. If for any reason any term, covenant or condition of this agreement, or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition is deemed to be independent of the remainder of the agreement and to be severable and divisible therefrom, and this invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this agreement or any part thereof.
- Best Interest** 20. THE RESIDENT and/or THE RESPONSIBLE PARTY acknowledges and agrees that THE RESIDENCE is hereby authorized at all times in its sole discretion to act in the interest of THE RESIDENT and after prior consultation with a member of THE RESPONSIBLE PARTY whenever possible;
- (a) that THE RESIDENCE is hereby authorized to incur such expenses as THE RESIDENCE considers necessary or desirable for the benefit of THE RESIDENT;
- (b) ~~transfer~~ THE RESIDENCE is hereby authorized to arrange for the transfer and to transfer THE RESIDENT from THE RESIDENCE if, in the opinion of THE RESIDENCE's on call Physician, THE RESIDENT needs medical care or other services not available in THE RESIDENCE.
- Further Responsibility** 21. (a) THE RESPONSIBLE PARTY hereby understands and agrees to assist THE RESIDENCE, when called upon to do so, to enable it to carry out those duties referred to in this agreement; and
- (b) to attend any meeting, at a mutually convenient time, for the purpose of discussing the welfare of THE RESIDENT or any other matter covered by this Agreement; and
- (c) THE RESIDENT and/or THE RESPONSIBLE PARTY acknowledges and agrees to pay the replacement costs any carpet, fixtures, counters, sink tops, toilet seats, furniture, bedding, china and televisions etc., damaged or destroyed by THE RESIDENT from negligence or smoking in the suite, or incontinence, or violent acts, etc. or any other unreasonable behavior by THE RESIDENT. This clause does not apply to any items or fixtures that wear out due to normal wear and tear.
- (d) THE RESIDENT and/or THE RESPONSIBLE PARTY acknowledges and agrees to provide (if needed by THE RESIDENT) any canes, walkers, pads, special toilet seats, etc. to THE RESIDENT or THE RESIDENT and/or THE RESPONSIBLE PARTY may request and authorize THE RESIDENCE to obtain and give to THE RESIDENT the above noted items and/or other items to THE RESIDENT at THE RESIDENT's and/or THE RESPONSIBLE PARTY's expense.
- Termination of Tenancy** 22. (a) It is understood and agreed that if THE RESIDENT and/or THE RESPONSIBLE PARTY wish to terminate this Agreement, THE RESIDENT and/or THE RESPONSIBLE PARTY agrees to give a prior thirty (30) days written notice to terminate tenancy to THE RESIDENCE (as per the Tenant Protection Act). Furthermore, it is understood and agreed by THE RESIDENT and/or THE RESPONSIBLE PARTY that in the event of the death of THE RESIDENT, THE RESIDENT's estate will give a thirty (30) day written notice of termination of tenancy and agrees to pay to THE RESIDENCE any amounts owing by THE RESIDENT under this Agreement. THE RESIDENCE shall endeavor to rent the vacant room/suite within the thirty (30) day period and, if successful, shall rebate the proportionate amount.

**Termination
of Tenancy (cont'd).**

(b) When THE RESIDENT can no longer receive any benefit from THE RESIDENCE, or when THE RESIDENT's behavior is such that he/she is a danger or a severe annoyance to himself or to others, or if THE RESIDENT disturbs the quiet enjoyment of the premises of the other residents, or if THE RESIDENT does something illegal or fails to abide by THE RESIDENCE'S rules of residency (see attached Schedule "B"), after consultation with THE RESPONSIBLE PARTY, and delivery of written notification to THE RESIDENT and/or THE RESPONSIBLE PARTY, THE RESIDENCE, at its sole discretion shall have the right to contact the C.C.A.C. (Community Care Access Centre) to initiate placement in a more appropriate facility and if this is not acceptable to THE RESIDENT and/or THE RESPONSIBLE PARTY, then THE RESIDENCE will commence eviction proceedings as per the Tenant Protection Act.

(c) THE RESPONSIBLE PARTY will use their best efforts to ensure that, upon the death or discharge of THE RESIDENT, THE RESIDENT's personal belongings are removed from the premises and/or written directions to THE RESIDENCE as to their disposition.

