

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

**IN THE MATTER OF AN APPLICATION UNDER
SECTION 47 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, C.B-3**

**AND IN THE MATTER of SECTION 101 of *THE
COURTS of JUSTICE ACT*, R.S.O. 1990, C.C-43**

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

**MOTION RECORD
(Returnable October 16, 2015)**

October 9, 2015

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

Clifton Prophet (LSUC No. 34845K)
Telephone: (416) 862-3509
Facsimile: (416) 862-7661

Solicitors for Deloitte Restructuring Inc. in its capacity as Interim Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited

TO: THE SERVICE LIST

SERVICE LIST
(As at October 8, 2015)

TO: Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and
1508669 Ontario Limited
131 Beecroft Road, Suite 201
Toronto, Ontario M2N 5G9

AND TO: SACK GOLDBLATT MITCHELL
Suite 1130, Box 180
20 Dundas Street West
Toronto, Ontario M5G 2G8

Attention: Doug LeFaive
Tel.: 416-977-6070
Fax: 416-591-7333
Email: dlefaive@sgmlaw.com

Solicitors for Service Employees Union International, CUPE and the
Nurses and Related Industries Pension Plan

AND TO: MINISTRY OF FINANCE, Insolvency Unit
33 King Street West, 6th Floor
Oshawa, Ontario L1H 8H5

Attention: Sandra Courvoisier
Tel: 905-433-6677
Fax: 905-436-4524
Email: sandra.courvoisier@ontario.ca

AND TO: DEPARTMENT OF JUSTICE (CANADA)
Ontario Regional Office
The Exchange Tower, Box 36
130 King Street West, Suite 3400
Toronto, Ontario M5X 1K6

Attention: Diane Winters
Tel: 416-973-3172
Fax: 416-973-0810
Email: diane.winters@justice.gc.ca

AND TO: MINISTRY OF HEALTH AND LONG-TERM CARE
Hepburn Block, 10th Floor
80 Grosvenor Street
Toronto, Ontario M7A 2J9

Attention: Leonard Marsello
Email: leonard.marsello@ontario.ca

AND TO: MINISTRY OF HEALTH AND LONG-TERM CARE
Legal Services Branch
56 Wellesley Street West
8th Floor
Toronto, Ontario M5S 2S3

Attention: Michael Orr, Senior Counsel
Tel: 416-327-8571
Email: Michael.Orr@ontario.ca

AND TO: THE CONSUMERS' GAS COMPANY LTD.
c/o Enbridge
500 Consumers Road
North York, Ontario M2J 1P8

Tel: 416-643-6961

AND TO: GINETTE HARQUAIL
131 Beecroft Road, Suite 201
Toronto, Ontario M2N 5G9

**AND TO: JOHN ALPAUGH, PETER BOULTBEE, KENNETH MAIDEN,
SUSAN MAYNARD, JUDITH MOORE, ROBERT REID,
RICHARD WEBB, JOHN SINCLAIR, GAIL WEILER,
RHONDA KLOSLER, SMITH, NIXON & CO. LLP**
390 Bay Street, Suite 1900
Toronto, Ontario M5H 2Y2

AND TO: CHAITONS LLP
5000 Yonge Street
10th Floor
Toronto, Ontario M2N 7E9

Attention: George Benchetrit / Robert Miller
Tel: 416-218-1141 / 416-218-1134
Fax: 416-218-1841 / 416-218-1834
Email: george@chaitons.com / robert@chaitons.com

Solicitors for GEM Health Care Group Limited

AND TO: OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
595 Bay Street
Suite 800
Toronto, Ontario M5G 2M6

AND TO: MILLER THOMSON LLP
Accelerator Building 295 Hagey Boulevard
Suite 300
Waterloo, Ontario N2L 6R5

Attention: Dwayne K. Kuiper
Tel: 519-593-3243
Fax: 519-743-2540
Email: dkuiper@millerthomson.com

Solicitors for CVH (No. 1) LP

AND TO: FOGLER, RUBINOFF LLP
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, Ontario M5K 1G8

Attention: Pinar Ozyetis
Tel: 416-864-7610
Fax: 416-941-8852
Email: pozyetis@foglers.com

Counsel to Downsview Long Term Care Centre Limited

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TAB 1

Court File No. 06-CL-6233

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

**IN THE MATTER OF AN APPLICATION UNDER
SECTION 47 (1) OF *THE BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, C.B-3**

**AND IN THE MATTER of SECTION 101 OF *THE
COURTS OF JUSTICE ACT*, R.S.O. 1990, C.C-43**

B E T W E E N:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

NOTICE OF MOTION

DELOITTE RESTRUCTURING INC. in its capacity as Interim Receiver and Receiver and Manager (the "**Receiver**") of the current and future assets, undertakings and properties (the "**Assets**") of each of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**") will make a motion to the Court on Friday, October 16, 2015 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

THE PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto as **Schedule "A"**, *inter alia*:

- (a) abridging the time for and validating service of this Notice of Motion and the motion materials filed in support of this motion and dispensing with further service thereof;
- (b) approving the Receiver's actions and activities with respect to the receivership of Paragon, Paragon Ontario, and 1508669 to and including October 9, 2015 as set out in the Tenth Report of the Receiver dated October 9, 2015 (the "**Tenth Report**") and approving the Tenth Report;
- (c) approving the Receiver's Final Statement of Receipts and Disbursements in respect of Paragon for the period of January 24, 2006 to October 6, 2015 as set out in the Tenth Report;
- (d) approving the Receiver's Final Statement of Receipts and Disbursements in respect of 1508669 for the period of January 24, 2006 to October 6, 2015 as set out in the Tenth Report;
- (e) authorizing and directing the Receiver to distribute funds to Peoples Trust Company ("**Peoples**") in the amount of \$995,378.05, less the amount of the final invoice rendered by counsel to the Receiver and any further required payments incidental to the completion of the receivership, from the trust account held by the Receiver in respect of Paragon;
- (f) authorizing and directing the Receiver to distribute funds to Peoples in the amount of \$401,674.41, less the amount of the final invoice rendered by counsel to the Receiver and any further required payments incidental to the completion of the receivership, from the trust account held by the Receiver in respect of 1508669 as recommended in the Tenth Report;
- (g) approving the fees of the Receiver and its counsel; and

- (h) discharging Deloitte Restructuring Inc. as Interim Receiver and Receiver and Manager of the Assets of Paragon, Paragon Ontario and 1508669.
2. Such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. Pursuant to an Order of this Honourable Court made on January 23, 2006 and effective 9:00 a.m. on January 24, 2006, Deloitte Restructuring Inc., formerly Deloitte & Touche Inc. which was formerly known as Mintz & Partners Limited (collectively "**Deloitte**") was appointed as Interim Receiver and Receiver and Manager of the Assets of Paragon, Paragon Ontario and 1508669 pursuant to subsection 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.1985, C. B-3 (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 19111190, c. C. 43 (the "**CJA**");
2. Paragon and 1508669 owned and operated long term and retirement homes known as Casa Verde and West Park, respectively.
3. By Order of the Honourable Justice Mesbur dated February 22, 2011 and Order of the Honourable Justice Wilton-Siegel dated November 9, 2011, sales of all of the assets of Paragon, being the Casa Verde home, and 1508669, being the West Park home were approved.
4. The sale of Casa Verde to Downsview Long-Term Care Centre Limited ("**Downsview**"), an assignee of the original purchaser, was completed by the Receiver and Downsview on July 25, 2002 and interim proceeds of \$7,900,000 were distributed to Peoples pursuant to the Order of the Honourable Justice Morawetz dated September 4, 2012.
5. The sale of West Park to CVH (No. 1) LP ("**CVH**") was completed on December 12, 2012 by the Receiver and CVH and interim proceeds of \$2,250,000 were

distributed to Peoples by the Receiver pursuant to the Order of The Honourable Justice Morawetz dated December 20, 2012.

6. Following the completion of certain reconciliations by the MOH with respect to funding provided to Casa Verde and West Park by the MOH, all remaining proceeds of sale and other monies realized during the receivership are now available to the Receiver to be distributed to the senior secured creditor, Peoples.
7. The Receiver has obtained the opinion of independent counsel that the security held by Peoples is valid and enforceable against all of the Assets of Paragon and 1508669. Paragon Ontario has no assets.
8. Since its appointment on January 23, 2006, the Receiver has operated the long term care and retirement homes formerly owned by Paragon and 1508669 in a prudent and commercially reasonable fashion and concluded sales for these homes that were commercially reasonable.
9. Notwithstanding the amounts distributed to Peoples, Peoples will suffer a material shortfall on its senior secured claims.
10. The Receiver having completed the administration of the Assets of the Respondents in this application, it is appropriate that the Court approve:
 - (a) the conduct and activities of the Receiver;
 - (b) the Tenth Report;
 - (c) the Final Statements of Receipts and Disbursements of the Receiver with regard to Paragon and 1508669;
 - (d) the fees and disbursements of the Receiver and its counsel;

- (e) the distribution of all monies remaining in the Receiver's hands to Peoples, subject to such holdbacks for unforeseen liabilities as the Receiver may deem appropriate; and
 - (f) the discharge of the Receiver.
- 11. Such further and other grounds as set out in the Tenth Report.
 - 12. The BIA; and
 - 13. The CJA.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

- 1. The Tenth Report of the Receiver dated October 9, 2015;
- 2. The Affidavit of Hartley Bricks, sworn September 28, 2015;
- 3. The Affidavit of Leila Burden Nixon, sworn October 8, 2015; and
- 4. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Dated: October 9, 2015

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1G5

Clifton Prophet (LSUC No. 34845K)
Tel: (416) 862-7525
Fax: (416) 862-7661

Solicitors for Deloitte Restructuring Inc. in its capacity as Interim Receiver and Receiver and Manager of current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited

TAB A

Schedule "A"

Court File No. 06-CL-6233

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

THE HONOURABLE
JUSTICE

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)
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FRIDAY, THE 16TH DAY
OF OCTOBER, 2015

IN THE MATTER OF AN APPLICATION UNDER
SECTION 47 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, C.B-3

AND IN THE MATTER of SECTION 101 of *THE
COURTS of JUSTICE ACT*, R.S.O. 1990, C.C-43

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

ORDER

THIS MOTION made by Deloitte Restructuring Inc. ("**Deloitte**"), appointed as interim receiver and receiver and manager (the "**Receiver**") pursuant to section 101 of the *Courts of Justice Act*, without security, of the current and future assets, undertakings and property of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**") pursuant to the terms of the Order of the Honourable Mr. Justice Cumming dated January 23, 2006 and

effective 9:00 a.m. on January 24, 2006 (the "**Initial Order**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Tenth Report of the Receiver dated October 9, 2015 (the "**Tenth Report**"), filed, and upon hearing the submissions of counsel for the Receiver, no other parties attending, although duly served as appears from the Affidavit of Service of Gina Mitchell, sworn October 13, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged, if necessary, and that this motion is properly returnable today and that service, including the form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.
2. **THIS COURT ORDERS** that the Tenth Report is hereby accepted and approved.
3. **THIS COURT ORDERS** that the conduct of the Receiver and its agents from December 10, 2012 to October 9, 2015, as detailed in the Tenth Report, be and the same is hereby approved.
4. **THIS COURT ORDERS** that the Receiver's Final Statement of Receipts and Disbursements for the period January 24, 2006 to October 6, 2015 in respect of Paragon as set out in Appendix "R" to the Tenth Report, filed, is hereby approved.
5. **THIS COURT ORDERS** that the Receiver's Final Statement of Receipts and Disbursements for the period January 24, 2006 to October 6, 2015 in respect of 1508669 as set out in Appendix "T" to the Tenth Report, filed, is hereby approved.
6. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the sum of \$995,378.00, less the amount of the final invoice of counsel to the Receiver and any further required payments incidental to the completion of the

receivership, to Peoples Trust Company from the trust account in respect of Paragon, as partial payment on account of its secured claims against Paragon.

7. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the sum of \$401,674.00, less the amount of the final invoice of counsel to the Receiver and any further required payments incidental to the completion of the receivership, to Peoples Trust Company from the trust account in respect of 1508669, as partial payment on account of its secured claims against 1508669.

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver relating to the receivership of Paragon and 1508669 for the period November 1, 2012 to September 14, 2015 in the amount of \$108,046.09 in respect of Paragon and \$130,583.38 in respect of 1508669, as set out in the Affidavit of Hartley Bricks sworn September 28, 2015, filed, be and the same are hereby approved.

9. **THIS COURT ORDERS** that the fees and disbursements of Gowling Lafleur Henderson LLP, counsel to the Receiver, relating to the receivership of Paragon and 1508669 for the period December 31, 2012 to October 8, 2015 in the amount of \$31,275.33 in respect of Paragon and \$26,836.87 in respect of 1508669, as set out in the Affidavit of Leila Burden Nixon, sworn October 8, 2015, filed, be and the same are hereby approved.

10. **THIS COURT ORDERS** that upon payment of the amounts contemplated in paragraphs 6 and 7 above, the Receiver shall be discharged as Receiver of the current and future assets, undertakings and properties of Paragon, Paragon Ontario and 1508669, provided however that notwithstanding its discharge herein:

(a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and

(b) the Receiver shall continue to have the benefit of the provisions of all orders made in this proceeding including all approvals, protections and stays of proceedings.

11. **THIS COURT ORDERS** and declares that the Receiver is hereby released and discharged from any and all liabilities that the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver herein. Without limiting the generality of the foregoing, the Receiver is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised within the receivership proceedings, save and accept for any gross negligence or wilful misconduct on the Receiver's part.

Court File No.: 06-CL-6233	
PEOPLES TRUST COMPANY	- and - PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED
ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) (PROCEEDING COMMENCED AT TORONTO)	
ORDER	
<p>Gowling Lafleur Henderson LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, Ontario M5X 1G5</p> <p>Clifton P. Prophet, LSUC No.: 34845K Telephone: (416) 862-3509 Facsimile: (416) 862-7661</p> <p>Solicitors for Deloitte Restructuring Inc. in its capacity as Interim Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited</p>	

Court File No.: 06-CL-6233	
PEOPLES TRUST COMPANY	- and -
PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED	
ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) (PROCEEDING COMMENCED AT TORONTO)	
NOTICE OF MOTION	
<p>Gowling Lafleur Henderson LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 TORONTO, Ontario M5X 1G5</p> <p>Clifton Prophet, LSUC No.: 34845K Telephone: (416) 862-3509 Facsimile: (416) 862-7661</p> <p>Solicitors for Deloitte Restructuring Inc. in its capacity as Interim Receiver and Receiver and Manager of current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited</p>	

TAB 2

Court File No. 06-CL-6233

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. AND 1508669 ONTARIO LIMITED

Respondent

**TENTH REPORT TO THE COURT OF THE RECEIVER
(dated October 9, 2015)**

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APPENDICES

APPENDIX "A": Appointment Order dated January 23, 2006
APPENDIX "B": Eighth Report of the Receiver dated August 21, 2012 (without Appendices)
APPENDIX "C": Order of Justice Morawetz dated September 4, 2012
APPENDIX "D": Ninth Report of the Receiver dated December 12, 2012 (without Appendices)
APPENDIX "E": Order of Justice Morawetz dated December 20, 2012
APPENDIX "F": Vendor's Undertaking to Readjust and the Acknowledgement Re Undertaking to Readjust from the GEM APS
APPENDIX "G": Ministry of Health and Long-Term Care letter dated April 24, 2013
APPENDIX "H": Belliveau Veinotte Inc. letter dated March 6, 2014 (without attachments)

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- APPENDIX "I": Receiver's email response dated March 10, 2014 to the Belliveau Veinotte Inc. letter dated March 6, 2014
- APPENDIX "J": Amending Agreement No. 6 to the GEM APS and the CV Escrow Agreement
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- APPENDIX "P": Ministry of Health and Long-Term Care letter dated July 12, 2012 to Downsview Long Term Care Centre Limited providing approval with conditions for the transfer of the Casa Verde licence
- APPENDIX "Q": Mutual Release executed between the Receiver and the MOH dated September 8, 2015
- APPENDIX "R": Receiver's Final Statement of Receipts and Disbursements for Paragon Health Care Inc. for the period January 24, 2006 to October 6, 2015
- APPENDIX "S": Peoples Trust Company's Statement for Discharge Purposes effective September 8, 2015 with respect to the Casa Verde First Mortgage
- APPENDIX "T": Receiver's Final Statement of Receipts and Disbursements for 1508669 Ontario Limited for the period January 24, 2006 to October 6, 2015
- APPENDIX "U": Peoples Trust Company's Statement for Discharge Purposes effective September 8, 2015 with respect to the West Park First Mortgage

INTRODUCTION

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 23, 2006 (the "**Appointment Order**"), Mintz & Partners Limited ("**MPL**") was appointed as Interim Receiver and Receiver and Manager (the "**Receiver**") of all the assets, undertakings and property of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**") (individually or collectively, the "**Debtor**") effective 9:00 am on January 24, 2006 (the "**Appointment Date**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**. By Order of the Court dated July 2, 2008, following the merger of the accounting practices of Deloitte & Touche LLP and Mintz & Partners LLP, the name of the Receiver was changed to Deloitte & Touche Inc. On July 1, 2013, the name of the Receiver was changed to Deloitte Restructuring Inc. ("**Deloitte**").
2. As at the Appointment Date, Paragon's assets comprised the Casa Verde Health Centre, a 252-bed nursing home ("**Casa Verde Nursing Home**") and a 94-bed retirement home ("**Casa Verde Retirement Home**") (collectively, with Casa Verde Nursing Home, "**Casa Verde**") located at 3595 Keele Street, Toronto, Ontario. 1508669's assets comprised the West Park Health Centre ("**West Park**"), a 93-bed nursing home located at 103-111 Pelham Road, St. Catharines, Ontario (collectively, with Casa Verde, the "**Homes**" or "**Facilities**").
3. As at the Appointment Date, Paragon Ontario was a non-operating entity that employed certain nursing staff used by Casa Verde.
4. On February 22, 2011, Justice Mesbur granted an Approval and Vesting Order (the "**Casa Verde Sale Order**") authorizing and directing the Receiver to enter into and complete an Agreement of Purchase and Sale (the "**GEM APS**") for the sale of Casa Verde to GEM Health Care Group Limited ("**GEM**") and vesting in GEM the Debtor's right, title and interest in the Purchased Assets (as defined in the Casa Verde Sale Order) subject to the closing of the transaction with GEM and the Receiver filing with the Court a Receiver's Certificate confirming the closing of the sale. In support of the motion that resulted in the

- February 22 Order and the Casa Verde Sale Order, the Receiver submitted its Sixth Report to the Court (the “**Sixth Report**”) dated February 15, 2011. GEM subsequently assigned the GEM APS to Downsview Long Term Care Centre Limited (“**Downsview**”).
5. On November 9, 2011, Justice Wilton-Siegel granted an Approval and Vesting Order (the “**West Park Sale Order**”) authorizing and directing the Receiver to enter into and complete an Agreement of Purchase and Sale (the “**West Park APS**”) for the sale of West Park to CVH (No. 1) LP (“**CVH**”), the assignee of the West Park APS, and vesting in CVH the Debtor’s right, title and interest in the Purchased Assets (as defined in the West Park Sale Order) subject to the closing of the transaction with CVH and the Receiver filing with the Court a Receiver’s Certificate confirming the closing of the sale. In support of the motion that resulted in the November 9 Order and the West Park Sale Order, the Receiver submitted its Seventh Report to the Court (the “**Seventh Report**”) dated November 1, 2011 and the Supplemental Report to the Seventh Report to the Court dated November 9, 2011.
 6. On July 25, 2012, following receipt of the required consent to licence transfer from the Ministry of Health and Long-Term Care (“**MOH**”), the sale of Casa Verde to Downsview closed for a purchase price of \$9,000,000. After taking into consideration deposits previously received and various closing adjustments for rent, property taxes prepaid expenses, employee liabilities, and MOH amounts, the Receiver received proceeds of \$7,557,405.19 from Downsview. A further \$1,000,000.00 was placed into escrow to be held pending the MOH’s final reconciliation of Casa Verde’s Long-Term Care Home Annual Return (“**ARR**”) for 2011.
 7. The Receiver submitted its Eighth Report to the Court dated August 21, 2012 (the “**Eighth Report**”) in support of its motion to approve: (i) a distribution to Peoples of \$7,900,000 from the Receiver’s trust account relating to Paragon; (ii) the fees and disbursements of the Receiver and those of its counsel; and (iii) the Receiver’s actions and activities as detailed in the Eighth Report. On September 4, 2012, Justice Morawetz granted the Order sought (the “**September 4 Order**”) and approved the distribution to Peoples. A copy of the Eighth

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Report without appendices is attached hereto as **Appendix "B"**. A copy of the September 4 Order is attached hereto as **Appendix "C"**.

8. On November 12, 2012, the sale of West Park to CVH closed for a purchase price of \$3,075,000. After taking into consideration deposits previously received and various closing adjustments for rent, property taxes prepaid expenses, employee liabilities, and MOH amounts, the Receiver received proceeds of \$2,975,749.22 from Downsview. A further \$100,000.00 was placed into escrow to be held pending the MOH's final reconciliation of West Park's ARR for the period January 1, 2011 to the Closing Date.
9. The Receiver submitted its Ninth Report to the Court dated December 12, 2012 (the "**Ninth Report**") in support of its motion to approve (i) a distribution to Peoples Trust Company of \$2,250,000 from the Receiver's trust account relating to 1508669; (ii) the fees and disbursements of the Receiver and those of its counsel; and (iii) the Receiver's actions and activities as detailed in the Ninth Report. On December 20, 2012, Justice Morawetz granted the Order sought (the "**December 4 Order**") and approved the distribution to Peoples. A copy of the Ninth Report without appendices is attached hereto as **Appendix "D"**. A copy of the December 20 Order is attached hereto as **Appendix "E"**.

PURPOSE

10. The purpose of this Tenth Report of the Receiver (the "**Tenth Report**") is to:
 - advise the Court of the receiver's activities since the closing of the sales of Casa Verde and West Park and seek the Court's approval of those activities;
 - request approval to make a final distribution to Peoples of the balance of the funds in the Receiver's trust account relating to Paragon; and
 - request approval to make a final distribution to Peoples of the balance of the funds Receiver's trust account relating to 1508669;

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- request the Court's approval of the Receiver's Final Statement of Receipts and Disbursements in respect of both Paragon and 1508669;
- request the Court's approval of the Receiver's fees and disbursements, including those of its counsel, in respect of both Paragon and 1508669,
- request that the Court discharge the Receiver as Receiver of each of Paragon, Paragon Ontario and 1508669 except for the completion of matters incidental to the completion of the receiverships.

TERMS OF REFERENCE

11. In preparing this Tenth Report, the Receiver has relied upon records of the Debtor and unaudited financial information prepared by the Debtor and/or Diversicare Canada Management Services Co., Inc. ("**Diversicare**"), the MOH-approved long term care home manager retained by the Receiver for the day-to-day management of Casa Verde and West Park. The Receiver has not performed an audit or other verification of such information. As set out in the First Report, Diversicare was engaged as day-to-day manager of Casa Verde and West Park on behalf of the Receiver.
12. The Receiver has sought the advice of Gowling Lafleur Henderson LLP ("**Gowlings**"), counsel to Peoples, for general legal matters that have arisen in respect of the receiverships. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Lang Michener LLP ("**Lang Michener**") and subsequently, Heenan Blaikie LLP ("**Heenan**").
13. Capitalized terms not defined in this Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.

SALE OF CASA VERDE

Post-Closing Adjustments

14. Pursuant to the terms of the GEM APS, January 23, 2013 was agreed as the date (the "**CV**

Re-Adjustment Date”) by which Downsview was permitted to notify the Receiver of any errors or omissions in the Statement of Adjustments in favour and to the credit of Downsview (a “**CV Purchaser Re-Adjustment Claim**”). Attached hereto as **Appendix “F”** is the Vendor’s Undertaking to Readjust and the Acknowledgement Re Undertaking to Readjust which establishes the CV Re-Adjustment Date.

15. Downsview failed to make a CV Purchaser Re-Adjustment Claim by the CV Re-Adjustment Date.
16. By letter dated April 24, 2013, the MOH advised that it had completed its preliminary audit of the 2011 funding year and had determined that \$339,808 was repayable to the MOH (while the April 24, 2013 letter states that “\$3339,808 is recoverable from the home”, the MOH confirmed via email on that day that the amount was a typographical error and that \$339,808 was actually repayable). The MOH further advised that it would be recovering the amount of the overpayment through a reduction of funding to the home in equal instalments from July through October 2013. A copy of the MOH’s April 24, 2013 letter is attached hereto as **Appendix “G”**.
17. By letter dated March 6, 2014, attached hereto as **Appendix “H”**, Belliveau Veinotte Inc., auditors of Downsview, wrote to the Receiver in an attempt to have the Receiver confirm a purported liability of Casa Verde Health Centre to Downsview (the “**Belliveau Letter**”). The Belliveau Letter asserted two parts to the purported liability: i) a “2011 Long-Term Care Home Overall Reconciliation by the Ontario Ministry of Health and Long-Term Care” amount payable of \$339,808; and ii) a “Vendor’s Undertaking to Readjust from the Agreement of Purchase and Sale” liability of \$79,705.16.
18. On March 10, 2014, the Receiver responded via email to the Belliveau Letter advising that: i) any claims for reimbursement of MOH recoveries relating to 2011 were to be made to the Escrow Agent pursuant to the terms of the Escrow Agreement (attached as Appendix “A” to Amending Agreement No. 6 to the GEM APS) dated as of the Closing Date between the parties (the “**CV Escrow Agreement**”); and ii) Downsview failed to make any CV Purchaser

Re-Adjustment Claim by the CV Re-Adjustment Date, therefore any claims it had against the Receiver pursuant to the Vendor's Undertaking to Readjust had expired. Accordingly, the Receiver did not confirm any liability for the amounts set out in the Belliveau Letter. Attached hereto as **Appendix "I"** is the Receiver's email correspondence dated March 10, 2014.

Casa Verde Escrow Fund

19. As provided for in the GEM APS and discussed in paragraph 6 above, \$1,000,000.00 of the sale proceeds was placed into escrow (the "**CV Escrow Fund**") with Gowlings (in this capacity, the "**CV Escrow Agent**") to be held in order to reimburse Downsview should the MOH make any recoveries against Downsview of funding overpayments relating to the 2011 funding year. A copy of Amending Agreement No. 6 to the GEM APS and the CV Escrow Agreement is attached hereto as **Appendix "J"**.
20. By letter dated July 17, 2014 and attached hereto as **Appendix "K"** (the "**Fogler Letter**"), Fogler Rubinoff LLP ("**Fogler**"), counsel to Downsview wrote to the CV Escrow Agent to formally provide notice of a claim of \$339,808 against the CV Escrow Fund in respect of MOH recoveries for 2011. On July 25, 2014, the CV Escrow Agent paid \$339,808 to Downsview from the CV Escrow Fund.
21. The Fogler Letter further advised the CV Escrow Agent that Fogler was putting it on notice that a further claim would be made against the CV Escrow Fund by a separate letter that would be sent to the CV Escrow Agent no later than July 31, 2014. The Fogler Letter further sought confirmation from the CV Escrow Agent that it would continue to hold the balance of the CV Escrow Fund until such claim is resolved to the satisfaction of all parties. The Fogler Letter did not provide any details on the claim it intended to advance on behalf of its client.
22. By letter dated July 25, 2014, the CV Escrow Agent, in addition to advising Fogler of the payment from the CV Escrow Fund it was making that day, further advised Fogler that it would continue to hold the CV Escrow Fund until August 15, 2014, and that the Receiver will respond to Downsview's apparent claims through independent counsel. Attached hereto

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as **Appendix "L"** is a copy of the letter dated July 25, 2015 from the Escrow Agent to Fogler.

23. Fogler did not advance any claim to the CV Escrow Fund by July 31, 2014. On August 15, 2014, Fogler wrote to the CV Escrow Agent requesting that they continue to hold the balance of the CV Escrow Fund for a further one-month period. The CV Escrow Agent responded by confirming that it would hold the balance in the CV Escrow Fund for a further 30 days. Attached as **Appendix "M"** is a copy of the email exchanged on August 15, 2014 between the CV Escrow Agent and Fogler.
24. Subsequent to August 15, 2014, neither Fogler nor Downsview has made any claim to the CV Escrow Agent against the CV Escrow Fund or any claim against the Receiver.
25. By letter dated October 17, 2014, a copy of which is attached hereto as **Appendix "N"**, the MOH advised the Receiver that it had completed its final review of the ARR for 2011 and had determined that \$45,415 was repayable to Casa Verde (the "**2011 Refund**"). Pursuant to Section 2.8(c)(E) of the GEM APS, the 2011 Refund was to go to the account of the Receiver. Given the MOH's confirmation that the 2011 ARR had been finalized, and given the MOH's execution of a mutual release as described further below, pursuant to Section 2.8(c)(C)(ii) of the GEM APS, the Receiver wrote to the CV Escrow Agent on September 9, 2015 requesting that the balance of the CV Escrow Fund be released to the Receiver. On September 25, 2015, the Receiver received \$684,300.03 from the CV Escrow Agent, which amount reflects the payment by the CV Escrow Agent of \$339,808 as discussed above in paragraph 20 and also includes interest earned net of Escrow Agent fees. The disposition of the \$45,415 repayment is discussed later in this Tenth Report.

MOH Claim for 2010

26. Prior to the closing of the GEM APS, the Receiver contacted Wiesia Kubicka, Manager in the Performance Improvement and Compliance Branch ("**PICB**") of the MOH, the department responsible for approving and establishing the conditions for the sale and transfer of long-term care home licences, to confirm the status of the MOH's review of the ARRs for

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Casa Verde and what amounts, if any, the MOH intended to recover from future funding due to any overfunding of Casa Verde in the years prior to the sale. This information was important to the parties in the context of the Receiver's closing discussions with Downsview and the extent of funds required for the CV Escrow Fund.

27. On July 10, 2012, Ms. Kubicka advised the Receiver by email (the "**Kubicka Email**"), attached hereto as **Appendix "O"**, that the reconciliations for years 2006 through 2010 were closed and there were no outstanding recoveries. Also on that date, the MOH issued to Downsview its approval letter for the surrender of the licence of Casa Verde by the Receiver so that a new license for the nursing home could be issued to Downsview, which letter contained certain conditions established by the MOH (the "**Downsview Approval Letter**"). One of the conditions the MOH established was that Downsview would assume "liability for any monies up to a maximum of \$1,000,000.00 owed by the Vendor to the Ministry and/or Central Local Health Integration Network (the "**LHIN**") for the period beginning on January 1, 2011 and ending at the closing date of the transaction that resulted from any financial reconciliations by the Ministry or the LHIN and the Vendor." A copy of the Downsview Approval Letter is attached hereto as **Appendix "P"**.
28. By settling the beginning date for Downsview's liability for financial reconciliations at January 1, 2011 (the "**Beginning MOH Liability Date**"), the MOH confirmed the contents of the Kubicka Email and established the time periods for liability.
29. Accordingly, as part of the closing discussions and as described above, the Receiver and Downsview agreed that \$1,000,000.00 of the closing proceeds would be placed into the CV Escrow Fund to be held in connection with any MOH recoveries relating solely to 2011. With respect to 2012, the Receiver and Downsview agreed that Downsview would be solely responsible for any subsequent MOH financial recoveries.
30. However, notwithstanding its correspondence of July 10, 2012 in which it advised that nothing was owing for 2010, on February 8, 2013 the MOH advised the Receiver that it had undertaken a subsequent review of the 2010 ARR for Casa Verde and that a further \$155,257

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was recoverable from the Receiver relating to 2010 (the "**February 8 MOH Letter**").

31. Since the Receiver had relied upon the statements made in the Kubicka Email and the Downsvew Approval Letter when it negotiated the completion of the sale of Casa Verde to Downsvew, the Receiver advised the MOH that it would not be remitting the sums claimed in the February 8 MOH Letter.
32. After a protracted exchange of correspondence between the Receiver and its counsel and the MOH and its counsel and representatives, the Receiver ultimately proposed to the MOH that the MOH retain the 2011 Refund (\$45,415) otherwise payable to the Receiver, in full and final settlement of any claims the MOH had against the Receiver relating to recoveries for 2010 (\$155,527). The MOH accepted the Receiver's proposal and a mutual release was executed between the Receiver and the MOH dated September 8, 2015 (the "**Mutual Release**"). Attached hereto as **Appendix "Q"** is a copy of the Mutual Release.

PARAGON FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS AND PROPOSED DISTRIBUTION

33. Attached hereto as **Appendix "R"** is the Receiver's Final Statement of Receipts and Disbursements for the period January 24, 2006 to October 6, 2015 for Paragon (the "**Paragon Final R&D**"). The Paragon Final R&D indicates the Receiver is holding \$995,378.00 of cash in its trust account in respect of Paragon ("**Paragon Trust Account**"). The Paragon Final R&D includes a disbursement for the Receiver's final invoice but does not reflect payment of counsel's final invoice. The Receiver is seeking the Court's approval of the Paragon Final R&D.
34. With respect to the property, assets and undertaking of Paragon and the business of Casa Verde, Peoples holds the security described in Appendix "O" attached to the Fifth Report, which security includes a charge/mortgage of land made in favour of First National Financial Corporation by Paragon dated May 30, 1994 and registered as Instrument No. TB953231 as subsequently amended and assigned to Peoples and registered June 15, 2000 as Instrument No. TR061724 (the "**Casa Verde First Mortgage**"). The Receiver reported in paragraph 62

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of the First Report that it had received an independent legal opinion from Lang Michener that Peoples' security over Paragon's assets was legal, valid and binding. The Court has subsequently approved distributions to Peoples to date totalling \$12,150,000.00.

35. A copy of Peoples' Statement for Discharge Purposes effective September 9, 2015 with respect to the Casa Verde First Mortgage is attached hereto as **Appendix "S"**. As of September 9, 2015, the outstanding balance (principal and interest) under the Casa Verde First Mortgage is \$1,399,698.80.
36. Given that the Receiver has completed its duties with respect to the receivership of Paragon, including paying any amounts owing in respect of its period operating Casa Verde, it is seeking the Court's approval to distribute the balance of the funds in its Paragon Trust Account to Peoples, being \$995,378.05, to Peoples, less the amount of Gowlings' final invoice in respect of Paragon and any further required payments incidental to the completion of the receivership.

SALE OF WEST PARK

Post-Closing Adjustments

37. The West Park APS provided that "within 30 days of Closing (i) the Vendor and the Purchaser shall use their best efforts to agree on the estimated amount that may be repayable to or receivable from the MOH in regard to any overpayments/credits for the period from October 1, 2012 to the Closing Date, and (ii) the Purchase Price shall be further adjusted, pursuant to an undertaking to readjust, by that amount in favour of the Purchaser if the Vendor is in a net payable position with the MOH for the period between October 1, 2012 and the Closing Date or in favour of the Vendor if the Vendor is in a net receivable position with the MOH for the period between October 1, 2012 and the Closing Date" (the "**WP MOH Closing Adjustment**").
38. After the Closing Date, it became apparent that an accurate determination of the WP MOH Closing Adjustment could not be determined in the 30-day period provided for in the West Park APS. Given that the purpose of the WP MOH Closing Adjustment was to provide a fair

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mechanism for the accurate determination of the amount owing to or owed from the MOH in respect of the Receiver's operating period such that CVH would not be exposed to liabilities as a result of clawbacks relating to the Receiver's period (and, conversely, would not benefit from any refunds payable), the parties agreed that the time period to determine the WP MOH Closing Adjustment would be extended to May 13, 2013 to coincide with the date (the "**WP Re-Adjustment Date**") by which the parties were to assert any claim for re-adjustment of any other errors or omissions in the Statement of Adjustments (a "**WP Re-Adjustment Claim**").

39. However, by the WP Re-Adjustment Date, the parties still were not in a position to agree on the WP MOH Closing Adjustment or the WP Re-Adjustment Claim. Accordingly, the parties agreed to extend the WP Re-Adjustment Date to some later date when all of the post-closing adjustments could be determined.
40. In December 2013, the parties agreed on a post-closing adjustment of \$74,613.41 in favour of the Receiver, which amount CVH paid to the Receiver on January 2, 2014. The post-closing adjustment payment included an amount in respect of the WP MOH Closing Adjustment. However, since that WP MOH Closing Adjustment calculation was based on the MOH's preliminary reconciliation of the 2012 West Park Long-Term Care Home Annual Report (the "**2012 WP ARR**"), the parties agreed to make a further adjustment once the MOH provided their final reconciliation of the 2012 WP ARR, which was expected sometime in 2014 or 2015.
41. In June 2015, as a result of receiving the MOH's final reconciliation of the 2012 WP ARR, it was determined that \$20,065.80 was payable by the Receiver to CVH. On July 21, 2015, CVH and the Receiver issued a Joint Direction to the Escrow Agent directing the Escrow Agent to distribute \$20,065.80 to CVH and the balance of the Escrow Fund to the Receiver. On July 22, 2015, the Receiver received \$82,094.14 from the Escrow Agent, which amount reflects interest earned on the \$100,000 Escrow Fund less the \$20,065.80 payment by the CV Escrow Agent to CVH.