(d) THE RESIDENT and THE RESPONSIBLE PARTY understand and agree that if THE RESIDENT fails to pay his/her monthly fee and the suite is found to be vacant and abandoned, THE RESIDENCE is entitled to retake possession of the suite, and to offer the suite for rent. This does not absolve THE RESIDENT and/or THE RESPONSIBLE PARTY from their obligation to provide a thirty (30) day written notice of termination of tenancy.

**Day and
Night Checks**

23. THE RESIDENT will be occupying premises where "night-checks" are included in the standard base plan and such checks are to be provided under this Agreement, if THE RESIDENT agrees to provide a written direction from his or her doctor authorizing the day and night-checks, on the grounds that THE RESIDENT's state of health requires emergency access to the premises by THE RESIDENCE'S staff or management on a day time and night basis. THE RESIDENT and THE RESPONSIBLE PARTY by providing this written direction from his or her doctor agree to indemnify and hold harmless THE RESIDENCE, its officers, directors, partners, employees, agents, successors and assigns from any and all costs and damages, including without limiting the generality of the foregoing, legal costs, and court imposed fines, in the event that any legal action is ever brought against any of the forenamed individuals based on or related to an alleged breach of the Tenant Protection Act or any successor legislation, to the extent that such indemnification is permissible at law.

In the event THE RESIDENT refuses to provide a written direction from his or her doctor authorizing day and night checks or if THE RESIDENT is present and refuse entry for provision of services, THE RESIDENT and THE RESPONSIBLE PARTY agree to indemnify and hold harmless the owner, the operator, THE RESIDENCE, its officers, directors, partners, employees, agents, successors and assigns from any and all of the foregoing, legal costs and court imposed fines, in the event that any legal action is ever brought against any of the forenamed individuals and companies, due to any damages suffered by THE RESIDENT, as a result of THE RESIDENT and THE RESPONSIBLE PARTY, denying entry for the provision of services.

Indemnification

24. THE RESPONSIBLE PARTY agrees to indemnify and hold harmless THE RESIDENCE, its officers, directors, partners, agents, employees, successors and assigns, from any and all costs and damages, including without limiting the generality of the foregoing, legal costs, and court imposed fines in the event that any legal action is ever brought against any of the abrenamed, based on or related to:

(a) the loss of money, valuables and personal effects unless these were respectively deposited in a trust account or held in safekeeping by THE RESIDENCE;

(b) the loss or destruction of clothing of THE RESIDENT, unless the loss or destruction occurred as a result of negligence on the part of THE RESIDENCE;

(c) any responsibility related to THE RESIDENT's welfare and care requirements when off the premises of THE RESIDENCE;

(d) any fall or accident causing physical injury in THE RESIDENCE;

(e) any damages caused by a breakdown of the electrical, the mechanical, the plumbing or the heating system;

(f) any loss suffered because of THE RESIDENT's failure to vacate the premises on the date, when said date for termination of tenancy has been given by either THE RESIDENT and/or THE RESPONSIBLE PARTY to THE RESIDENCE, or by THE RESIDENCE in the format and procedure as required by the Tenant Protection Act to THE RESIDENT and/or THE RESPONSIBLE PARTY to vacate the premises, AND upon

Indemnification
(cont'd)

the date of the notice of termination where THE RESIDENCE has re-rented the unit and is now liable to the new resident who cannot take possession of the unit due to the failure of THE RESIDENT to vacate the premises and/or failure to remove his or her furniture and possessions from the unit.

(g) any loss suffered because of THE RESIDENT's failure to comply with the rules or regulations of THE RESIDENCE or the terms of the rules or regulations of THE RESIDENCE or the term of this agreement or any willful act, omission, misconduct or negligence on the part of THE RESIDENT or his or her guest(s).

Joint and
Several

THE RESIDENT and/or THE RESPONSIBLE PARTY acknowledge having read all pages of this agreement prior to signing below. No amendment of any part of this agreement shall be effective unless it is mutually agreed to by THE RESIDENT and/or THE RESPONSIBLE PARTY and THE RESIDENCE and is in writing, signed by an authorized representative of THE RESIDENCE. Everything contained in this agreement shall extend to and be binding on the respective heirs, executors, administrators, and successors of each party. All covenants contained in this agreement are joint and several.

IN WITNESS WHEREOF the parties hereto have agreed to all the terms as outlined above and have executed these presents.