**WEST PARK FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS AND
PROPOSED DISTRIBUTION**

42. Attached hereto as **Appendix "T"** is the Receiver's Final Statement of Receipts and Disbursements for the period January 24, 2006 to October 6, 2015 for 1508669 (the "**1508669 Final R&D**"). The 1508669 Final R&D indicates the Receiver is holding \$401,674.00 of cash in its trust account in respect of 1508669 ("**1508669 Trust Account**"). The 1508669 Final R&D includes a disbursement for the Receiver's final invoice but does not reflect payment of counsel's final invoice. The Receiver is seeking the Court's approval of the 1508669 Final R&D.
43. With respect to the property, assets and undertaking of 1508669 and the business of West Park, Peoples holds the security described in the First Report, which security includes a charge/mortgage dated August 14, 1995 and registered August 17, 1995 as instrument number RO699419 in favour of Sun Life Assurance Company of Canada for the principal amount of \$3,941,505 and assigned to Peoples by assignment of charge/mortgage of land dated June 13, 2000 and registered June 15, 2000 as instrument number RO768790, and related personal property security (the "**West Park First Mortgage**").
44. The Receiver received an independent legal opinion from Lang Michener dated March 8, 2007 that under the laws of Ontario, the various securities held by Peoples, including the West Park First Mortgage, constitute legal, valid and binding obligations of 1508669, enforceable against 1508669 by Peoples in accordance with their terms, and create, in favour of Peoples, valid security interests, mortgages and charges in and over the property, assets and undertaking in which 1508669 has rights, securing payment and performance of the obligations secured thereby. Appendix "L" to the First Report lists the various financing statements filed under the *Personal Property Security Act* (Ontario) in respect of the security interest of Peoples. The Court has subsequently approved distributions to Peoples to date totalling \$3,250,000.00.

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45. A copy of Peoples' Statement for Discharge Purposes effective September 9, 2015 with respect to the West Park First Mortgage is attached hereto as **Appendix "U"**. As of September 9, 2015, the outstanding balance (principal and interest) under the West Park First Mortgage is \$855,805.79.
46. Given that the Receiver has completed its duties with respect to the receivership of 1508869, including paying any amounts owing in respect of its period operating West Park, it is seeking the Court's approval to distribute the balance of the funds in its 1508669 Trust Account, being \$401,674.41, to Peoples less the amount of Gowlings' final invoice in respect of 1508669 and any further required payments incidental to the completion of the receivership.

STATEMENTS OF ACCOUNT OF THE RECEIVER AND ITS COUNSEL

47. The Receiver's fees and disbursements for services rendered for the period November 1, 2012 to September 14, 2015 in respect of the receiverships of both Paragon and 1508669 are particularized in the Affidavit of Hartley Bricks sworn September 28, 2015 (the "**Bricks Affidavit**") and the invoices attached as exhibits thereto. The total amount of the invoices for this period is \$108,046.09 in respect of Paragon and \$130,583.38 in respect of 1508669, inclusive of HST (the "**Receiver's Fees**"). With respect to Paragon, Invoice #46 includes a provision of 29 hours of work incurred or anticipated to be incurred after September 14, 2015 to complete the Receiver's mandate. With respect to 1508669, Invoice #47 includes a provision of 20.5 hours of work incurred or anticipated to be incurred after September 14, 2015 to complete the Receiver's mandate. Schedules setting out the nature and estimated time to complete this work for both Paragon and 1508669 are included in the Bricks Affidavit.
48. The fees and disbursements of Gowlings, counsel for Peoples, in respect of work performed for the Receiver, for the period December 1, 2012 to October 8, 2015 are particularized in the affidavit of Leila Burden Nixon sworn October 8, 2015 and the invoices are attached as

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exhibits thereto. The total amount of the invoices for this period is \$31,275.33 in respect of Paragon and \$26,836.87 in respect of 1508669, inclusive of HST ("**Gowlings' Fees**").

49. The Receiver has reviewed the invoices of Gowlings and finds the work performed and charges to be appropriate and reasonable.
50. The Receiver has sought and received the approval of Peoples to the interim draws taken against the fees of the Receiver and Gowlings.
51. The Receiver is seeking this Court's approval of its activities with respect to Paragon and 1508669 as detailed herein, the Receiver's Fees and Gowlings' Fees as set out above.

RECEIVER'S REQUEST TO THE COURT

52. The Receiver is respectively seeking an order approving the following:
 - i) the actions and activities of the Receiver with respect to Paragon and 1508869 up to October 9, 2015, as outlined in this Tenth Report;
 - ii) the Final R&Ds for Paragon and 1508669 for the period January 24, 2006 to October 7, 2015;
 - iii) a distribution to Peoples in the amount of \$995,378.00 less disbursements in respect of Gowlings' final invoice and any required amounts incidental to the completion of the receivership, which amount is to be applied against the balance outstanding on the Casa Verde First Mortgage;
 - iv) a distribution to Peoples in the amount of \$401,674.00 less disbursements in respect of Gowlings' final invoice and any required amounts incidental to the completion of the receivership, which amount is to be applied against the balance outstanding on the West Park First Mortgage;
 - v) the Receiver's Fees and Gowlings' Fees; and

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- vi) discharging the Receiver as Receiver of Paragon, Paragon Ontario and 1508669, except for the completion of matters incidental to the completion of the receiverships and the carrying out of any duties as directed by any further order of the Court.

All of which is respectfully submitted to this Honourable Court.

DATED this 9th day of October, 2015.

DELOITTE RESTRUCTURING INC.

**in its capacity as Interim Receiver and Receiver and Manager
of the assets, undertakings and properties of
Paragon Health Care Inc., Paragon Health Care (Ontario) Inc.
and 1508669 Ontario Limited and not in its personal capacity**

Deloitte Restructuring Inc.

Paul Casey, CPA, CA, CIRP
Senior Vice President

Hartley Bricks, MBA, CPA, CA, CIRP
Senior Vice President

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TAB A

**This is Appendix “A” to the
Tenth Report of the Receiver
dated October 9, 2015**

Court File No. 06-CL-6233

ONTARIO

**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

COMMERCIAL LIST

THE HONOURABLE)	MONDAY, THE 23 rd DAY
)	
JUSTICE CUMMING)	OF JANUARY, 2006

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

**APPLICATION UNDER section 47 of Bankruptcy and
Insolvency Act, R.S.C. 1985, c. B-3, and under section
101 of the Courts of Justice Act, R.S.O. 1990, c. C.43**

ORDER

THIS MOTION, made by the Applicant for an Order pursuant to section 47(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 Mintz & Partners Limited ("Mintz") as interim receiver and receiver and

manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Paragon Health Care Inc. ("Paragon") and 1508669 Ontario Limited ("150 Ontario") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of James Dysart sworn January 13, 2006 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Respondents, no one appearing for the persons referenced in the Service List appended hereto as **Appendix "A"**, although duly served as appears from the affidavit of service of Carla Clarizia sworn January 17, 2006 (the "Affidavit of Service") and on reading the consent of Mintz to act as the Receiver,

SERVICE AND AMENDMENT

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged so that this motion is properly returnable today, service upon those parties described in the Affidavit of Service is hereby validated and any further service of the Notice of Application and Application Record is hereby dispensed with.

2. **THIS COURT ORDERS** that Paragon Health Care (Ontario) Inc. ("Paragon Ontario") be added as a respondent to these proceedings.

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 47(1) of BIA and section 101 of the CJA, effective 9:00 a.m. Eastern Standard Time January 24, 2006, Mintz is hereby appointed Receiver, without security, of all of the current and future assets, undertakings and properties of Paragon, 150 Ontario and Paragon Ontario (collectively, the "Debtors"), of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property"), including, without limitation, the real property described in **Appendix "B"** hereto.

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 and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control 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 powers and duties conferred by this Order, including, without limitation, Diversicare Canada Management Services Co., Inc., or such other third party operator as the Receiver may in its discretion designate (the "Manager");
- (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 and to collect any payments or subsidies from the Ontario Ministry of Health and Long Term Care (the "MOH") and any municipalities, provided, however, that notwithstanding anything herein contained, any monies received by the Receiver from the MOH pursuant to this Order shall be used or applied by the Receiver only in accordance with the operation of the Debtors' nursing homes which are currently licensed pursuant to the *Nursing Homes Act*, R.S.O. 1990, c. N-7, as amended and the regulations thereunder (the "NHA") and related policy (and which amounts will be subject to MOH review and reconciliation as provided for by applicable law);
- (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 undertake such repairs and improvements to the Property as the Receiver may, in its discretion, deem appropriate or the MOH may require;
- (k) to apply for such permits, licenses, approvals or permissions as may be required by any governmental authority with respect to the Property, including, without limitation, licenses under the NHA;
- (l) 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, including, without limitation, any grievances or other labour disputes. 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;

- (m) 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;
- (n) 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 \$200,000; 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.

- (o) 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;
- (p) to report to, meet with and discuss with such secured and unsecured creditors of the Debtors and their advisors 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;

- (q) to register a copy of this Order and any other Orders in respect of the Property against title to any or all of the Property;
- (r) 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;
- (s) to enter into arrangements 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 and the power to lend money to or indemnify any such trustee, such trustee borrowings or indemnity not to exceed \$25,000 unless otherwise increased by this Court;
- (t) to vote any shares and exercise any rights which the Debtors may have as shareholder and to otherwise deal with all securities, warrants or other interests held by the Debtors, for its benefit; and,
- (u) to take any steps reasonably incidental to the exercise of these powers,

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, 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 their current and former directors, officers, employees, agents and shareholders, any other persons acting on their instructions or behalf including, without limitation, any accountants

or legal counsel, 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 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, other than documents or information which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that all Persons shall deliver to the Receiver all of the Debtors' books, documents, securities, contracts, orders, corporate and accounting records and all computer records, computer programs, computer tapes, computer disks, data storage media and programs containing any such information, and any other papers, records and information of any kind of the Debtors relating thereto in their possession or control (the foregoing, collectively, the "Records"), and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver access to and use of accounting, computer, software and physical facilities relating thereto.
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 obtain access 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,

without limiting the generality of the foregoing, 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, enforcement process, or extra-judicial proceeding in any court or other tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver or any person engaged by the Receiver, including the Manager, 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 or affecting the Property are hereby stayed and suspended pending written consent of the Receiver or leave of this Court, provided, however, that nothing in this paragraph or this Order shall:
- (a) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on;
 - (b) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, or other mandatory statutory or regulatory provisions of applicable law, and, for greater certainty, this Order shall not be construed so as to prohibit,

restrain, impede or in any way interfere with the MOH, the Director under the NHA, or employees or agents of the MOH (collectively, the "Minister") in exercising any jurisdiction, duty, power, or authority granted under the NHA or the *Health Facilities Special Orders Act*, R.S.O. 1990, c. H.5, as amended, without further order of this Court or the written consent of the Receiver (including, without limitation, the right to suspend a licence, to take control of a home, or to terminate a service agreement), where it has been determined by the Minister to be necessary to protect the health, safety and welfare of residents, and any such exercise by the Minister shall not in any way diminish or derogate from the protections against liabilities afforded to the Receiver under this Order, or under the provision of the BIA, or at law or equity; or,

- (c) prevent the filing of any registration to preserve a security interest or a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour renewal rights, alter, interfere with, repudiate, terminate or cease to perform any right, contract, arrangement, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court, and, without limiting the generality of the foregoing, the MOH is hereby directed to make all payments of funds to which the Debtors are entitled directly to the Receiver and the MOH shall not suspend, cancel or set-off such payments without further order of this Court, provided, however, that nothing in this paragraph shall exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, or other mandatory statutory or regulatory provisions of applicable law from and after the date of this order.

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, failing to honour renewal rights on reasonable terms, 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 ("Receipts") 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 the Receiver shall not be liable for any non-unionized employee-related liabilities, including, without limitation, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.
15. **THIS COURT ORDERS** that the Receiver shall not be liable for any unionized employee-related liabilities, including, without limitation, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than in accordance with the terms of the agreements appended as to the Supplementary Affidavit of James Dysart (the "Labour Agreements"), which Mintz is hereby authorized to execute in its capacity as Receiver and, if applicable, Trustee in Bankruptcy, and, for greater certainty, leave shall not be granted to any person, pursuant to s. 215 of the BIA, to commence proceedings against the Receiver or, if applicable, the Trustee in Bankruptcy, in respect of matters forming the subject matter of the Labour Agreements, other than in accordance with the terms thereof.
16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canadian *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

17. **THIS COURT ORDERS** that nothing herein contained shall require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession or management of any of the Property which may be environmentally contaminated, or a pollutant or a contaminant, or cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other legislation, statute, regulation or rule of law or equity 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 the Receiver shall promptly advise the Ontario Ministry of the Environment of any obvious or known environmental condition existing on or in any of the Property in accordance with applicable Environmental Legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that any expenditure or liability which shall properly be made or incurred by the Receiver, including (subject to the approval of the Court) the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the normal rates and charges of the Receiver and its counsel (the "Receiver's Operating Costs"), shall be allowed to it in passing its accounts and 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, including, without limitation, the security interest of Peoples Trust Company (the "Receiver's Charge").

19. **THIS COURT ORDERS** 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 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 \$750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. 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.

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 **Appendix "C"** 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.

LIMITATION ON THE RECEIVER'S LIABILITY

25. **THIS COURT ORDERS** that the liability that the Receiver may incur as a result of its appointment or as a result of the performance of its duties hereunder other than the Receiver's Operating Costs or any liability arising as a result of its gross negligence or wilful misconduct (the "Receiver's Liabilities"), shall be limited in the aggregate to the Net Realizable Value of the Property. The Net Realizable Value of the Property shall be the proceeds realized in cash from the disposition of the Property after the Receiver's Operating Costs, including monies borrowed hereunder, have been paid.
26. **THIS COURT ORDERS** that the Receiver's Liabilities shall form a charge on the Net Realizable Value of the Property (the "Receiver's Liability Charge") subordinate to the Receiver's Charge and the Receiver's Borrowings Charge.

GENERAL

27. **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.

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 or elsewhere 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.
30. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis.
31. **THIS COURT ORDERS** that any interested party may apply to this Court, within 30 days of mailing to them of a copy of this Order, to vary or amend this Order on 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.



JOSEPH P VAN TASSEL
REGISTRAR

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

JAN 24 2006

PER/PAR: 

APPENDIX "A"**SERVICE LIST**

TO: PARAGON HEALTH CARE INC.
3595 Keele Street
Toronto, Ontario
M3J 1M7

Attention: Gerald Harquail, President

AND TO: 1508669 ONTARIO LIMITED
103-111 Pelham Road
St. Catharines, Ontario
L2S 1S9

Attention: Gerald Harquail, President

AND TO: SACK GOLDBLATT MITCHELL
Suite 1130, Box 180
20 Dundas St. W.
Toronto, Ontario
M5G 2G8

Attention: Michael Kainer
Tel: (416) 977-6070
Fax: (416) 591-7333

Solicitors for Service Employees International Union, Local 1.on,
Canadian Union of Public Employees and its Local 1263 and the Nursing
Homes and Related Industries Pension Plan

AND TO: MINISTRY OF FINANCE, Insolvency Unit
33 King Street West, 6th Floor
Oshawa, Ontario
L1H 8H5

AND TO: DEPARTMENT OF JUSTICE (CANADA)

Ontario Regional Office
The Exchange Tower, Box 36
130 King Street West, Suite 3400
Toronto, Ontario
M5X 1K6

Attention: Diane Winters

Tel: (416) 973-3172
Fax: (416) 973-0810

AND TO: LANG MICHENER LLP

BCE Place, P.O. Box 747
Suite 2500, 181 Bay Street
Toronto, Ontario
M5J 2T7

Attention: Les Wittlin

Tel: (416) 360-8600
Fax: (416) 365-1719

Solicitors for Mintz & Partners Limited

AND TO: Ginette Harquail

c/o Paragon Health Care Inc.
3595 Keele Street
Toronto, Ontario
M3J 1M7

AND TO: MINISTRY OF HEALTH AND LONG TERM CARE

56 Wellsley Street West, 9th Floor
Toronto, Ontario
M7A 2J9

Attention: Tim Burns, Director, Long Term Care Homes Branch**AND TO: CAPPELLACCI DAROZA LLP**

462 Wellington Street West, Suite 500
Toronto, Ontario
M5V 1E3

Attention: Ernest J. Cappellacci

Tel: 416-955-9500
Fax: 416-955-9503

Solicitors for Diversicare

APPENDIX "B"**LEGAL DESCRIPTIONS OF PROPERTY**

Part Lot 17, Concession 3, W.Y.S., Township of York, designated as Part 1, Plan 64R-9597, City of Toronto, Property Identifier Number 10181-0039(LT), municipally known as 3595 Keele Street, Toronto, Ontario.

Lots 814-819 and 857-861, TP Plan 94 Grantham, City of St. Catharines, Property Identifier Number 46172-0268(LT) municipally known as 103-111 Pelham Road, St. Catharines, Ontario and Lots 738-739, TP Plan 94, Grantham, City of St. Catharines, Property Identifier Number 46172-0309(LT), municipally known as 34-36 Whitworth Street, St. Catharines, Ontario.

APPENDIX "C"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the interim receiver and receiver and manager (the "Receiver") of all of the assets, undertakings and properties of [DEBTOR'S NAME] appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ____ day of _____, 2006 (the "Order") made in an action (the "Action") having Court file number 06-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of _____, 2006.

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

Per: _____

Name:

Title:

TOR_LAW\6220395\1

<p>BETWEEN:</p> <p>PEOPLES TRUST COMPANY Applicant</p> <p>- AND -</p> <p>PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED Respondents</p> <p>APPLICATION UNDER section 47 of the <i>Bankruptcy and Insolvency Act</i>, R.S.C. 1985, c. B-3, and under section 101 of the <i>Courts of Justice Act</i>, R.S.O. 1990, c. C.43</p>		<p>Court File No.: 06-CL-6233</p>
		<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE (Commercial List)</p> <p>PROCEEDING COMMENCED AT TORONTO</p>
		<p>ORDER</p>
		<p>GOWLING LAFLEUR HENDERSON LLP Barristers and Solicitors Suite 1600, 1 First Canadian Place 100 King Street West TORONTO, Ontario MSX 1G5</p> <p>Massimo C. Starnino (LSUC # 41048G) Tel: (416) 862-3630 Fax: (416) 863-3630</p> <p>Solicitors for Peoples Trust Company</p>

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TAB B

**This is Appendix “B” to the
Tenth Report of the Receiver
dated October 9, 2015**

Court File No. 06-CL-6233

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. AND 1508669 ONTARIO LIMITED

Respondent

**EIGHTH REPORT TO THE COURT OF THE RECEIVER
(dated August 21, 2012)**

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APPENDIX "B":	Sixth Report of the Receiver dated February 15, 2011 (without Appendices)
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APPENDIX "E":	Seventh Report of the Receiver dated November 1, 2011 (without Appendices)
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APPENDIX "G":	Order of Justice Wilton-Seigel dated November 9, 2011

- APPENDIX "H": West Park Sale Order dated November 9, 2011
- APPENDIX "I": Amending Agreement No. 2 to the GEM APS
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- APPENDIX "K": Amending Agreement No. 5 to the GEM APS
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- APPENDIX "M": Letter from the MOH and e-mail correspondence from the MOH dated July 10, 2012
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- APPENDIX "P": Sample letter to suppliers to Casa Verde dated July 25, 2012
- APPENDIX "Q": Receiver's Interim Statement of Receipts and Disbursements for Paragon Health Care Inc. for the period January 24, 2006 to August 3, 2012
- APPENDIX "R": Receiver's Interim Statement of Receipts and Disbursements for Paragon Health Care (Ontario) Inc. for the period January 24, 2006 to August 3, 2012
- APPENDIX "S": Peoples Trust Company Statement for Discharge Purposes effective July 31, 2012

INTRODUCTION

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 23, 2006 (the "**Appointment Order**"), Mintz & Partners Limited ("**MPL**") was appointed as Interim Receiver and Receiver and Manager (the "**Receiver**") of all the assets, undertakings and property of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**") (individually or collectively, the "**Debtor**") effective 9:00 am on January 24, 2006 (the "**Appointment Date**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**. By Order of the Court dated July 2, 2008, following the merger of the accounting practices of Deloitte & Touche LLP and Mintz & Partners LLP, the name of the Receiver was changed to Deloitte & Touche Inc. ("**Deloitte**").
2. As at the Appointment Date, Paragon's assets comprised the Casa Verde Health Centre, a 252-bed nursing home ("**Casa Verde Nursing Home**") and a 94-bed retirement home ("**Casa Verde Retirement Home**") (collectively, with Casa Verde Nursing Home, "**Casa Verde**") located at 3595 Keele Street, Toronto, Ontario. 1508669's assets comprise the West Park Health Centre ("**West Park**"), a 93-bed nursing home located at 103-111 Pelham Road, St. Catharines, Ontario (collectively, with Casa Verde, the "**Homes**" or "**Facilities**").
3. As at the Appointment Date, Paragon Ontario was a non-operating entity that employed certain nursing staff used by Casa Verde.
4. On April 4, 2007, Justice Cumming granted an Order (the "**April 4, 2007 Order**") approving, among other things (i) a distribution to Peoples Trust Company ("**Peoples**"), the first secured creditor, of \$200,000 from the Receiver's trust account relating to 1508669; (ii) the Receiver's activities from the Appointment Date to March 26, 2007; and (iii) the fees and disbursements of the Receiver and those of its counsel. In support of the motion that resulted in the April 4, 2007 Order, the Receiver submitted its First Report to the Court dated March 26, 2007 ("**First Report**").