Signed, Sealed and Delivered
in the Presence of:

Witness

Beach Arms Retirement Residence
o/b Liberty Assisted Living Inc.

Witness

Resident(s)

Witness

Responsible Party

RECEIPT OF TENANCY AGREEMENT

I hereby acknowledge receipt of a duplicate original of the within Tenancy Agreement.

This _____ day of _____

Resident(s)

ATTACHED SCHEDULE "A"
BREAKDOWN OF CHARGES

MONTHLY STANDARD BASE PACKAGE

ACCOMMODATION PORTION: \$ _____

CARE SERVICES PORTION: \$ _____

MEALS PORTION: \$ _____

TOTAL MONTHLY BASIC FEE: \$

OPTIONAL EXTRAS

a) Extra assistance with bath per occurrence:	\$ 10.00
b) Extra housekeeping services as per resident request, per visit:	\$ 10.00
c) RESIDENT's visitors or guest meals as per RESIDENT or family request:	
ADULTS -LUNCH	\$ 5.00
-DINNER	\$ 7.00
CHILDREN -LUNCH	\$ 2.50
-DINNER	\$ 3.50
d) Tray service to suite as per RESIDENT request, per occurrence (no charge if prescribed by physician)	\$ 2.00
e) Additional carpet cleaning as per request, by RESIDENT or if needed due to RESIDENT mishap	\$ 60.00
f) Special meal preparation	No Charge
g) Incontinence Pads	Paid directly to the Provider
h) Chiropodist, foot nurse, hairstylist	Paid directly to the Provider
i) Pharmacy Dispensing Fees (including over the counter supplies)	Paid Directly to the Provider
j) Phone & Cable Television (Bell Canada 416-310-2365, Rogers Cable 416-438-7333)	Paid Directly to the Provider

ATTACHED SCHEDULE "B"
RESIDENCY RULES AND REGULATIONS OF THE RESIDENCE

- 1) THE RESIDENT is not permitted to smoke in the suites, hallway, or any public common area in the smoke-free building.
- 2) THE RESIDENT is not permitted to be abusive physically or verbally to other residents, staff, guests, visitors or any other person within the premises.
- 3) THE RESIDENT is not permitted to have any illegal drugs or weapons on the Premises.
- 4) THE RESIDENT is not permitted to have any overnight guests without written authorization from THE RESIDENCE.
- 5) THE RESIDENT is not allowed to destroy nor damage any property of THE RESIDENCE nor other resident's property and THE RESIDENT agrees to pay for any damages to property damaged by THE RESIDENT (broodloom stains, furniture damage, cigarette holes, etc.), other than normal wear and tear.
- 6) THE RESIDENT and/or THE FAMILY are responsible to notify the Front Office and/or the Nurse's Office if THE RESIDENT plans to be away, thereby missing a meal(s).
- 7) THE RESIDENT and/or THE FAMILY are to provide name tags on all washable items belonging to THE RESIDENT.
- 8) THE RESIDENT shall be dressed in appropriate clothing as determined by THE RESIDENCE, for lunch and dinner meals and upon leaving the suite.
- 9) THE RESIDENT shall not use their television nor radio nor stereo system to cause such noise as to disturb the other residents.
- 10) THE RESIDENT shall not give out their front door key and/or their suite key to anyone without written approval from the Administrator.
- 11) THE RESIDENT agrees to abide by any other reasonable rules that may be given verbally to THE RESIDENT from time to time by the Administrator.
- 12) THE RESIDENT agrees that the Premises are to be used for private residential purposes only.
- 13) THE RESIDENT agrees not to do anything that will create or increase the risk of fire or explosion.
- 14) THE RESIDENT agrees not to install nor place any appliances (fridge, stove, hot plate, microwave oven, toaster oven, etc.), into the suite without written approval in advance by THE RESIDENCE, and such approval may not be given.
- 15) There is a \$25.00 handling fee for NSF cheques.

**APPENDIX "L" TO THE FIRST REPORT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT
APPOINTED RECEIVER AND
MANAGER DATED MARCH 17, 2011**



Privacy Code

Privacy of your personal information is an important part of our facility and providing you with quality services. We understand the importance of protecting your personal information. We are committed to collecting, using and disclosing your personal information responsibly. We also try to be as open and transparent as possible about the way we handle your personal information. It is important to us to provide this service to our residents.

At this facility, Susan Turner, General Manager acts as the privacy information officer.

All staff members who come in contact with your personal information are aware of the sensitive nature of the information that you have disclosed to us. They are all trained in the appropriate uses and protection of your information.

Attached to this information form, we have outlined what our facility is doing to ensure that:

- Only necessary information is collected about you;
- We only share your information with your consent;
- Storage, retention and destruction of your personal information complies with existing legislation, and privacy protection protocols;
- Our privacy protocols comply with privacy legislation, standards of our professional staff's regulatory bodies, and the law.

Do not hesitate to discuss our policies with our privacy information officer or any of our other Management Staff.

Please be assured that every staff member in our facility is committed to ensuring that you receive the best quality services.

Management

How Beach Arms Collects, Uses and Discloses Residents' personal information

Our facility understands the importance of protecting your personal information. To help you understand how we are doing that, we have outlined here how Beach Arms is using and disclosing your personal information.

This facility will collect, use and disclose information about you for the following purposes:

- To deliver safe and efficient resident care
- To identify and to ensure continuous quality improvements
- To assess your health care needs
- To provide health care
- To advise you of treatment options
- To enable us to contact you and/or your next of kin
- To establish and maintain open communication with you
- To offer, and to provide options for treatment, care and services in relationship to the wellness of our residents
- To communicate with other health care providers, including licensed professionals and their services, emergency personnel, hospitals, support agencies and all other services available through this facility.
- To allow us to maintain communication and contact with you to distribute health care information and to book and confirm appointments
- To allow us to efficiently follow up for treatments, care, and billing
- For teaching and demonstration purposes on an anonymous basis
- To complete and submit claims for third party adjudication and payment
- To comply with legal and regulatory requirements, including the retention of residents charts and legal records, delivery of charts and legal records to a professional governing body in a timely fashion, when required, according to the provisions of the *Regulated Health Professions Act*
- To comply with agreements/undertakings entered into voluntarily by a professional member of a governing body, including the delivery and/or review of resident's charts to the governing body in a timely fashion for regulatory and monitoring purpose
- To invoice for goods and services
- To collect unpaid accounts
- To assist Beach Arms to comply with all regulatory requirements
- To comply generally with the law

Resident Consent

By signing the consent section of this Resident Consent form, you have agreed that you have given your informed consent to the collection, use and/or disclosure of your personal information for the purposes that are listed. If a new purpose arises, for the use and/or disclosure of your personal information, we will seek your approval in advance.

Your information may be accessed by regulatory authorities under the terms of the *Regulated Health Professions Act (RHPA)* for the purposes of the designated governing College to fulfill its mandate under the RHPA, and for the defense of a legal issue.

Beach Arms will not, under any conditions or circumstances, supply your private insurance carrier with your confidential medical history. In the event that this type of request is made, we will forward the information directly to you for review, and for your specific consent.

When unusual consents are received, we will contact you for permission to release such information. We may also advise you if such a release is inappropriate.

You may withdraw your consent for use or disclosure of your personal information, and we will explain the ramifications of that decision, and the process.

I have reviewed the above information that explains how Beach Arms will use my personal information, and the steps Beach Arms is taking to protect my personal information.

I understand that Beach Arms has a Privacy Code, and I may ask to see the Code at any time.

I agree that Beach Arms Retirement Residence and/or Susan Turner, General Manager may collect, use and disclose personal information about _____ (name of resident) as set out above in the information about Beach Arms privacy policies.

_____	_____
Print Resident's name	Resident or POA's signature
_____	_____
Date	POA print name (if applicable)
_____	_____
Print Witness name	Witness signature



CARE HOME INFORMATION PACKAGE

TYPES OF ACCOMMODATION & PACKAGES OF CARE SERVICES & MEALS

Accommodation (Suites)

- Private Single Small:** Includes a 4 piece bathroom (tub, shower, toilet and basin), private room, broadloom, closet, furnished, tile in bathroom, heat, electricity and water.
- Private Single Medium:** Includes a 4 piece bathroom (tub, shower, toilet and basin), private room, broadloom, closet, furnished, tile in bathroom, heat, electricity and water.
- Private Single Large:** Includes a 4 piece bathroom (tub, shower, toilet and basin), private room, broadloom, closet, furnished, tile in bathroom, heat, electricity and water.
- Semi Private:** Includes a 4 piece bathroom (tub, shower, toilet and basin), shared by one other resident and a private room shared by the same other resident, broadloom, closet, furnished, tile in bathroom, heat, electricity and water.
- Double Occupancy:** Includes a 4 piece bathroom (tub, shower, toilet and basin), shared by one other resident of your choice and a shared room by the same resident of your choice, broadloom, closet, furnished, tile in bathroom, heat, electricity and water.