5. On August 21, 2007, Justice Lederman granted an Order approving the Receiver's commencement of a marketing and sale process for the Homes (the "**Sale Process Order**"). In support of the motion that resulted in the Sale Process Order, the Receiver submitted its Second Report to the Court dated July 27, 2007 (the "**Second Report**").
6. The Receiver's Third Report to the Court dated August 24, 2007 was submitted in response to a motion brought by a former employee who was seeking leave to issue a Statement of Claim to commence a wrongful dismissal action against the Receiver.
7. On July 2, 2008, Justice Karakatsanis granted an Order (the "**July 2 Order**") approving, among other things (i) a distribution to Peoples of \$800,000 from the Receiver's trust account relating to 1508669; (ii) the fees and disbursements of the Receiver and those of its counsel; (iii) the Receiver's actions and activities in the Receiver's Fourth Report; and (iii) changing the name of the Receiver to Deloitte. In support of the motion that resulted in the July 2 Order, the Receiver submitted its Fourth Report to the Court (the "**Fourth Report**") dated June 25, 2008.
8. On December 23, 2009, Justice Cumming granted an Order (the "**December 23 Order**") approving, among other things (i) a distribution to Peoples of \$1,000,000 from the Receiver's trust account relating to Paragon; (ii) the fees and disbursements of the Receiver and those of its counsel; and (iii) the Receiver's actions and activities from June 26, 2008 to December 14, 2009. In support of the motion that resulted in the December 23 Order, the Receiver submitted its Fifth Report to the Court (the "**Fifth Report**") dated December 14, 2009.
9. On February 22, 2011, Justice Mesbur granted an Order (the "**February 22 Order**") approving, among other things, (i) a distribution to Peoples of \$2,000,000 from the Receiver's trust account relating to Paragon; (ii) the fees and disbursements of the Receiver and those of its counsel; and (iii) the Receiver's actions and activities from December 15, 2009 to February 15, 2011. Also on February 22, 2011, Justice Mesbur granted an Approval and Vesting Order (the "**Casa Verde Sale Order**") approving the Receiver entering into and completing an Agreement of Purchase and Sale (the "**GEM APS**") for the sale of Casa Verde to GEM Health Care Group Limited ("**GEM**") and vesting in GEM the Debtor's right, title

and interest in the Purchased Assets (as defined in the Casa Verde Sale Order) subject to the closing of the transaction with GEM and the Receiver filing with the Court a Receiver's Certificate (the "**Receiver's Certificate**"). In support of the motion that resulted in the February 22 Order and the Casa Verde Sale Order, the Receiver submitted its Sixth Report to the Court (the "**Sixth Report**") dated February 15, 2011. A copy of the Sixth Report without appendices is attached hereto as **Appendix "B"**. Copies of the February 22 Order and the Casa Verde Sale Order are attached hereto as **Appendix "C"** and **Appendix "D"**, respectively.

10. On November 9, 2011, Justice Wilton-Siegel granted an Order (the "**November 9 Order**") approving, among other things, (i) a distribution to Peoples of \$1,250,000 from the Receiver's trust account relating to Paragon; (ii) the fees and disbursements of the Receiver and those of its counsel; and (iii) the Receiver's actions and activities from December 16, 2009 to October 14, 2011. Also on November 9, 2011, Justice Wilton-Siegel granted an Approval and Vesting Order (the "**West Park Sale Order**") approving the Receiver entering into and completing an Agreement of Purchase and Sale (the "**West Park APS**") for the sale of West Park to CVH GP Inc., general partner of CVH (No. 1) LP ("**CVH**"), assignee of SAC 4 Inc., and vesting in CVH the Debtor's right, title and interest in the Purchased Assets (as defined in the West Park Sale Order) subject to the closing of the transaction with CVH and the Receiver filing with the Court a Receiver's Certificate. In support of the motion that resulted in the November 9 Order and the West Park Sale Order, the Receiver submitted its Seventh Report to the Court (the "**Seventh Report**") dated November 1, 2011. A copy of the Seventh Report without appendices is attached hereto as **Appendix "E"**. Attached hereto as **Appendix "F"** is the Supplemental Report to the Receiver's Seventh Report to the Court dated November 9, 2011 which advised the Court of i) a further amending agreement to the West Park APS that was entered into to address certain concerns of the Ministry of Health and Long-Term Care (the "**MOH**"), and ii) SAC 4 Inc.'s intention to assign its right, title and interest in the West Park APS to CVH (which assignment was completed on November 14, 2011). Copies of the November 9 Order and the West Park Sale Order are attached hereto as **Appendix "G"** and **Appendix "H"**, respectively.

PURPOSE

11. The purpose of this Eighth Report of the Receiver (the "**Eighth Report**") is to:
- report to the Court on the closing of the transaction for the sale of Casa Verde to GEM;
 - provide the Court with a brief update on the status of the West Park APS; and
 - request approval of a proposed distribution to Peoples of \$7,900,000 from the Receiver's trust account relating to Paragon.

TERMS OF REFERENCE

12. In preparing this Report, the Receiver has relied upon records of the Debtor and unaudited financial information prepared by the Debtor and/or Diversicare Canada Management Services Co., Inc. ("**Diversicare**"). The Receiver has not performed an audit or other verification of such information. As set out in the First Report, Diversicare has been engaged as day-to-day manager of Casa Verde and West Park on behalf of the Receiver.
13. The Receiver has sought the advice of Gowling Lafleur Henderson LLP ("**Gowlings**"), counsel to Peoples, for general legal matters that have arisen in respect of the receiverships. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Lang Michener LLP ("**Lang Michener**") and subsequently, Heenan Blaikie LLP ("**Heenan**").
14. Capitalized terms not defined in this Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.

MOH APPROVAL

15. Upon issuance of the Casa Verde Sale Order, by letter dated February 28, 2011, the Receiver advised the MOH that it had entered into the GEM APS and of the Receiver's desire to sell Casa Verde to GEM. The February 28, 2011 letter caused the MOH to commence its

Licensing Approval Process, which the MOH had verbally informed the Receiver could take four to six months to complete.

16. The GEM APS provided, among other things, that i) the MOH shall have approved the purchase by GEM contemplated under the GEM APS, and the MOH shall have approved the Purchaser for transfer of the Licence(s) or for the issue of licences similar to the Licence(s) on or before March 31, 2011 (the "**MOH Approval Date**"), ii) GEM was to be satisfied on or before May 31, 2011 as to any conditions imposed by the MOH on the transaction (the "**MOH Conditions Date**"), and iii) the Closing Date was to be no later than June 30, 2011. Given the MOH's estimated time frame to complete its Licencing Transfer Process, the parties entered into Amending Agreement No. 2 which extended the MOH Approval Date to October 31, 2011, the MOH Conditions Date to September 30, 2011 and the Closing Date to November 30, 2011. In addition, in Amending Agreement No. 2, the Receiver consented to the assignment of the GEM APS to Downsview Long Term Care Centre Limited ("**Downsview**"). Downsview is an entity related to GEM. Attached hereto as **Appendix "I"** is Amending Agreement No. 2.
17. As the MOH had not completed its Licencing Review Process by September 30, 2011, the parties entered into Amending Agreement No. 3 which extended the MOH Conditions Date to November 30, 2011 and the MOH Approval Date to December 20, 2011. With the Licencing Review Process not completed by November 30, 2011, the parties entered into Amending Agreement No. 4 which extended the MOH Conditions Date to January 31, 2012, MOH Approval Date to February 28, 2012 and the Closing Date to March 31, 2012. Attached hereto as **Appendix "J"** are Amending Agreements No. 3 and No. 4.
18. By letter dated December 13, 2011 (the "**MOH Approval Letter**"), the MOH advised Downsview that it had complete its Licensing Transaction Review and approved the issuance of a new licence to Downsview once the following conditions were met:
 - i) the MOH receives, in writing, confirmation of the actual date of the sale closing;

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- ii) the MOH receives a letter from the Vendor surrendering the current licence held by the Vendor along with the original current licence for Casa Verde Nursing Home;
- iii) the Purchaser agrees in a form acceptable to the MOH that it will reimburse the Local Health Integration Network or the MOH any amounts owed to either of them by the Vendor resulting from the reconciliation process as set out in s.243 of Ontario Regulation 79/10 under the Act or under the previously applicable legislation and service agreement in respect of Casa Verde Nursing Home; and
- iv) the Purchaser agrees to correct all outstanding findings of non-compliance set out in the inspection reports issued by the MOH to the Vendor, and to comply with all outstanding orders issued by a MOH inspector or the Director against the Vendor, if any, and all inspection reports and orders should be available from the Vendor and they must be posted in the Home pursuant to applicable law.

19. With respect to condition iii) above, the amounts referred to therein involve obligations that are repayable to the MOH due to any overfunding by the MOH of Casa Verde. Overfunding could occur for a number of reasons, including:

- Actual occupancy levels lower than funded levels;
- Failure to spend amounts funded on qualified expenditures; and
- Disallowance of expenditures by the MOH.

MOH CLOSING ADJUSTMENT AND ESTABLISHMENT OF AN ESCROW AGREEMENT

20. Section 2.8(c) of the GEM APS provided for an adjustment on closing of the estimated amount, as agreed to between the parties, that may be repayable to or receivable from the MOH in regard to any overpayments/credits for the period prior to closing (the "MOH

Closing Adjustment”). The MOH Closing Adjustment was intended to provide a credit on closing to Downsview for the obligations Downsview was assuming (if any) pursuant to condition iii) of the MOH Approval Letter.

21. After extensive discussions and negotiations, it became apparent that the parties could not agree on an amount for the MOH Closing Adjustment, primarily due to the uncertainty of the amounts that the MOH would seek to recover from the Purchaser relating to the pre-closing period, as the MOH had not yet finalized its annual reconciliations for 2007 through 2010 and the Long-Term Care Home Annual Report for 2011 had not yet been completed or submitted.
22. In order to address the MOH Closing Adjustment, the parties agreed to institute an escrow arrangement whereby a portion of the purchase price would be held in escrow to reimburse the Purchaser for recoveries taken by the MOH from subsequent funding of the Purchaser; the portion of the escrow fund not paid to the Purchaser would be paid to the Vendor.
23. In order to provide additional time to negotiate the terms of the escrow agreement, the parties entered into Amending Agreement No. 5 which extended the MOH Conditions Date to February 29, 2012 and the MOH Approval Date to March 30, 2012. Attached hereto as **Appendix “K”** is Amending Agreement No. 5.
24. During the course of its negotiations with the Purchaser, in early March 2012, the Receiver contacted the MOH and requested that the MOH provide the status of its reconciliations of funding in respect of the period from the Appointment Date to December 31, 2011.
25. On March 21, 2012, the MOH advised the parties of the status of reconciliations for the years 2006 through 2011 and estimated the total amount of pre-Closing MOH obligations for those years at \$665,649.
26. Notwithstanding the MOH’s estimate of the pre-closing MOH obligations, Downsview maintained the escrow amount should be \$1.75 million. It was Downsview’s position that the MOH’s correspondence did not definitively indicate that the reconciliations for 2006 through 2009 had been finalized and the MOH’s estimate was prepared without the benefit of any

prior review of the actual reconciliations for 2010 and 2011. As a result, Downsview did not want to be in a position to have to pay the MOH for pre-closing amounts should the actual obligations increase as a result of the MOH subsequently attempting to recover further amounts for the 2006 through 2009 period and the MOH's subsequent completion of the reconciliations for 2010 and 2011.

27. Following further negotiations, the parties agreed to set the amount to be placed into escrow at \$1.75 million on the proviso that the escrow amount be reduced to \$1.1 million upon the receipt of correspondence from the MOH, either before or after closing, that clearly indicated that the reconciliations for 2006 through 2009 were final and that Downsview would not be assuming any obligations for those years.
28. Accordingly, the parties entered into Amending Agreement No. 6 with an effective date as of February 29, 2012 which, among other things:
 - i) amended the Closing Date to July 26, 2012;
 - ii) deleted the clauses in the GEM APS concerning the MOH Closing Adjustment and replaced the clauses with an agreement to place into escrow \$1.75 million of the Purchase Price payable on closing (the "**Escrow Fund**") to be held in respect of MOH obligations for the period January 24, 2006 to December 31, 2011 (the "**MOH Closing Adjustment Period**") and to be administered on the terms of an escrow agreement to be dated as of the Closing Date (the "**Escrow Agreement**"), with Gowlings acting as the Escrow Agent;
 - iii) provided for the amount of the Escrow Fund to be reduced to \$1.1 million upon receipt from the MOH of correspondence that confirmed that the reconciliations for the years up to and until December 31, 2009 are finalized or closed; and
 - iv) amended the MOH Conditions Date and the MOH Approval Date to June 20, 2012.

A copy of each of Amending Agreement No. 6 and the Escrow Agreement are attached hereto as **Appendix "L"**.

29. By (a) letter dated July 10, 2012, the MOH issued a revised letter to Downsview approving the transfer of the licences but which modified condition iii) of the December 13, 2011 approval letter by setting the maximum liability to be assumed by Downsview for MOH obligations relating to the period beginning on January 1, 2011 to the Closing Date at \$1.0 million; and (b) e-mail correspondence dated July 10, 2012, the MOH confirmed that reconciliations for the years 2006 through 2010 were closed and no amounts remained owing to the MOH for those years. A copy of each of the July 10, 2012 letter and e-mail correspondence from the MOH is attached hereto as **Appendix "M"**.
30. Given the MOH's establishment of a maximum obligation of \$1.0 million to be assumed by Downsview on closing, the parties entered into Amending Agreement No. 7 which, among other things, revised the amount of the Escrow Fund to \$1.0 million and amended the MOH Closing Adjustment Period to be from January 1, 2010 to December 31, 2011. Corresponding amendments to the Escrow Agreement were also made. Attached hereto as **Appendix "N"** is a copy of Amending Agreement No. 7.

CLOSING OF THE SALE OF CASA VERDE

31. On June 22, 2012, pursuant to the terms of the MOH Approval Letter, the Receiver i) advised the MOH that the Closing Date of the transaction was July 26, 2012, and ii) subject to the closing of the transaction and the issuance of a new licence to Downsview, surrendered to the MOH Casa Verde's original Long-Term Care Home Licence.
32. After execution of Amending Agreement No. 7, which set the Closing Date to be no later than July 26, 2012, Downsview informed the Receiver that it wished to change the Closing Date to July 25, 2012, which change was acceptable to the Receiver. On July 16, 2012, the Receiver advised the MOH that the Closing Date had been changed to July 25, 2012.
33. On July 25, 2012, the sale of Casa Verde closed and the Receiver's Certificate was provided to the Purchaser.

34. The Receiver and Diversicare continue to address matters relating to the receivership of Casa Verde, including ensuring that all required filings to the MOH and other government authorities are made on a timely basis.

SALE-RELATED MATTERS

SEIU

35. On July 12, 2012, Downsview advised the Receiver that it wished to speak with representatives of the Service Employees International Union Local 1.0N (the "SEIU") prior to the Closing Date.
36. On July 16, 2012, the Receiver advised the SEIU of the scheduled Closing Date of the transaction and of Downsview's desire to convene a meeting with the SEIU. While the Receiver had offered to participate in the meeting, Downsview advised that it did not see a need for the Receiver's participation.

Employees

37. In view of the pending closing of the GEM APS, on July 11, 2012, the Receiver directed Diversicare to advise Casa Verde's management team of the scheduled closing date.
38. On July 19, 2012, the Receiver attended meetings held with Casa Verde's employees at which the employees were advised of the upcoming closing of the transaction with Downsview. Employees were advised that pursuant to the Receiver's agreement with Downsview, upon the closing of the transaction, Paragon's union and non-union employees would become employees of Downsview and that all of the terms of their employment with the Receiver, including wage rates, vacation pay entitlements, sick credit entitlements, and seniority rights, would be recognized by Downsview.
39. By letter dated July 25, 2012, the Receiver advised non-union employees that as a result of the closing of the sale of Casa Verde, their employment by the Receiver had come to an end. The form of letter provided to non-union employees is attached hereto as **Appendix "O"**. Counsel for the Receiver sent formal notice to counsel for SEIU to advise SEIU of the closing of the transaction and that Downsview had become the successor employer of Casa

Verde's employees.

Suppliers

40. By letter dated July 25, 2012, the Receiver advised suppliers to Casa Verde that the assets of Casa Verde were sold to Downsview, that the Receiver would be paying for goods and services provided prior to July 25, 2012 in the normal course and that the Receiver would not be responsible for goods and services provided to Casa Verde after July 24, 2012. The form of letter provided to suppliers is attached hereto as **Appendix "P"**.

Closing Proceeds

41. The GEM APS provided for a Purchase Price of \$9.0 million. After the adjustments set out in the Statement of Adjustments, and after consideration of the \$1.0 million Escrow Fund, the Receiver received net proceeds of \$6,759,391.71 on closing.

Potential Future Proceeds

(a) *Escrow Fund*

42. On closing, \$1.0 million of the closing proceeds were delivered to Gowlings to be administered in accordance with the terms of the Escrow Agreement. Amending Agreement No. 6 provides for the release of amounts from the Escrow Fund as follows:
- i) to the Purchaser on receipt of a monthly Long-Term Care Home Payment Notice ("**MOH Monthly Payment Notice**") from the MOH that an amount relating to the period prior to closing will be recovered or withheld from any scheduled monthly payment to be made to Downsview; and
 - ii) to the Vendor on receipt by the Escrow Agent of correspondence issued by the MOH that confirms that the reconciliations for all periods in the MOH Closing Adjustment Period are finalized or closed and that no further amounts are owing.

43. As the MOH confirmed on July 10, 2012 that the reconciliation for the year 2010 had been finalized and no further amounts are owed, and the last day of the MOH Closing Adjustment Period is December 31, 2011, the \$1.0 million Escrow Fund is being held only in respect of the 2011 year. By e-mail correspondence dated March 21, 2012, the MOH estimated that the amount of its recoveries relating to 2011 will be \$52,756. However, the MOH's estimate was provided without it having reviewed and reconciled the Long-Term Care Home Annual Report for 2011, which is not due to be submitted to the MOH until September 2012.
44. Based on the Receiver's experience with Casa Verde, the MOH's review and reconciliation of Casa Verde's annual report may take up to three years to complete. As a result, the time frame for the final release of amounts from the Escrow Fund is unknown; however, the Escrow Agreement establishes July 25, 2016 as the outside date for the release of the balance of funds in the Escrow Fund. Therefore, while it could be up to four years before the Receiver could receive the balance remaining in the Escrow Fund, the potential further proceeds available to the Receiver, based on the MOH's estimate referred to earlier herein, could be up to \$947,000.

(b) High Intensity Needs Claims

45. Casa Verde made certain disbursements in the period of January 1, 2012 until the Closing Date for High Intensity Needs and Lab Costs ("HIN Costs") for which it can seek reimbursement from the MOH ("HIN Claims"). As of the Closing Date, Casa Verde had submitted \$80,157 of HIN Claims for a portion of 2012 for which it was awaiting reimbursement from the MOH. In addition, Casa Verde had incurred further HIN Costs up to the Closing Date for which HIN Claims had not been submitted to the MOH as of the Closing Date. The MOH's policy for reimbursement of these claims is to include a payment in future MOH Monthly Payment Notices, which amounts would be received by Downsview. Accordingly, the Receiver sought an adjustment on closing in its favour for outstanding HIN Claims.
46. Downsview did not agree to provide an adjustment on closing for outstanding HIN Claims since it was unclear if all of the claims would be approved and the amount of HIN Costs

incurred prior to the Closing Date that had not been submitted to the MOH for reimbursement was not available prior to closing. Accordingly the parties executed an undertaking that Downsvew, subject to certain set off rights in respect of post-closing adjustments, would reimburse the Receiver for any HIN Claims paid to Downsvew in the twelve months after the Closing Date which related to the period prior to the Closing Date. Therefore, a further \$80,000 plus the amount of pre-closing HIN Claims to be submitted could be received by the Receiver within one year of the Closing Date, subject to Downsvew's set off rights for post-closing adjustments.

(c) *July 2012 Rent*

47. The GEM APS provided for an adjustment on closing for usual and customary items which are subject of commercial real property and retirement and long term care facility transactions. As the Receiver had received \$413,292 of payments from residents in the period from July 1, 2012 to July 24, 2012, it intended to provide Downsvew with an adjustment on closing of \$93,324 representing the rent payments for the seven days of July during which Downsvew would be in possession of the facility; this amount would have been reconciled post-closing to determine if any of the payments received in July related to the period prior to July 1, 2012. July payments relating to pre-July 2012 payment amounts owed would have been reimbursable by Downsvew to the Receiver.
48. Downsvew did not agree with the Receiver's position and was of the view that it should receive an adjustment not just for amounts collected in respect of July rent but for all amounts billed for July rent (amounts billed in July totalled \$451,112 resulting in an adjustment on closing of \$101,864). In addition, to the extent Downsvew received rent payments from residents relating to July 2012 in the six month period after closing, Downsvew would remit to the Receiver the portion of the rent payment relating to the period July 1 to July 24.
49. While the Receiver did not agree with Downsvew's position, in view of the amount in disagreement (\$8,540), the re-adjustment provision set out above, and the fact that this issue was the final outstanding item to be resolved prior to closing, the Receiver agreed to the

closing adjustment of \$101,864. The Receiver estimates that if all amounts for July rent are collected, it could receive up to a further \$8,540 from Downsview.

(d) Post-Closing Adjustments

50. The GEM APS provides for each party to provide an undertaking to readjust any item on or omitted from the statement of adjustments, except for the MOH Closing Adjustment and the adjustment for HIN Claims, for a period of six (6) months from Closing. Since the adjustment on closing relating to payroll was based on an estimate as of the Closing Date, the Receiver anticipates that post-closing adjustment(s) will be required for, at a minimum, payroll.
51. The adjustment period for the HIN claims is one year, and the Escrow Agreement in respect of the MOH Closing Adjustment expires on July 25, 2016.

INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

52. Attached hereto as **Appendices "Q" and "R"** are the Receiver's Interim Statements of Receipts and Disbursements for the period January 24, 2006 to August 3, 2012 (the "**Interim R&Ds**") for each of Paragon and Paragon Ontario, respectively. Due to the inactivity in the Paragon Ontario account, on January 30, 2012, the account was closed and the balance therein was transferred to the Receiver's account relating to Paragon.
53. The Interim R&Ds indicate the Receiver is holding \$8,592,550 of cash, of which \$6,759,392 represents net proceeds from the sale of Casa Verde.
54. The Interim R&Ds reflect transactions through the Receiver's accounts and do not reflect the receipts and disbursements of the operating accounts managed by Diversicare for the Receiver. The Receiver has been funding the operating accounts on a monthly basis based on the cash requirements to operate the facility. As of July 31, 2012, the balance in the operating accounts administered by Diversicare was \$267,031.61.
55. Diversicare is in the process of assessing the amount of funds it will require to satisfy all of the operating costs incurred up until Closing which may require further funding from the

Receiver. Diversicare will maintain the operating accounts until it is satisfied that all operating expenditures have been paid.

PROPOSED DISTRIBUTION TO PEOPLES

56. The Receiver has approximately \$8,590,000 in its Paragon trust account.
57. With respect to the property, assets and undertaking of Paragon and the business of Casa Verde, Peoples holds the security described in Appendix "O" attached to the Fifth Report, which security includes a charge/mortgage of land made in favour of First National Financial Corporation by Paragon dated May 30, 1994 and registered as Instrument No. TB953231 as subsequently amended and assigned to Peoples and registered June 15, 2000 as Instrument No. TR061724 (the "**Casa Verde First Mortgage**"). The Receiver reported in paragraph 62 of the First Report that it had received an independent legal opinion from Lang Michener that Peoples' security over Paragon's assets was legal, valid and binding.
58. A copy of Peoples' Statement for Discharge Purposes effective July 31, 2012 with respect to the Casa Verde First Mortgage is attached hereto as **Appendix "S"**. As of July 31, 2012, the outstanding balance (principal and interest) under the Casa Verde First Mortgage is \$16,121,574.17. Peoples has informed the Receiver that it would like to receive a payment against the outstanding balance on the Casa Verde First Mortgage.
59. The Receiver has determined that \$7,900,000 would be an appropriate amount to distribute to Peoples as payment against the Casa Verde First Mortgage and is seeking this Court's approval to make that payment. After consideration of the amount of the proposed distribution, the Receiver should have sufficient cash to (i) address post-closing sale adjustments; (ii) address any operating cost obligations in excess of the funds being held in the Diversicare operating accounts; (iii) pay the fees of Diversicare; and (iv) fund professional fees incurred as part of the closing of the GEM APS and future fees to be incurred to complete the receiverships of Paragon and Paragon Ontario.

60. The Receiver is also seeking this Court's approval to make subsequent distributions to Peoples should the Receiver determine that it is in a position to distribute excess cash in its trust account.

STATUS OF THE SALE OF WEST PARK

61. Upon issuance of the West Park Sale Order, by letter dated December 2, 2011, the Receiver advised the MOH that it had entered into the West Park APS and of the Receiver's wish to sell West Park to CVH. The December 2, 2011 letter caused the MOH to commence its Licensing Approval Process.
62. The Receiver understands that CVH has provided the information and documentation requested by the MOH as part of the Licensing Transfer Process. As of the date of this Eighth Report, the MOH has not communicated its decision to CVH or the Receiver.
63. Given the delays in obtaining approval from the MOH, the Receiver has entered into a number of amending agreements to extend the time frames under the West Park APS for obtaining MOH approval for the transfer of the licence to CVH and the outside closing date. The most recent amending agreement executed between the parties extends the MOH Approval Date for the transaction to October 1, 2012 and the outside closing date to November 1, 2012.

RECEIVER'S REQUEST TO THE COURT

64. The Receiver is respectively seeking an order approving the following:
- i) the actions and activities of the Receiver from October 15, 2011 to August 3, 2012 with respect to its activities undertaken for Paragon and Paragon Ontario as outlined in this Eighth Report;
 - ii) the Interim R&Ds for the period January 24, 2006 to August 3, 2012;
 - iii) a distribution to Peoples in the amount of \$7,900,000 to be applied against the balance outstanding on the Casa Verde First Mortgage; and
 - iv) the Receiver making subsequent distributions to Peoples from excess cash on hand.

All of which is respectfully submitted to this Honourable Court.

DATED this 21st day of August, 2012.

DELOITTE & TOUCHE INC.

**in its capacity as Interim Receiver and Receiver and Manager of
the assets, undertakings and properties of
Paragon Health Care Inc., Paragon Health Care (Ontario) Inc.
and 1508669 Ontario Limited and not in its personal capacity**

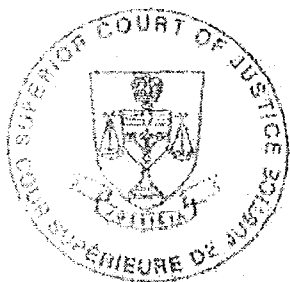
Deloitte & Touche Inc.

Daniel R. Weisz, CA•CIRP, CIRP
Senior Vice President

Hartley Bricks, MBA, CA•CIRP, CIRP
Vice President

TAB C

**This is Appendix “C” to the
Tenth Report of the Receiver
dated October 9, 2015**



Court File No. 06-CL-6233

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

JUSTICE MORAWETZ

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TUESDAY, THE 4TH DAY

OF SEPTEMBER, 2012

IN THE MATTER OF AN APPLICATION UNDER
SECTION 47 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, C.B-3

AND IN THE MATTER of SECTION 101 of *THE
COURTS of JUSTICE ACT*, R.S.O. 1990, C.C-43

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

DISTRIBUTION ORDER

THIS MOTION made by Deloitte & Touche Inc. ("**Deloitte**"), appointed as interim receiver and receiver and manager (the "**Receiver**") pursuant to section 101 of the *Courts of Justice Act*, without security, of the property, assets and undertaking of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**") pursuant to the terms of the Order of the Honourable Mr. Justice Cumming dated January 23, 2006 and effective 9:00 a.m.

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on January 24, 2006 (the "Initial Order"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Eighth Report of the Receiver dated August 21, 2012 (the "**Eighth Report**"), filed, and upon hearing the submissions of counsel for the Receiver, no other parties attending, although duly served as appears from the Affidavit of Service of Alma Cano, sworn August 28, 2012, filed,

1. **THIS COURT ORDERS** that service of the Notice of Motion and the Motion Record herein is hereby abridged, if necessary, and that this motion is properly returnable today and that service, including the form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.
2. **THIS COURT ORDERS** that the Eighth Report is hereby accepted and approved.
3. **THIS COURT ORDERS** that the conduct of the Receiver and its agents to date, as detailed in the Eighth Report, be and the same is hereby approved.
4. **THIS COURT ORDERS** that the Receiver's Interim Statements of Receipts and Disbursements for the period January 24, 2006 to August 3, 2012 in respect of Paragon, and Paragon Ontario as respectively set out in **Appendices "Q" and "R"** to the Eighth Report, filed, are hereby approved.
5. **THIS COURT ORDERS** that the Receiver is authorized and hereby directed to distribute the sum of \$7,900,000.00 to Peoples Trust Company, as partial payment on account of its secured claims against Paragon.

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

SEP 4 - 2012

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PEOPLES TRUST COMPANY	<div data-bbox="224 136 332 1071">Court File No.: 06-CL-6233 - and - PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED</div> <div data-bbox="365 136 657 871">ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) (PROCEEDING COMMENCED AT TORONTO)</div> <div data-bbox="657 136 771 871">DISTRIBUTION ORDER</div> <div data-bbox="771 136 1487 871"><p>Gowling Lafleur Henderson LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, Ontario M5X 1G5</p><p>Clifton P. Prophet / Frank Lamie LSUC No.: 34845K / 54035S</p><p>Telephone: (416) 862-7525 Facsimile: (416) 862-7661</p><p>Solicitors for Deloitte & Touche Inc. in its capacity as Interim Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited</p></div>
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TAB D

**This is Appendix “D” to the
Tenth Report of the Receiver
dated October 9, 2015**

Court File No. 06-CL-6233

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

**NINTH REPORT TO THE COURT OF THE RECEIVER
(dated December 11, 2012)**

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- APPENDIX "J":** Sample Letter dated November 12, 2012 to suppliers to West Park
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INTRODUCTION

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 23, 2006 (the "**Appointment Order**"), Mintz & Partners Limited ("**MPL**") was appointed as Interim Receiver and Receiver and Manager (the "**Receiver**") of all the assets, undertakings and property of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**") (individually or collectively, the "**Debtor**") effective 9:00 am on January 24, 2006 (the "**Appointment Date**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**. By Order of the Court dated July 2, 2008, following the merger of the accounting practices of Deloitte & Touche LLP and Mintz & Partners LLP, the name of the Receiver was changed to Deloitte & Touche Inc. ("**Deloitte**").
2. As at the Appointment Date, Paragon's assets comprised the Casa Verde Health Centre, a 252-bed nursing home ("**Casa Verde Nursing Home**") and a 94-bed retirement home ("**Casa Verde Retirement Home**") (collectively, with Casa Verde Nursing Home, "**Casa Verde**") located at 3595 Keele Street, Toronto, Ontario. 1508669's assets comprised the West Park Health Centre ("**West Park**"), a 93-bed nursing home located at 103-111 Pelham Road, St. Catharines, Ontario (collectively, with Casa Verde, the "**Homes**" or "**Facilities**").
3. As at the Appointment Date, Paragon Ontario was a non-operating entity that employed certain nursing staff used by Casa Verde.
4. On April 4, 2007, Justice Cumming granted an Order (the "**April 4, 2007 Order**") approving, among other things, (i) a distribution to Peoples Trust Company ("**Peoples**"), the first secured creditor, of \$200,000 from the Receiver's trust account relating to 1508669; (ii) the Receiver's activities from the Appointment Date to March 26, 2007; and (iii) the fees and disbursements of the Receiver and those of its counsel. In support of the motion that resulted in the April 4, 2007 Order, the Receiver submitted its First Report to the Court dated March 26, 2007 ("**First Report**").

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5. On August 21, 2007, Justice Lederman granted an Order approving the Receiver's commencement of a marketing and sale process for the Homes (the "**Sale Process Order**"). In support of the motion that resulted in the Sale Process Order, the Receiver submitted its Second Report to the Court dated July 27, 2007 (the "**Second Report**").
6. The Receiver's Third Report to the Court dated August 24, 2007 was submitted in response to a motion brought by a former employee who was seeking leave to issue a Statement of Claim to commence a wrongful dismissal action against the Receiver.
7. On July 2, 2008, Justice Karakatsanis granted an Order (the "**July 2 Order**") approving, among other things (i) a distribution to Peoples of \$800,000 from the Receiver's trust account relating to 1508669; (ii) the fees and disbursements of the Receiver and those of its counsel; (iii) the Receiver's actions and activities described in the Receiver's Fourth Report; and (iv) changing the name of the Receiver to Deloitte. In support of the motion that resulted in the July 2 Order, the Receiver submitted its Fourth Report to the Court (the "**Fourth Report**") dated June 25, 2008.
8. On December 23, 2009, Justice Cumming granted an Order (the "**December 23 Order**") approving, among other things, (i) a distribution to Peoples of \$1,000,000 from the Receiver's trust account relating to Paragon; (ii) the fees and disbursements of the Receiver and those of its counsel; and (iii) the Receiver's actions and activities from June 26, 2008 to December 14, 2009. In support of the motion that resulted in the December 23 Order, the Receiver submitted its Fifth Report to the Court (the "**Fifth Report**") dated December 14, 2009.
9. On February 22, 2011, Justice Mesbur granted an Order (the "**February 22 Order**") approving, among other things, (i) a distribution to Peoples of \$2,000,000 from the Receiver's trust account relating to Paragon; (ii) the fees and disbursements of the Receiver and those of its counsel; and (iii) the Receiver's actions and activities from December 15, 2009 to February 15, 2011. Also on February 22, 2011, Justice Mesbur granted an Approval and Vesting Order (the "**Casa Verde Sale Order**") approving the Receiver entering into and

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completing an Agreement of Purchase and Sale (the "**GEM APS**") for the sale of Casa Verde to GEM Health Care Group Limited ("**GEM**") and vesting in GEM the Debtor's right, title and interest in the Purchased Assets (as defined in the Casa Verde Sale Order) subject to the closing of the transaction with GEM and the Receiver filing with the Court a Receiver's Certificate confirming the closing of the sale. In support of the motion that resulted in the February 22 Order and the Casa Verde Sale Order, the Receiver submitted its Sixth Report to the Court (the "**Sixth Report**") dated February 15, 2011.

10. On November 9, 2011, Justice Wilton-Siegel granted an Order (the "**November 9 Order**") approving, among other things, (i) a distribution to Peoples of \$1,250,000 from the Receiver's trust account relating to Paragon; (ii) the fees and disbursements of the Receiver and those of its counsel; and (iii) the Receiver's actions and activities from December 16, 2009 to October 14, 2011. Also on November 9, 2011, Justice Wilton-Siegel granted an Approval and Vesting Order (the "**West Park Sale Order**") approving the Receiver entering into and completing an Agreement of Purchase and Sale (the "**West Park APS**") for the sale of West Park to CVH (No. 1) LP ("**CVH**"), the assignee of the West Park APS, and vesting in CVH the Debtor's right, title and interest in the Purchased Assets (as defined in the West Park Sale Order) subject to the closing of the transaction with CVH and the Receiver filing with the Court a Receiver's Certificate confirming the closing of the sale. In support of the motion that resulted in the November 9 Order and the West Park Sale Order, the Receiver submitted its Seventh Report to the Court (the "**Seventh Report**") dated November 1, 2011 and the Supplemental Report to the Seventh Report to the Court dated November 9, 2011. Copies of the Seventh Report and the Supplemental Report to the Seventh Report, both without appendices, are attached hereto as **Appendix "B"**. Copies of the November 9 Order and the West Park Sale Order are attached hereto as **Appendix "C"** and **Appendix "D"**, respectively.
11. On September 4, 2012, Justice Morawetz granted an Order (the "**September 4 Order**") approving (i) a distribution to Peoples of \$7,900,000 from the Receiver's trust account relating to Paragon; (ii) the fees and disbursements of the Receiver and those of its counsel;

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and (iii) the Receiver's actions and activities as detailed in the Eighth Report to the Court dated August 21, 2012 (the "**Eighth Report**"). In support of the motion that resulted in the September 4 Order, the Receiver submitted its Eighth Report. A copy of the Eighth Report without appendices is attached hereto as **Appendix "E"**. A copy of the September 4 Order is attached hereto as **Appendix "F"**.