Care Services and Meals Package

- a) Standard Base Package Plan
- b) Optional Extras

Total Charges per Suite Accommodation

Private Single Leaside Suite and Standard Base Plan	\$1,050.00
Private Single Victorian Suite and Standard Base Plan	\$2,250.00
Private Single Kingston Suite and Standard Base Plan	\$2,350.00
Private Single Queen East Suite and Standard Base Plan	\$2,650.00
Private Single Westside Suite and Standard Base Plan	\$2,950.00
Private Single Lakeview Suite and Standard Base Plan	\$3,100.00
Semi Private Suite and Standard Base Plan	\$1,450.00
Double Occupancy and Standard Base Plan	\$3,450.00

Description and charges for care services and mealsMonthly Standard Base Package

Accommodation Portion:	\$ _____
Meals Portion:	\$ _____
Care Services Portion:	\$ _____
TOTAL MONTHLY FEE:	\$ <input type="text"/>

i) Meals

Dining: BEACH ARMS RETIREMENT RESIDENCE agrees to provide to THE RESIDENTS three (3) nutritious meals each day, prepared in THE RESIDENCE'S kitchen; breakfast, lunch and dinner, served to THE RESIDENT in the dining room, and tea time twice daily, serving juice, tea and coffee as well as baked goods and snacks to THE RESIDENT in the activity lounge and the sun-room.

ii) Care Services

Supplies: BEACH ARMS RETIREMENT RESIDENCE provides all linens, blankets and towels to THE RESIDENT in THE RESIDENT'S suite, and provides to the housekeeping staff all the cleaning supplies and related equipment for the weekly fulfillment of the housekeeping service.

Housekeeping: BEACH ARMS RETIREMENT RESIDENCE provides a housekeeping service which includes daily bed making, waste removal and tidy-up, an on a weekly basis, vacuuming, dusting, washroom cleaning, replenishing the soap, toilet tissue, bed linens and washroom towels, and a thorough tidy up. Once a year, the suite carpet is shampooed.

Laundry: BEACH ARMS RETIREMENT RESIDENCE provides laundry service to THE RESIDENT, once a week, including pick up of the laundry from THE RESIDENT'S suite, washing, folding and returning of it to THE RESIDENT'S suite. (Does not include dry cleaning or ironing).

iii) Resident Activities

BEACH ARMS RETIREMENT RESIDENCE provides recreational activities as well as special occasional entertainment and outings. All activities are designed to promote THE RESIDENT'S success and increase self esteem. Activities to focus on THE RESIDENT'S strengths, abilities and pertinent social roles. The goal of activities is to promote a normalized lifestyle for Residents by actively involving them in all activities of daily life within the residence.

iv) Medical Care

- a) Access to Medical Care: BEACH ARMS RETIREMENT RESIDENCE arranges for the provision of medical care by THE RESIDENCE'S on call physician, and as per his direction, through our shift supervisor.
- b) Supervisory Services: BEACH ARMS RETIREMENT RESIDENCE provides 24 hour supervision, assistance with bathing once a week (if requested by THE RESIDENT), and ordering and dispensing medication (with THE RESIDENCE'S on call physician's prior authorization).

Extra Care

Additional care services can be arranged such as a chiropodist and/or foot nurse, hair salon, etc., paid directly to the provider.

Frequency of Increases

- 1) Increases to the Accommodation Portion of the Monthly Standard Base Package (Rent) occur no more frequently than once every twelve months.
- 2) Increases to the Care Services and Meals Portion of the Monthly Standard Base Package occur no more frequently than once every twelve months.