PURPOSE

12. The purpose of this Ninth Report of the Receiver (the "**Ninth Report**") is to:

- Report to the Court on the closing of the transaction providing for the sale of West Park;
- Request approval of a proposed distribution to Peoples of \$2,250,000 from the Receiver's trust account relating to West Park; and
- Request the Court's approval of (i) the Receiver's Interim Statement of Receipts and Disbursements in respect of 1508669, (ii) the Receiver's fees and disbursements to October 31, 2012 in respect of both Paragon and 1508669, (iii) the fees and disbursements of Receiver's counsel, and (iv) the Receiver's activities to November 30, 2012.

TERMS OF REFERENCE

13. In preparing this Ninth Report, the Receiver has relied upon records of the Debtor and unaudited financial information prepared by the Debtor and/or Diversicare Canada Management Services Co., Inc. ("**Diversicare**"). The Receiver has not performed an audit or other verification of such information. As set out in the First Report, Diversicare was engaged as day-to-day manager of Casa Verde and West Park on behalf of the Receiver.
14. The Receiver has sought the advice of Gowling Lafleur Henderson LLP ("**Gowlings**"), counsel to Peoples, for general legal matters that have arisen in respect of the receiverships. Where the Receiver has required independent legal advice, the Receiver has sought the

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counsel of Lang Michener LLP ("**Lang Michener**") and subsequently, Heenan Blaikie LLP ("**Heenan**").

15. Capitalized terms not defined in this Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.

MINISTRY OF HEALTH AND LONG-TERM CARE ("**MOH**") APPROVAL

16. Following issuance of the West Park Sale Order, by letter dated December 2, 2011, the Receiver advised the MOH that the Receiver had entered into the APS and of the Receiver's desire to sell West Park to CVH. The December 2, 2011 letter caused the MOH to commence its Licensing Approval Process in order to issue a new nursing home licence (the "**Licence**") to CVH pursuant to the *Long-Term Care Homes Act, 2007* (the "**Act**"), which process, according to the MOH, could take four to six months to complete.
17. The APS provided, among other things, that: (i) the MOH shall have approved the purchase by CVH contemplated under the West Park APS, and the MOH shall have approved the Purchaser for transfer of the Licence(s) or for the issue of licences similar to the Licence(s) on or before February 29, 2012 (the "**MOH Approval Date**"); (ii) CVH was to be satisfied within 15 days of the MOH Approval Date as to any conditions imposed by the MOH on the transaction (the "**MOH Conditions Date**"); and (iii) the Closing Date was to be no later than April 15, 2012. However, as the MOH did not provide its approval for the transfer of the Licence by April 15, 2012, the parties entered into Amending Agreement No. 9 which extended the MOH Approval Date to May 31, 2012 and the Closing Date to July 15, 2012.
18. Licence approval from the MOH was not received in the summer and fall of 2012 requiring the parties to enter into Amending Agreement Nos. 10, 11, 12 and 13, all of which had the ultimate effect of extending the MOH Approval Date to November 9, 2012 and the Closing Date to no later than November 30, 2012. Attached hereto as **Appendix "G"** are copies of Amending Agreement Nos. 9 through 13.
19. By letter dated October 30, 2012 (the "**MOH Approval Letter**"), the MOH advised CVH

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that it would approve the issuance of the Licence to CVH once the following conditions were met:

- i) the MOH receives written confirmation of the actual date of the sale closing;
 - ii) the MOH responds to a public submission received October 30, 2012 regarding the proposal to transfer the Licence;
 - iii) the MOH receives a letter from the Vendor (the Receiver) surrendering the current licence held by the Vendor along with the original licence for West Park;
 - iv) the Purchaser agrees in a form acceptable to the MOH that it will reimburse the Local Health Integration Network or the MOH any amounts owed to either of them by the Vendor resulting from the reconciliation process as set out in s. 243 of Ontario Regulation 79/10 under the Act or under the previously applicable legislation and service agreement in respect of West Park; and
 - v) the Purchaser agrees to correct all outstanding findings of non-compliance set out in the inspection reports issued by the MOH to the Vendor, and to comply with all outstanding orders issued by a MOH inspector or the Director against the Vendor, if any, and all inspection reports and orders should be available from the Vendor and they must be posted in the Home pursuant to applicable law.
20. With respect to condition iv) above, the amounts referred to therein involve obligations that are repayable to the MOH due to any overfunding by the MOH of West Park in the period after the Appointment Date up to the Closing Date. Overfunding could occur for a number of reasons, including:
- Actual occupancy levels lower than funded levels;
 - Failure to spend amounts funded on qualified expenditures; and
 - Disallowance of expenditures by the MOH.

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MOH CLOSING ADJUSTMENT AND ESTABLISHMENT OF AN ESCROW AGREEMENT

21. Section 2.8(c) of the APS provided for an adjustment on closing of the estimated amount, as agreed to between the parties, that may be repayable to or receivable from the MOH in regard to any overpayments/credits for the period prior to the closing (the "**MOH Closing Adjustment**"). The MOH Closing Adjustment was intended to provide a credit on closing to CVH for the obligations that CVH was assuming (if any) pursuant to condition iv) of the MOH Approval Letter.
22. While the MOH had completed its annual reconciliations for 2006 through 2010, it had not yet completed its annual reconciliation for 2011. In addition, the Long-Term Care Home Annual Report ("**Annual Report**") for 2012 was not scheduled to be completed and submitted until sometime in 2013 and would probably not be reviewed by the MOH until sometime in 2014. Given the uncertainty surrounding the amounts that may be recoverable by the MOH for the period from January 1, 2011 to the Closing Date that would represent the MOH Closing Adjustment, the parties agreed to enter into Amending Agreement No. 14 which amended the terms governing the MOH Closing Adjustment as follows:
 - i) The Vendor and the Purchaser, acting reasonably, shall agree to adjust on Closing based on an estimated amount reflecting the parties' view concerning the net position with the MOH for the period from January 1, 2011 to September 30, 2012 (the "**Preliminary MOH Closing Adjustment**"), which shall be an amount allowed to the Purchaser if the Vendor is determined to be in a net payable position with the MOH or an amount allowed to the Vendor if the Vendor is in a net receivable position with the MOH; and
 - ii) In addition to the Preliminary MOH Closing Adjustment, the Vendor and the Purchaser, acting reasonably, shall agree on a further estimated adjustment amount for the period from October 1, 2012 to the Closing Date concerning the net position with the MOH for that period (the "**Further MOH Closing Adjustment**" and,

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together with the Preliminary MOH Closing Adjustment, the MOH Closing Adjustment). The Further MOH Closing Adjustment was to be determined within 30 days after the Closing, such that the MOH Closing Adjustment would be determined within 30 days after Closing.

23. Amending Agreement No. 14 further provided for the establishment of an escrow fund of \$100,000 out of the purchase price payable by the Purchaser upon Closing (the "**Escrow Fund**"), to be held in escrow for any further required adjustments in favour of the Purchaser over and above the MOH Closing Adjustment and for other amounts repayable to the MOH. The purpose of the Escrow Fund is to permit payment once the MOH Final Adjustment (as defined in Amending Agreement No. 14) is determined and compared to the MOH Closing Adjustment. Other than the MOH Closing Adjustment and the claims to the Escrow Fund, Amending Agreement No. 14 provides that there shall be no further adjustment with respect to any further or other claims relating to the MOH. Attached hereto as **Appendix "H"** are copies of Amending Agreement No. 14 and the Escrow Agreement.

CLOSING OF THE SALE OF WEST PARK

24. On November 2, 2012, pursuant to the terms of the MOH Approval Letter, the Receiver i) advised the MOH that the Closing Date of the transaction was November 13, 2012, and ii) subject to the closing of the transaction and the issuance of a Licence to CVH, surrendered to the MOH West Park's original nursing home licence.
25. On November 13, 2012, the sale of West Park closed and the Receiver's Certificate was provided to the Purchaser and filed with the Court on November 21, 2012. The MOH issued the License to CVH on November 13, 2012.
26. The Receiver and Extendicare continue to address matters relating to the receivership of West Park, including ensuring that all required filings to the MOH and other government authorities are made on a timely basis.

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SALE-RELATED MATTERS

CUPE

27. Amending Agreement No. 6 of the West Park APS, attached as Appendix "H" to the Sixth Report, provided for the Receiver to use its best efforts to facilitate an agreement between the Purchaser and Canadian Union of Public Employees Local 1263 (the "**Union**") conditional upon Closing for a roll over collective agreement ("**Rollover Agreement**") to be entered into between the Purchaser and the Union (with an expiry date one year after the Closing Date in respect of West Park).
28. On April 23, 2012, the Receiver convened a meeting at its offices for the purposes of introducing the Purchaser to representatives of the Union and to facilitate discussions between the Purchaser and the Union regarding a Rollover Agreement. Subsequent to that meeting, the Receiver understands the Purchaser and the Union held further discussions in an effort to negotiate a mutually acceptable Rollover Agreement; however, no agreement was entered into and the condition was waived by the Purchaser.
29. By letter dated November 20, 2012, the Receiver's counsel advised counsel to the Union of the closing of the transaction and that i) the Purchaser has become the successor employer for the purposes of bargaining and collective agreement obligations in relation to employment in the business, and ii) the Receiver has no on-going liability or obligation whatsoever remaining to the Union.

Employees

30. In view of the pending closing of the West Park APS, on November 6, 2012, the Receiver attended a meeting with West Park's employees at which meeting the employees were advised of the upcoming closing of the transaction with CVH. With the exception of one employee whose employment was not assumed by CVH and whose employment was terminated by the Receiver prior to the Closing Date, employees were advised that pursuant to the Receiver's agreement with CVH, upon the closing of the transaction, Union employees and non-union employees would become employees of CVH and that all of the terms of their

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employment with the Receiver, including wage rates, vacation pay entitlements, sick credit entitlements, and seniority rights, would be recognized by CVH. Representatives of CVH also attended the meeting and confirmed CVH's assumption of the employees and their terms of employment.

31. By letter dated November 12, 2012, the Receiver advised non-union employees that as a result of the closing of the sale of West Park, their employment by the Receiver had come to an end. The form of letter provided to non-union employees is attached hereto as **Appendix "I"**. No letter was provided to Union employees due to the notice given to the Union's counsel as discussed in paragraph 29 above.

Suppliers

32. By letter dated November 12, 2012, the Receiver advised suppliers to West Park that the assets of West Park were sold to CVH, that the Receiver would be paying for goods and services provided prior to November 13, 2012 in the normal course and that the Receiver would not be responsible for goods and services provided to West Park after November 12, 2012. The form of letter provided to suppliers is attached hereto as **Appendix "J"**.

Closing Proceeds

33. The West Park APS provided for a Purchase Price of \$3,075,000. After the adjustments set out in the Statement of Adjustments, the proceeds payable to the Receiver were \$3,220,991.07. After consideration of the \$100,000 Escrow Fund and real estate commission of \$86,868.75, which amounts were paid by Gowlings, the Receiver received from Gowlings net proceeds of \$3,034,122.32.

Potential Future Proceeds

(a) Escrow Fund

34. On closing, \$100,000 of the closing proceeds was delivered to Gowlings as Escrow Agent to be administered in accordance with the terms of the Escrow Agreement. Amending

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Agreement No. 14 provides for the release of amounts from the Escrow Fund as follows:

- i) to the Purchaser on receipt of a monthly Long-Term Care Home Payment Notice ("**MOH Monthly Payment Notice**") from the MOH that an amount relating to the MOH Final Adjustment Period will be recovered or withheld from any scheduled monthly payment to be made to CVH and such amount has not already been fully adjusted for in the MOH Closing Adjustment and only to the extent of the amount set out in the applicable Long Term Care Home Payment Notice; and
- ii) to the Receiver on receipt by the Escrow Agent of correspondence issued by the MOH that confirms that the reconciliations for all periods in the MOH Final Adjustment Period are finalized or closed and that no further amounts are owing.

35. Based on the Receiver's experience, the MOH's review and reconciliation of West Park's Annual Report for 2012 may take approximately two years to complete. As a result, the time frame for the final release of amounts from the Escrow Fund is unknown; however, the Escrow Agreement establishes June 30, 2015 as the outside date for the release of the balance of funds in the Escrow Fund. Therefore, it may be June 30, 2015 before the Receiver receives the balance remaining in the Escrow Fund. The potential further proceeds available to the Receiver is the total amount of the Escrow Fund of \$100,000, prior to consideration of Gowlings' fees to administer the Escrow Fund.

(b) Other Post-Closing Adjustments

36. The APS provides for each party to provide an undertaking to readjust any item on or omitted from the statement of adjustments, except for the MOH Closing Adjustment, for a period of six (6) months from Closing. Since the adjustment on closing relating to accrued vacation pay was based on an estimate as of the Closing Date, the Receiver anticipates that post-closing adjustment(s) will be required for, at a minimum, vacation pay. The Receiver has also identified certain prepaid items of a nominal value that will require further adjustment with the Purchaser.

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INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

37. Attached hereto as **Appendix "K"** is the Receiver's Interim Statement of Receipts and Disbursements for the period January 24, 2006 to November 30, 2012 for 1508669 (the "**Interim R&D**"). The Interim R&D indicates the Receiver is holding \$3,267,083 of cash in its trust account in respect of 1508669 ("**1508669 Trust Account**"), which includes the proceeds from the sale of West Park (but excluding \$100,000 placed into escrow with Gowlings).
38. The Interim R&D reflects transactions through the Receiver's account and does not reflect the receipts and disbursements of the operating account managed by Diversicare for the Receiver (the "**Diversicare Account**"). The Receiver has been funding the Diversicare Account on a monthly basis based on the cash requirements to operate the facility. As of November 30, 2012, the balance in the Diversicare Account was \$50,687.58.
39. Diversicare is in the process of assessing the amount of funds it will require to satisfy all of the operating costs incurred up until Closing which may require further funding from the Receiver. Diversicare will maintain the operating accounts until it is satisfied that all operating expenditures have been paid.

PROPOSED DISTRIBUTION TO PEOPLES

40. The balance in the 1508669 Trust Account as of November 30, 2012 was \$3,267,083.
41. On November 22, 2010, the Receiver borrowed \$375,000 from Peoples by way of a Receiver Certificate, which funds were required by the Receiver to operate West Park due to lower than anticipated occupancy resulting in decreased funding from the MOH. A copy of the Receiver Certificate is attached hereto as **Appendix "L"**. After considering accrued interest on the Receiver Certificate up to December 6, 2012, the amount repayable to Peoples in respect of the Receiver Certificate was \$415,101, which was repaid on December 7, 2012 by the Receiver to Peoples.

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42. After consideration of the repayment of the Receiver Certificate, the balance of funds on hand in the 1508669 Trust Account is \$2,851,982.
43. With respect to the property, assets and undertaking of 1508669 and the business of West Park, Peoples holds the security described in the First Report, which security includes a charge/mortgage dated August 14, 1995 and registered August 17, 1995 as instrument number RO699419 in favour of Sun Life Assurance Company of Canada for the principal amount of \$3,941,505 and assigned to Peoples by assignment of charge/mortgage of land dated June 13, 2000 and registered June 15, 2000 as instrument number RO768790, and related personal property security (the "**West Park First Mortgage**").
44. The Receiver received an independent legal opinion from Lang Michener dated March 8, 2007 that under the laws of Ontario, the various securities held by Peoples, including the West Park First Mortgage, constitute legal, valid and binding obligations of 1508669, enforceable against 1508669 by Peoples in accordance with their terms, and create, in favour of Peoples, valid security interests, mortgages and charges in and over the property, assets and undertaking in which 1508669 has rights, securing payment and performance of the obligations secured thereby. Appendix "L" to the First Report lists the various financing statements filed under the *Personal Property Security Act* (Ontario) in respect of the security interest of Peoples.
45. A copy of Peoples' Statement for Discharge Purposes effective November 30, 2012 with respect to the West Park First Mortgage is attached hereto as **Appendix "M"**. As of November 30, 2012, the outstanding balance (principal and interest) under the West Park First Mortgage is \$5,940,138.99. This balance includes the \$375,000 of funding, plus accrued interest, provided to the Receiver by way of Receiver Certificate. Peoples has informed the Receiver that it would like to receive a payment against the outstanding balance of 1508669's indebtedness.
46. The Receiver has determined that \$2,250,000 would be an appropriate amount to distribute to Peoples at this time as payment against the West Park First Mortgage and is seeking this

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Court's approval to make that payment. After consideration of the amount of the proposed distribution, the Receiver should have sufficient cash to (i) address post-closing sale adjustments; (ii) address any operating cost obligations in excess of the funds being held in the Diversicare operating accounts; (iii) pay the fees of Diversicare; and (iv) fund professional fees incurred as part of the closing of the West Park APS and future fees to be incurred to complete the receivership of 1508669.

47. The Receiver is also seeking this Court's approval to make subsequent distributions to Peoples should the Receiver determine that it is in a position to distribute excess cash in the 1508669 Trust Account.

STATEMENTS OF ACCOUNT OF THE RECEIVER AND ITS COUNSEL

48. The Receiver's fees and disbursements for services rendered for the period July 1, 2011 to October 31, 2012 in respect of the receiverships of both Paragon and 1508669 are particularized in the Affidavit of Daniel R. Weisz sworn December 7, 2012 and the invoices attached as exhibits thereto. The total amount of the invoices for this period is \$255,076.33 in respect of Paragon and \$185,595.73 in respect of 1508669, inclusive of HST (the "Receiver's Fees").
49. The fees and disbursements of Gowlings, counsel for Peoples, in respect of certain work performed for the Receiver, are to be particularized in the Affidavit of Harry Vanderlugt, to be sworn, and the invoices to be attached as exhibits thereto (the "Gowlings' Fees").
50. The Receiver has reviewed the invoices of Gowlings and finds the work performed and charges to be appropriate and reasonable.
51. The Receiver has sought and received the approval of Peoples to the interim draws taken against the fees of the Receiver and Gowlings.
52. The Receiver is seeking this Honourable Court's approval of its activities with respect to 1508669 to December 10, 2012, the Receiver's Fees and Gowlings' Fees as set out above.

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RECEIVER'S REQUEST TO THE COURT

53. The Receiver is respectfully seeking an order approving the following:
- i) the actions and activities of the Receiver from October 15, 2011 to December 10, 2012 with respect to 1508669 as outlined in the Eighth Report and this Ninth Report;
 - ii) the Interim R&D for the period January 24, 2006 to November 30, 2012;
 - iii) a distribution to Peoples in the amount of \$2,250,000 to be applied against the balance outstanding on the West Park First Mortgage;
 - iv) the Receiver making subsequent distributions to Peoples from excess cash on hand from the 1508669 Trust Account; and
 - v) the Receiver's Fees and Gowlings' Fees.

All of which is respectfully submitted to this Honourable Court.

DATED this 11th day of December, 2012.

DELOITTE & TOUCHE INC.

**in its capacity as Interim Receiver and Receiver and Manager of
the assets, undertakings and properties of
Paragon Health Care Inc., Paragon Health Care (Ontario) Inc.
and 1508669 Ontario Limited and not in its personal capacity**

Deloitte + Touche Inc.

Daniel R. Weisz, CA•CIRP, CIRP
Senior Vice President

Hartley Bricks, MBA, CA•CIRP, CIRP
Vice President

TAB E

**This is Appendix “E” to the
Tenth Report of the Receiver
dated October 9, 2015**

Court File No. 06-CL-6233

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

JUSTICE MORAWETZ

)
)
)
)

THURSDAY, THE 20TH DAY

OF DECEMBER, 2012

**IN THE MATTER OF AN APPLICATION UNDER
SECTION 47 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, C.B-3**

**AND IN THE MATTER of SECTION 101 of *THE
COURTS of JUSTICE ACT*, R.S.O. 1990, C.C-43**

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

DISTRIBUTION ORDER

THIS MOTION made by Deloitte & Touche Inc. ("**Deloitte**"), appointed as interim receiver and receiver and manager (the "**Receiver**") pursuant to section 101 of the *Courts of Justice Act*, without security, of the property, assets and undertaking of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**") pursuant to the terms of the Order of the Honourable Mr. Justice Cumming dated January 23, 2006 and effective 9:00 a.m.

on January 24, 2006 (the "Initial Order"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Ninth Report of the Receiver dated December 11, 2012 (the "Ninth Report"), filed, and upon hearing the submissions of counsel for the Receiver, no other parties attending, although duly served as appears from the Affidavit of Service of Katie Parent, sworn December 12, 2012, filed,

1. **THIS COURT ORDERS** that service of the Notice of Motion and the Motion Record herein is hereby abridged, if necessary, and that this motion is properly returnable today and that service, including the form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.
2. **THIS COURT ORDERS** that the Ninth Report is hereby accepted and approved.
3. **THIS COURT ORDERS** that the conduct of the Receiver and its agents from October 15, 2011 to December 10, 2012, as detailed in the Ninth Report, be and the same is hereby accepted and approved.
4. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period January 24, 2006 to November 30, 2012 in respect of 1508669 as set out in **Appendix "K"** to the Ninth Report, filed, is hereby approved.
5. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the sum of \$2,250,000 to Peoples Trust Company from the trust account in respect of 1508669, as partial payment on account of its secured claims against 1508669.
6. **THIS COURT ORDERS** that, commencing six (6) months from the date of this Order, the Receiver is hereby authorized and directed to make distributions to Peoples

Trust Company from excess cash on hand from the Receiver's trust account in respect of 1508869.

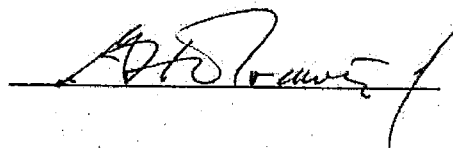
7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver relating to the receivership of Paragon and 1508669 for the period from July 1, 2011 to October 31, 2012 in the amount of \$255,076.33 in respect of Paragon and \$185,595.73 in respect of 1508669, as set out in the Affidavit of Daniel R. Weisz sworn December 7, 2012, filed, be and the same are hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of Gowling Lafleur Henderson LLP, counsel to the Receiver, relating to the receivership of Paragon and 1508669 for the period June 1, 2011 to October 25, 2012 in the amount of \$78,133.34 in respect of Paragon and 1508669, as set out in the Affidavit of Clifton Prophet, sworn December 11, 2012, filed, be and the same are hereby approved

ENTREPRENEUR / ENTREPRENEUR A TORONTO
ON / BOOK NO.
LE / DANS LE REGISTRE NO.



DEC 20 2012



<p>PEOPLES TRUST COMPANY</p> <p>- and -</p> <p>PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED</p>	<p>Court File No.: 06-CL-6233</p>
<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>(PROCEEDING COMMENCED AT TORONTO)</p>	
<p>DISTRIBUTION ORDER</p>	
<p>Gowling Lafleur Henderson LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, Ontario M5X 1G5</p> <p>Clifton P. Prophet / Frank Lamie LSUC No.: 34845K / 54035S</p> <p>Telephone: (416) 862-7525 Facsimile: (416) 862-7661</p> <p>Solicitors for Deloitte & Touche Inc. in its capacity as Interim Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited</p>	

TAB F

**This is Appendix “F” to the
Tenth Report of the Receiver
dated October 9, 2015**

VENDOR'S UNDERTAKING TO READJUST

TO: DOWNSVIEW LONG TERM CARE CENTRE LIMITED (the "Purchaser")

AND TO: CHAITONS LLP, its solicitors herein

RE: Agreement of Purchase and Sale between DELOITTE & TOUCHE INC., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity, as Vendor and GEM HEALTH CARE GROUP LIMITED, as Purchaser, as amended (collectively, the "Purchase Agreement")

IN CONSIDERATION OF and notwithstanding the closing of the above-noted transaction, the undersigned hereby undertakes to readjust any items on the Statement of Adjustments after Closing should the same be found to contain any errors or omissions, as necessary, forthwith upon demand, provided that any claim for re-adjustment is asserted by the Purchaser on or before the 25th day of January, 2013. Notwithstanding the foregoing, the undersigned agrees that this undertaking to readjust does not extend or apply to the MOH Closing Adjustment (as such term is defined in the Purchase Agreement) which will not be re-adjusted after Closing except in accordance with the Purchase Agreement.

[The remainder of the page has been intentionally left blank]

DATED this 25th day of July, 2012.

DELOITTE & TOUCHE INC., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity

Per:



Name: Daniel Weisz

Title: Senior Vice-President

ACKNOWLEDGMENT RE UNDERTAKING TO READJUST

- RE:** Agreement of Purchase and Sale between **DELOITTE & TOUCHE INC.**, solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity, as Vendor and **GEM HEALTH CARE GROUP LIMITED**, as Purchaser, as amended (collectively, the "Purchase Agreement")
- AND RE:** Undertaking to Readjust dated as of July 25, 2012 executed by Downsview Long Term Care Centre Limited (the "Purchaser") in favour of Deloitte & Touche Inc., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity (the "Vendor") (the "Purchaser Undertaking")
- AND RE:** Undertaking to Readjust dated as of July 25, 2012 executed by the Vendor in favour of the Purchaser (the "Vendor Undertaking" and together with the Purchaser Undertaking, collectively, the "Undertakings")
-

All capitalized terms used herein shall have the meanings ascribed to such terms in the Purchase Agreement unless otherwise defined herein.

IN CONSIDERATION OF and notwithstanding the closing of the above-noted transaction, each of the undersigned hereby acknowledges that the Vendor has made or will make payments on account of certain high intensity needs expenses and lab costs (the "**HIN Expenses**") relating to the period up to the Closing Date. Details of the HIN Expenses have and will be submitted by the Vendor to the Ministry of Health and Long-Term Care (the "**MOHLTC**") for reimbursement and reimbursements will be made by the MOHLTC to the Purchaser after the Closing Date.

Each of the undersigned hereby agrees that, notwithstanding that the HIN Expenses are not a line item on the statement of adjustments relating to the captioned transaction (the "**SOA**") and subject to the provisions hereinafter set out, the HIN Expenses relating to the period up to and including July 24, 2012 that are received from the MOHLTC by the Purchaser (the "**HIN Reimbursement Funds**") will be treated as adjustments in accordance with the Undertakings

and will be paid to the Vendor by the Purchaser forthwith upon receipt. This Acknowledgment re Undertaking to Readjust expires on July 24, 2013 (the "**Adjustment Outside Date**").

If, prior to January 25, 2013 (the "**Re-Adjustment Date**"), the Purchaser determines that the SOA contains errors or omissions in favour and to the credit of the Purchaser (a "**Purchaser Re-Adjustment Claim**"), the Purchaser shall advise the Vendor in writing (a "**Purchaser Re-Adjustment Claim Notice**"). The Vendor shall have a period of 10 Business Days (the "**Consent Period**") to provide its response to a Purchaser Re-Adjustment Claim Notice either (i) agreeing to the Purchaser Re-Adjustment Claim ("**Vendor Consent**"), or (ii) disagreeing to the Purchaser Re-Adjustment Claim ("**Vendor Non-Consent**"). The Vendor shall be deemed to have provided Vendor Consent to a Re-Adjustment Claim where it fails to respond to the Purchaser within the Consent Period ("**Implied Consent**"). Each of the undersigned agrees that a Purchaser Re-Adjustment Claim Notice is a "Communication" pursuant to the Purchase Agreement.

If the Purchaser (i) is in receipt of HIN Reimbursement Funds prior to the Re-Adjustment Date, (ii) delivers a Purchaser Re-Adjustment Claim Notice prior to the Re-Adjustment Date, and (iii) receives Vendor Consent or Implied Consent, the Purchaser shall set-off an amount against the HIN Reimbursement Funds equal to such Purchaser Re-Adjustment Claim on account thereof (the "**Deduction Rights**").

If the Purchaser (i) is in receipt of HIN Reimbursement Funds prior to the Re-Adjustment Date, (ii) delivers a Purchaser Re-Adjustment Claim Notice prior to the Re-Adjustment Date, and (iii) receives Vendor Non-Consent, the matter shall be resolved through the appointment of an Arbitrator in accordance with and subject to the provision of Section 2.8(g) of the Purchase Agreement. While the matter is with an Arbitrator, the Purchaser's (i) obligation to deliver the HIN Reimbursement Funds to the Vendor in accordance with the provisions of this Acknowledgment re Undertaking to Readjust, and (ii) Deduction Rights shall each be postponed until such time as any matter referred to an Arbitrator has been fully resolved.

For certainty, (i) to the extent that there are HIN Reimbursement Funds held by the Purchaser prior to the Re-Adjustment Date that are not subject to any Re-Adjustment Claim, the HIN Reimbursement Funds shall be paid to the Vendor on or prior to the Re-Adjustment Date, and (ii) to the extent that there are HIN Reimbursement Funds held by the Purchaser after the Re-Adjustment Date, the HIN Reimbursement Funds shall be paid to the Vendor forthwith upon receipt.

[The remainder of the page has been intentionally left blank]

- 4 -

DATED this 25th day of July, 2012.

**DOWNSVIEW LONG TERM CARE CENTRE
LIMITED**

Per: _____

Name: Syed Hussain

Title: President

**DELOITTE & TOUCHE INC., solely in its capacity as
court-appointed interim receiver and receiver and
manager of the current and future assets, undertakings
and properties of Paragon Health Care Inc. and
Paragon Health Care (Ontario) Inc. and not in its
personal capacity**

Per: _____

Name:

Title:

DATED this 25th day of July, 2012.

**DOWNSVIEW LONG TERM CARE CENTRE
LIMITED**

Per: _____

Name: Syed Hussain

Title: President

**DELOITTE & TOUCHE INC., solely in its capacity as
court-appointed interim receiver and receiver and
manager of the current and future assets, undertakings
and properties of Paragon Health Care Inc. and
Paragon Health Care (Ontario) Inc. and not in its
personal capacity**

Per: _____

Name: Daniel Weisz

Title: Senior Vice-President

TAB G

**This is Appendix “G” to the
Tenth Report of the Receiver
dated October 9, 2015**

**Ministry of Health and
Long-Term Care**

Financial Management Branch
Corporate Services Division
5700 Yonge Street, 12th Floor
Toronto ON M2M 4K5

Telephone : (416) 212-0534
Facsimile : (416) 212-0683

**Ministère de la Santé
et des Soins de longue durée**

Direction de la gestion financière
Division des services ministériels
5700, rue Yonge, 12^e étage
Toronto ON M2M 4K5

Téléphone : (416) 212-0534
Télécopieur : (416) 212-0683



April 24, 2013

Mr. Hartley Bricks
Vice President
Financial Advisory Services
Deloitte & Touche Inc.
181 Bay Street, Brookfield Place, Suite 1400
Toronto, ON M5J 2V1

Dear Mr. Bricks:

Re: 2011 Long-Term Care Home Overall Reconciliation - Casa Verde Health Centre (NH1324)

On behalf of your LHIN, the ministry has completed a review of the 2011 audited annual report for Casa Verde Health Centre. A copy of the 2011 overall reconciliation is attached for your review and file.

Our review has determined that \$3339,808 is recoverable from the home. In accordance with s. 3 of O.Reg. 264/07 under the Local Health System Integration Act, 2006, s. 243 of O.Reg. 79/10 under the Long-Term Care Homes Act, 2007 and section 2.4 of the LTCH Reconciliation and Recovery policy, this amount is a debt owing by Casa Verde Health Centre to the Crown and is recoverable by the Ministry from July to October 2013 payments.

- In accordance with LTCH Level-of-Care per diem funding policy, S. 2.2, page 3, if the licensee achieves its target resident days, a licensee may expense a maximum of \$1.20/resident day up to the maximum resident days for the home under the NPC envelope for incontinence supplies. If the licensee does not achieve its target resident days then the licensee may expense the \$1.20/resident day based on the actual resident days in the home. The cost incurred above \$1.20/resident day in the amount of \$6,617 has been moved to section F of the audited annual report;
- In accordance with the LTCH Level-of-Care Per Diem Funding policy, S. 2.2, page 4, if the licensee achieves its target resident days, a licensee may expense the medical director fees of \$0.30/resident day up to the maximum resident days for the home under the NPC envelope. If the licensee does not achieve its target resident days then the licensee may expense the \$0.30/resident day based on the actual resident days in the home. The cost incurred above \$0.30/resident day in the amount of \$64 has been moved to section F of the audited annual report;
- In accordance with the LTCH bad debt reimbursement policy, S. 4.1 h (bb), collection costs may also be claimed as part of bad debt costs provided that collection costs do not exceed the amount reported as bad debt. The cost reported on line A043 exceeds the amount reported on line A042. Therefore, the cost in excess of the amount reported on line A042 has been moved to section F of the audited annual report;

-2-

- We have disallowed \$65,198 - total bad debt costs reported on line A044. In accordance with the LTCH Bad Debt Reimbursement policy, S. 4.1 please provide a list of residents and their respective outstanding amounts included in the bad debt reported on line A042. Please also provide the debt incurred for each resident by calendar year, and copies of documentation supporting debt collection efforts for each resident;

In order to finalize the 2011 reconciliation, please submit your written response by June 24, 2013. Any adjustments required to the 2011 audited annual report as noted above will be made at the time of the final review.

Adjustments to the audited annual report must be certified by your auditor(s) in accordance with Generally Accepted Auditing Standards (CICA assurance recommendations section 5100.02, 5400.17-21).

If a written response is not received by June 24, 2013, we will proceed to complete your 2011 settlement.

Should you have any questions or concerns, please do not hesitate to contact me at (416) 212-0534 or email me at ursula.dunston@ontario.ca.

Sincerely,



Ursula Dunston
Senior Financial Analyst
Ministry of Health and Long Term Care
Financial Management Branch

Attachments

TAB H

**This is Appendix “H” to the
Tenth Report of the Receiver
dated October 9, 2015**



Belliveau Veinotte Inc.
CHARTERED ACCOUNTANTS

A Member Firm of The AC Group of Independent Accounting Firms Limited

Suite 204
620 Nine Mile Dr (Larry Uteck)
Bedford NS B4A 0H4
Canada

Tel: 902-444-4278
Fax: 902-444-8283
office@bvca.ca

www.acgca.ca

March 6, 2014

Mr. Hartley Bricks
Vice President
Financial Advisory Services
Deloitte & Touche Inc.
181 Bay Street, Brookfield Place, Suite 1400
Toronto, ON, M5J 2V1

Dear Mr. Bricks:

Re: Payable of Casa Verde Health Centre to Downsview Long Term Care Centre Limited

We are the auditors of Downsview Long Term Care Centre Limited and in that regard are writing to obtain confirmation of the liability of Casa Verde Health Centre to our client.

The payable is broken down into two parts: 1. 2011 Long-Term Care Home Overall Reconciliation by the Ontario Ministry of Health and Long-Term Care and 2. Vendor's undertaking to readjust from the Agreement of Purchase and Sale.

1. 2011 Long-Term Care Home Overall Reconciliation by the Ontario Ministry of Health and Long-Term Care

Amount payable per Ministry of Health letter of April 24, 2013 and payment calculation notices attached:

July, 2013	\$ 84,952
August, 2013	84,952
September, 2013	84,952
October, 2013	84,952
	\$339,808

2. Vendor's Undertaking to Readjust from the Agreement of Purchase and Sale

The following liabilities were not included in the statement of adjustments:

Page 2

Casa Verde Health Centre
Statement of Adjustments
July 24, 2014

Payables:

CML Healthcare	\$ 1,345.00
PPL Health and Homecare Services	169.50
Medical Mart	54.24
Rogers Internet and Cable	675.00
Bell	1,262.56

August prepaid rent:

Alan Windling	926.00
Colleen Hulse	926.00
Linda Woolens	1,123.89
Helen Tomitsch	926.00
Agostino Salera	926.00
Rosaria Liuzza	1,277.00

Ministry of Health:

Municipal Tax (MOH)	1,494.00
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Payroll:

LTC Centre July 23 and 24 payroll	62,340.13
ILC July 23 and 24 payroll	6,259.84

\$79,705.16

Could you please confirm the balance owing from Casa Verde Health Centre to Downsview Long Term Care Centre Limited of \$419,513.

Yours very truly,



Michael Dockrill, CA
MBD/

Encls.



Belliveau Veinotte Inc.
CHARTERED ACCOUNTANTS

TAB I

**This is Appendix “I” to the
Tenth Report of the Receiver
dated October 9, 2015**

From: Bricks, Hartley (CA - Toronto)
To: Mike Dockrill
Cc: Syed Hussain; James Balcom; "John Yuan"; Michelle Amos; Amin Makawi; Cliff Prophet (clifton.prophet@gowlings.com); leila.burden@gowlings.com
Subject: RE: Casa Verde Health Centre Payable to Downsview Long Term Care Centre
Date: Monday, March 10, 2014 8:31:00 PM
Attachments: March 6 2014 Letter to Hartley Bricks ATTACHMENT 3.pdf
March 6 2014 Letter to Hartley Bricks.pdf
March 6 2014 Letter to Hartley Bricks ATTACHMENT 1.pdf
March 6 2014 Letter to Hartley Bricks ATTACHMENT 2.pdf

Good evening Mr. Dockrill,

I am responding to your attached correspondence requesting that the Receiver confirm that certain amounts remain owing by the Receiver to Downsview Long Term Care Centre Limited ("Downsview") in connection with Downsview's purchase of Casa Verde Health Centre from the Receiver by an Agreement of Purchase and Sale dated October 20, 2010, as amended (the "APS"). For your information, the name of the Receiver was changed to Deloitte Restructuring Inc. effective July 1, 2013.

With respect to the 2011 Long-Term Care Home Overall Reconciliation by the Ontario Ministry of Health and Long-Term Care ("MOH") for which the MOH has recovered \$339,808 from Downsview over the months of July through October 2013, pursuant to Amending Agreement No. 6 to the APS, an escrow fund was established pursuant to an Escrow Agreement between the parties to deal with an MOH recoveries relating to 2011. For Downsview to recover these funds, they should make an application to the Escrow Agent pursuant to the terms of the APS and the Escrow Agreement. Accordingly, the Receiver does not confirm that it owes to Downsview the amount in your letter in respect of 2011 Long-Term Care Home Overall Reconciliation.