Additional Services and Meals (User Pay Basis)

Optional Extras

- a) Extra assistance with bath per occurrence _____ \$10.00
- b) Extra housekeeping services as per resident request, per visit _____ \$10.00

- c) Resident's visitors or guest meals as per resident or family request:
 - Adults - Lunch _____ \$ 5.00
 - Dinner _____ \$ 7.00
 - Children - Lunch _____ \$ 2.50
 - Dinner _____ \$ 3.50
- d) Tray service to suite as per resident request, per occurrence _____ \$ 2.00
(no charge if prescribed by Physician or Shift Supervisor)
- e) Additional carpet cleaning as per request by resident
or if needed due to resident mishap _____ \$60.00
- f) Special Meal Preparation _____ No Charge
- g) Incontinence Pads _____ Paid Directly to the Provider
- h) Chiropodist, Foot Nurse, Hair Salon _____ Paid Directly to the Provider
- i) Pharmacy Dispensing Fees _____ Paid Directly to the Provider
(including over the counter supplies)
- j) Phone & Cable Television _____ Paid Directly to the Provider
(Bell Canada 416-310-2355, Rogers Cable 416-438-7333)

Minimum Staffing Levels and Qualifications

• BEACH ARMS RETIREMENT RESIDENCE is equipped with the following emergency systems:

- Fire Alarms
- Fire Bells
- Pull Stations
- Heat Detectors
- Smoke Detectors
- Emergency Call Bell System
- Emergency Lighting System (hallways and stairwells)

Resident Concerns

At BEACH ARMS RETIREMENT RESIDENCE we handle concerns, requests and complaints through monthly Resident Council Meetings. An individual can also express their concerns in person directly to the Administrator. Furthermore, all Residents are free to discuss any problems, personal or otherwise, with the Administrator.

General Information

- i) Accommodation Portion (Rent) does not include charges for care services and meals.
- ii) Generally, a landlord cannot increase the rent by more than the guideline that is set each year by the Ontario Landlord and Tenant Board.
- iii) BEACH ARMS RETIREMENT RESIDENCE must give the Resident (tenant) a notice of rent increase (for the Accommodation Portion) at least 90 days before the date of the rent increase. A landlord can only increase the rent if 12 months have passed since the last increase for the unit. In the event of dual occupancy where the Resident (tenant) rents part of the unit, the landlord can only increase for that part of the unit.
- iv) If BEACH ARMS RETIREMENT RESIDENCE intends to increase the charge for providing Care Services, including meals, to a Resident (tenant), the pending increase notice (on the prescribed form) shall be given to the Resident at least 90 days before the date of increase.
- v) Residency Agreement: The prospective Resident is required to sign a Tenancy Agreement, as required by law, prior to moving in. The Resident after signing, has the right to consult a third party advocate, such as a lawyer, or family member, or friend, or minister, or associate, etc...., about this Agreement within five days after entering into it. Furthermore, this Tenancy Agreement comes into effect five days after it has been signed, unless the Resident notifies BEACH ARMS RETIREMENT RESIDENCE in writing (given to the Administrator) before the five days are up, that they wish to cancel the Tenancy Agreement and then the Tenancy Agreement shall become null and void and all deposit moneys shall be returned to the Resident.

The undersigned acknowledges receipt of this CARE HOME INFORMATION PACKAGE, on the _____ day of _____.

Witness

Resident/Prospective Tenant

Witness

RESPONSIBLE PARTY

**TEMPORARY STAY AGREEMENT
BETWEEN
BEACH ARMS RETIREMENT RESIDENCE
AND**

RESIDENT: _____

The resident and/or the Responsible Party agree as follows:

1. To rent a room/suite with care services and meals for the rate of _____ per day/month for _____ days/months from _____ to _____.
2. To pay a non-refundable deposit of 50% of the above total amount in advance to reserve a room/suite. The balance paid upon arrival.
3. To repair or pay for the damage caused directly or indirectly by the resident.
4. To provide personal clothing and personal effects needed or desired by the resident.
5. To provide such spending money as is needed by the resident. The resident will be responsible for any money, property or valuables in the possession of the resident or resident's room.
6. To be responsible for the hospitalization and transportation charges, should they be required.
7. To be responsible for fees of physicians (not covered by Ontario Health Card), medications and other treatments or aids, as ordered by the physician.
8. To adhere to the policies of this home.
9. That the management of this home will not be responsible for any valuables, money or personal effects left in the possession of this person while he or she is a resident of this home.
10. To vacate premises on the Temporary Stay Agreement termination date, unless this agreement is mutually extended.

Signature of Resident or Responsible Party

Witness Beach Arms Retirement Residence

Date

LIBERTY
Assisted Living Inc.

RESIDENT ACTION FORM

1. Facility: _____ Date: _____
 Resident: _____ Suite: _____
 Responsible Party: _____ Customer #: _____

2. Transaction: _____
 Admission: _____ Discharge _____ Rate Change _____ Suite Change _____

3. Admissions: _____ Self Pay _____ P.O.A. _____ Public Trustee _____ Social Services _____
 Permanent _____ Respite _____ Trial _____ Private: _____ SemiPriv: _____ Ward: _____
 Effective Date of Admission: _____ / _____ / _____ To _____ / _____ / _____
 Number of days invoiced in first month: _____ Days
 Rack Rate: \$ _____
 Actual Monthly Rate signed: \$ _____
 Pro Rated Fee for Month: \$ _____ (rack rate / 30.42 days X # of days 1st month).
 Inducements / Discount: \$ _____ (+/-) from rack rate.
 Payment received prior to or on admission date: Yes _____ No _____ Reason(if No) _____
 Copy issued to Responsible Party: Yes _____ No _____
 Copy of POA on file if Applicable: Yes _____ No _____ Reason(if No) _____
 Contract & CHIP package signed by responsible Party: Yes _____ No _____

4. Discharges: _____
 Permanent _____ Respite _____ Trial _____ Private: _____ SemiPriv: _____ Ward: _____
 Date Notice Provided: _____
 Date Suite Vacated: _____
 Date Unit Paid to: _____
 Reason for Leaving: _____
 Resident Account Paid in Full: Yes _____ No _____ Reason(if No) _____
 Rebate Due: Yes _____ No _____ (Attach Request for Refund)
 Resident Account Balance at time of Discharge: \$ _____ (Please attach backup)

5. Program Rate: _____ Increase _____ Decrease _____
 Date Notice Provided to Resident/responsible Party: _____ (Ensure 90 Days notice)
 Effective Date of Rate Change: _____
 Current Monthly Rate: \$ _____ Rent _____ Services _____ Both _____
 New Monthly Rate: \$ _____
 Percentage Rate Increase: _____ %
 Reason for rate Change: _____ Annual _____ Extra Services _____ Other _____
 Explanation: _____

Approvals
 _____ General Manager
 _____ Liberty Assisted Living

BEACH ARMS RETIREMENT RESIDENCE

MONTHLY PROGRAM RATES

The Waverley (Semi-Private)	\$1450.00
The Leaside (195 sq.ft.)	\$1950.00
The Victorian (220 sq.ft.)	\$2250.00
The Kingston (250 sq. ft.)	\$2350.00
The Queen East (270 sq.ft.)	\$2650.00
The Westside (320 sq. ft.)	\$2950.00
The Lakeview (340sq.ft.)	\$3100.00
Double Occupancy	\$3450.00

Assisted Living Packages starting at \$250.00

The new rates are effective as of March 1st, 2011

Tab 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**GENERAL ELECTRIC CANADA REAL ESTATE FINANCE
HOLDING COMPANY AND GENERAL ELECTRIC CAPITAL
CANADA HOLDINGS COMPANY**

Applicants

– and –

**2008777 ONTARIO INC. also known as LA CHAUMIERE
RETIREMENT RESIDENCE, 2004631 ONTARIO INC.
also known as LIBERTY PLACE RETIREMENT RESIDENTS,
and 912087 ONTARIO LIMITED also known as
BEACH ARMS RETIREMENT RESIDENCE**


Respondents

CONSENT

Meyers Norris Penny Limited hereby consents to act as receiver in these proceedings with respect to 2007383 Ontario Inc.

DATED at Toronto this 17th day of March 2011.

MEYERS NORRIS PENNY LIMITED



Per: *Jerry Henechoarcz*

I have authority to bind the
corporation

Court File No.: CV-11-0000-9135-00CL

GENERAL ELECTRIC CANADA et al.
– Applicants –

v.

2008777 ONTARIO INC. et al.
– Respondents –

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

(PROCEEDING COMMENCED AT TORONTO)

MOTION RECORD

GOWLING LAFLEUR HENDERSON LLP
Barristers and solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, ON M5X 1G5

Clifton Prophet / Robin Walker
LSUC Nos.: 35845K / 11320W
Tel: 416.862.7525
Fax: 416.862.7661

Solicitors for the Receiver, Meyers Norris & Penny
Limited