With respect to your request to confirm that under the Vendor's Undertaking to Readjust from the APS in regards to the "list of liabilities that were not included in the statement of adjustments" which total \$79,705.16, the Vendor's Undertaking to Readjust provides that "any claim for re-adjustment be asserted by the Purchaser on or before the 25th of January, 2013." Downsview failed to make any claim to re-adjust before January 25, 2013, and in fact your letter dated March 6, 2014 represents the first instance that the Receiver has been made aware of a claim by Downsview to re-adjust. Accordingly, given that the period to make a claim pursuant to the Vender's Undertaking to Readjust has expired, the Receiver does not confirm that it owes to Downsview the amount referenced in your letter.

Yours truly,

Hartley Bricks

Vice President | Financial Advisory Services
 Deloitte

181 Bay Street, Brookfield Place, Suite 1400, Toronto, ON M5J 2V1 Canada
 Tel/Direct (416) 775-7326 | Main (416) 601-6150 | Fax (416) 601-6690
 hbricks@deloitte.ca | www.deloitte.ca

From: Mike Dockrill [mailto:mdockrill@bvca.ca]
Sent: Monday, March 10, 2014 5:47 PM
To: Bricks, Hartley (CA - Toronto)
Cc: Syed Hussain; James Balcom; 'John Yuan'; Michelle Amos; Amin Makawi
Subject: Casa Verde Health Centre Payable to Downsview Long Term Care Centre

Dear Mr. Bricks,

As a part of our external audit we are attaching information provided by our client related to the payable of Casa Verde to Downsview.

Could you please confirm the balance owing by Casa Verde to Downsview as of December 31, 2013.

Regards,

Mike Dockrill

We have now opened our new office at 620 Nine Mile Drive at the top of Larry Uteck. You may contact me at mdockrill@bvca.ca , cell 902-499-3309 or at my office 902-444-4278.

Michael Dockrill, CA

 Belliveau Veinotte Inc.

620 Nine Mile Drive (Larry Uteck)

Suite 204

Bedford, NS B4A 0H4

902-444-4278 (phone)

902-444-8283 (fax)

902-499-3309 (cell)

email: mdockrill@bvca.ca

website: www.acgca.ca

TAB J

**This is Appendix “J” to the
Tenth Report of the Receiver
dated October 9, 2015**

AMENDING AGREEMENT NO. 6

THIS AMENDING AGREEMENT with an effective date as of February 29, 2012,

BETWEEN:

DELOITTE & TOUCHE INC., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity

(the "**Vendor**")

- and -

GEM HEALTH CARE GROUP LIMITED, a corporation existing under the laws of Nova Scotia

(the "**Purchaser**")

CONTEXT:

- A.** The parties have made an Agreement of Purchase and Sale of the Assets dated October 20, 2010, as amended ("**Purchase Agreement**").
- B.** The parties wish to amend those terms of the Purchase Agreement which are referred to below.
- C.** The words and phrases beginning with capitals have the meanings assigned in the Purchase Agreement unless the context otherwise requires.
- D.** The Purchase Agreement has been assigned by GEM Health Care Group Limited to Downsview Long Term Care Centre Limited.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

- 1. **Section 1.1 Definitions "Closing Date"** is amended by deleting

"March 30, 2012"

and substituting therefor

"July 26, 2012"
- 2. **Section 2.8(c)** is amended by deleting the section in full and substituting therefor
 - A.** "The Vendor and the Purchaser have agreed that \$1,750,000.00 of the Purchase Price payable by the Purchaser to the Vendor upon the closing of the transaction

contemplated by the Purchase Agreement (the "**Escrow Fund**") is to be held in escrow to cover amounts that may be repayable to the Ministry of Health and Long-Term Care and/or the Local Health Integration Network (together for purposes of this section 2.8(c) as amended the "**MOH**") in regard to any overpayments for the period January 24, 2006 to December 31, 2011 (the "**MOH Closing Adjustment Period**"). On Closing, the Escrow Fund shall be deposited with Gowling Lafleur Henderson LLP (the "**Escrow Agent**") to be held and administered on the terms of an escrow agreement (the "**Escrow Agreement**") substantially in the form attached as Appendix A to this Amending Agreement No. 6. For greater certainty, other than any amount(s) which may be payable to the Purchaser or the Vendor pursuant to this Amending Agreement No. 6, there shall be no further adjustment in the amount of the MOH Closing Adjustment after Closing and no adjustment for any MOH recoveries attributable to the period after December 31, 2011.

- B. On receipt from the MOH of correspondence that confirms that the reconciliations for the years up to and until December 31, 2009 are finalized or closed and that no further amounts are owing (with the parties agreeing that such correspondence may include other phrases or terminology with similar meaning which will be sufficient for the purposes of this section, provided that such other phrases or terminology are satisfactory to both parties hereto, each acting reasonably) (the "**MOH Confirmation**") then:
- (i) if the MOH Confirmation is received prior to the Closing Date, the Escrow Fund shall immediately be reduced from \$1,750,000.00 to \$1,100,000.00; or
 - (ii) if the MOH Confirmation is received after the Closing Date, then the Escrow Agent shall release to the Vendor an amount equal to \$650,000.00.

The Purchaser hereby agrees to promptly provide a copy of the MOH Confirmation to the Vendor and the Escrow Agent within 3 Business Days of receiving it.

- C. The Vendor shall be responsible (i) to maintain and keep the Books and Records until the Closing Date, and (ii) for completing and submitting all filings to the MOH for the MOH Closing Adjustment Period in regard to any amounts that may be repayable to or receivable from the MOH. For greater certainty, the Purchaser shall be responsible for completing and submitting all filings to the MOH for all years following the MOH Closing Adjustment Period beginning with the filings required for 2012.
- D. The Funds will be released on account of the MOH Closing Adjustment by the Escrow Agent as follows:
- (i) on receipt of a monthly Long-Term Care Home Payment Calculation Notice ("**MOH Monthly Payment Notice**") from the MOH that any

amount(s) will be recovered or withheld from any scheduled monthly payment to be made to the Purchaser, the Purchaser shall provide a copy thereof to the Vendor and the Escrow Agent. Within three (3) Business Days of receiving a MOH Monthly Payment Notice, the Escrow Agent will release the amount(s) to the Purchaser, as applicable; and

- (ii) on receipt by the Escrow Agent of correspondence from the MOH that confirms that the reconciliations for all periods in the MOH Closing Adjustment Period are finalized or closed and that no further amounts are owing (with the parties agreeing that such correspondence may include other phrases or terminology with similar meaning which will be sufficient for the purposes of this section, provided that such other phrases or terminology are satisfactory to both parties hereto, each acting reasonably), and upon written request by the Vendor, the Escrow Agent will release the balance of the Escrow Fund, if any, to the Vendor in accordance with Section H below.
- E. On receipt of a MOH Monthly Payment Notice that indicates that any amount(s) will be credited to the Purchaser on account of a matter relating to the MOH Closing Adjustment Period, the Purchaser shall promptly provide a copy thereof to the Vendor and within 3 Business Days, following issuance of the credit by the MOH, issue a cheque to the Vendor in the amount credited to the Purchaser by the MOH. The Purchaser's obligation to remit any credits it receives to the Vendor terminates on the Final Release Date (as defined in the Escrow Agreement) except for any credits owing but not yet paid by the Purchaser to the Vendor pursuant to MOH Monthly Payment Notices received by the Purchaser prior to the Final Release Date.
- F. The release of funds from the Escrow Fund upon receipt of the MOH Monthly Payment Notices in accordance with the provisions above will occur notwithstanding that the amount to be recovered or otherwise adjusted by the MOH may be subject to further adjustment, consideration, appeal or dispute.
- G. The Purchaser agrees:
- (i) to provide to the Vendor, within 3 business days after receipt from the MOH, copies of all MOH Monthly Payment Notices, information requests, and any other letters, disallowances or other notices and/or communications from the MOH regarding recoveries, credits or other adjustments relating to the MOH Closing Adjustment Period;
 - (ii) to provide to the Vendor on Closing a letter addressed to the MOH authorizing (i) the MOH to release to the Vendor all information including, without limitation, all MOH Monthly Payment Notices, information requests, and any other letters, disallowances or other notices and/or communications, relating to the MOH Closing Adjustment Period, and (ii) the Vendor to respond directly to the MOH in connection with all

MOH Monthly Payment Notices, information requests, letters, disallowances or other notices and/or communications relating to the MOH Closing Adjustment Period, substantially in the form attached hereto as Schedule "A"; and

- (iii) to provide to the Vendor and Diversicare access to the books and records received from the Vendor in connection with the Closing relating to the subject matter of any disallowances relating to the MOH Closing Adjustment Period and to work with the Vendor and/or Diversicare in completing responses and submissions to the MOH with regard to any such matter subject to a disallowance.

H. The Purchaser and the Vendor hereby agree that, on the Final Release Date, the Escrow Agent may pay to the Vendor the balance of the Escrow Fund less any amounts not yet paid by the Escrow Agent to the Purchaser in respect of MOH Monthly Payment Notices given to the Escrow Agent prior to the Final Release Date.

3. **Section 2.8(g)** is amended by deleting part (i) and substituting therefor

"Should there be any dispute concerning the calculation of the Employee Liabilities Adjustment and/or the Owned Real Property adjustments that remain unresolved at Closing, the Purchaser and the Vendor shall cooperate in good faith to resolve any such dispute as promptly as possible. If the Purchaser and the Vendor are unable to resolve any dispute regarding calculation of the Employee Liabilities Adjustment and/or the Owned Real Property adjustments within thirty (30) days of Closing or such longer period as the Purchaser and the Vendor shall mutually agree in writing, the Vendor and the Purchaser shall engage a mutually agreeable independent accounting firm (the "**Arbitrator**") to resolve all issues bearing on such dispute and to determine finally the actual Employee Liabilities Adjustment and/or the Owned Real Property adjustments as of the Closing Date. The parties agree that such resolution and determination shall be final and binding on the Vendor and the Purchaser."

4. **Section 4.1(c)** is amended by deleting

"February 29, 2012"

and substituting therefor

"June 20, 2012"

5. **Section 4.3(c)** is amended by deleting

"March 30, 2012"

and substituting therefor

"June 20, 2012"

6. By executing this Agreement, the Purchaser hereby acknowledges and agrees that Section 4.1(c) of the Purchase Agreement has been satisfied.
7. Except as specifically amended herein, the Purchase Agreement continues in full force and effect.
8. This Agreement may be executed by the parties in counterparts, with the executed counterparts delivered by each party together constituting this Amending Agreement.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Each of the parties has executed and delivered this Agreement, as of the 20th day of June, 2012 to be effective as of the date noted at the beginning of the Agreement.

DELOITTE & TOUCHE INC., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity

Per _____

Name:

Title:

**DOWNSVIEW LONG TERM CARE
CENTRE LIMITED**

Per _____

Name: Syed Hussain

Title: President

GEM HEALTH CARE GROUP LIMITED

Per _____

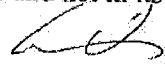
Name: Syed Hussain

Title: President

Each of the parties has executed and delivered this Agreement, as of the 20th day of June, 2012 to be effective as of the date noted at the beginning of the Agreement.

DELOITTE & TOUCHE INC., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity

Per


Name: Daniel Weisz
Title: Senior Vice President

**DOWNSVIEW LONG TERM CARE
CENTRE LIMITED**

Per

Name: Syed Hussain
Title: President

GEM HEALTH CARE GROUP LIMITED

Per

Name: Syed Hussain
Title: President



ESCROW AGREEMENT

BETWEEN

DOWNSVIEW LONG TERM CARE CENTRE LIMITED

– and –

**DELOITTE & TOUCHE INC.,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED INTERIM RECEIVER
AND RECEIVER AND MANAGER OF THE CURRENT AND FUTURE ASSETS,
UNDERTAKINGS AND PROPERTIES OF PARAGON HEALTH CARE INC. AND
PARAGON HEALTH CARE (ONTARIO) INC.
AND NOT IN ITS PERSONAL CAPACITY**

– and –

**GOWLING LAFLEUR HENDERSON LLP,
a Limited Liability Partnership with an office at
1 First Canadian Place, 100 King Street West, Suite 1600,
Toronto, Ontario M5X 1G5, Canada**

ESCROW AGREEMENT

THIS AGREEMENT dated as of the Closing Date (as defined in the Purchase Agreement as defined below),

B E T W E E N

**DOWNSVIEW LONG TERM CARE CENTRE
LIMITED**

(the "Buyer")

- and -

DELOITTE & TOUCHE INC., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity

(the "Seller")

(and the Buyer and Seller together the "Parties")

- and -

GOWLING LAFLEUR HENDERSON LLP, a Limited Liability Partnership with an office at 1 First Canadian Place, 100 King Street West, Suite 1600, Toronto, Ontario M5X 1G5, Canada

(the "Escrow Agent").

CONTEXT:

- A.** By an agreement of purchase and sale, dated October 20, 2010, made between the Seller and GEM Health Care Group Limited, as amended (the "**Purchase Agreement**"), the Seller agreed to sell and the Buyer agreed to purchase the Purchased Assets. GEM Health Care Group Limited has assigned the Purchase Agreement to Downsview Long Term Care Centre Limited.
- B.** It is a condition of the Closing that an escrow fund be established to hold the Escrow Fund to provide for payment of the MOH Closing Adjustment as required under Amending Agreement No.6 to the Purchase Agreement.
- C.** The Escrow Agent has agreed to facilitate the purchase and sale of the Purchased Assets pursuant to the provisions of this Agreement.

THEREFORE, the Parties and the Escrow Agent agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Capitalized Terms

Capitalized terms used in this Agreement and not otherwise defined have the meanings given to them in the Purchase Agreement.

1.2 Defined Terms

In this Agreement the following terms have the following meanings:

- 1.2.1 **"Agreement"** means this agreement, as it may be supplemented or amended by written agreement between the Parties and the Escrow Agent.
- 1.2.2 **"Claim"** means any claim, demand, action, cause of action, suit, arbitration, investigation, proceeding, complaint, grievance, charge, prosecution, assessment or reassessment (including any appeal or application for review) and includes the Escrow Agent's costs and/or expenses of defending itself against any claim of liability or in any action for interpleader and any costs and/or expenses if it is required to attend or provide evidence in a dispute between the Parties in relation to this Agreement.
- 1.2.3 **"Document"** is defined in Section 7.3.
- 1.2.4 **"Escrow Fund"** is defined in Section 3.1.
- 1.2.5 **"Final Release Date"** is defined in Section 6.1.
- 1.2.6 **"Joint Instructions"** means written instructions given by all the Parties to the Escrow Agent from time to time providing for the investment, reinvestment, liquidation or payment of all or any part of the Escrow Fund.
- 1.2.7 **"MOH Confirmation"** means correspondence from the MOH that confirms that the reconciliations for the years up to and until December 31, 2009 are finalized or closed and that no further amounts are owing (with the parties agreeing that such correspondence may include other phrases or terminology with similar meaning which will be sufficient for the purposes of this definition, provided that such other phrases or terminology are satisfactory to both parties hereto, each acting reasonably).
- 1.2.8 **"Purchase Agreement"** is defined in the recitals.
- 1.2.9 **"Term"** is defined in Section 3.3.

1.3 Certain Rules of Interpretation

- 1.3.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".
- 1.3.2 The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- 1.3.3 References in this Agreement to an Article or Section are to be construed as references to an Article or Section of this Agreement unless the context requires otherwise.

1.4 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

1.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and the Escrow Agent pertaining to the administration and disposition of the Escrow Fund by the Escrow Agent, and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and the Escrow Agent. There are no representations, warranties, or conditions (including any that may be implied by statute) and there are no other agreements between the Parties and the Escrow Agent in connection with the administration and disposition of the Escrow Fund except as specifically set out in this Agreement. None of the Parties or the Escrow Agent has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or in contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term of this Agreement.

ARTICLE 2 DISCLOSURE, APPOINTMENT AND ACCEPTANCE

2.1 Appointment and Acceptance

The Parties appoint the Escrow Agent to act, and the Escrow Agent accepts the appointment and will act, as escrow agent in accordance with this Agreement.

2.2 Disclosure and Right to Act

The Buyer acknowledges that the Escrow Agent acts as solicitors for the Seller in all matters arising under or related to the Purchase Agreement except with respect to fulfilling its obligations under this Agreement. The Buyer acknowledges that no solicitor-client relationship arises between the Escrow Agent and the Buyer as a result of the Escrow Agent acting as escrow agent in accordance with this Agreement.

ARTICLE 3 ESTABLISHMENT OF ESCROW

3.1 Escrow Fund

At the time of Closing, the Seller will deposit into escrow with the Escrow Agent by a wire transfer of immediately available funds, a certified cheque or a bank draft the sum of:

- (i) \$1,750,000.00 if the MOH Confirmation has not been received prior to the Closing Date; or
- (ii) \$1,100,000.00 if the MOH Confirmation is received prior to the Closing Date,

which amount, as increased by any earnings or decreased by any disbursements or losses on investments, will be referred to in this Agreement as the "**Escrow Fund**". The Escrow Fund will be held by the Escrow Agent as a trust fund, to be applied in accordance with Section 2.8(c) of the Purchase Agreement, as amended.

3.2 Receipt

The Escrow Agent:

- 3.2.1 will acknowledge in writing receipt of the Escrow Fund immediately upon receipt of same and confirm that the Escrow Fund will be held in accordance with this Agreement; and
- 3.2.2 confirms that it has no ownership interest in the Escrow Fund, but is serving as escrow holder only, and has possession of the Escrow Fund only in accordance with this Agreement.

3.3 Term

The term of this Agreement (the "**Term**") will begin at the time the Escrow Agent acknowledges in writing receipt of the Escrow Fund, and will end on the earlier of:

- 3.3.1 the effective date of the Escrow Agent's resignation, as provided in Section 7.4;
- 3.3.2 the effective date of the Escrow Agent's removal, as provided in Section 7.5; and

3.3.3 the termination of the escrow, as provided in Section 6.1.

ARTICLE 4

INVESTMENT OF ESCROW FUND

4.1 Direction to Invest

Except as expressly provided in this Agreement, and subject to any Joint Instructions, the Escrow Agent is directed to invest the Escrow Fund, including any interest or other proceeds earned, in an interest bearing deposit account or interest bearing instruments with a Canadian chartered bank listed in Schedule 1 to the *Bank Act* (Canada).

4.2 Authorization to Disclose

Either Party may, at any time, request full particulars of the investments provided for in Section 4.1, and upon receipt of any such request, the Escrow Agent will disclose those particulars in writing to both Parties.

4.3 Liquidation of Investments

The Escrow Agent is authorized, at any time during the Term, to liquidate any portion of the Escrow Fund consisting of investments in accordance with its customary procedures, to provide funds for any payments required to be made under this Agreement.

4.4 Restricted Access to Funds

The Parties acknowledge and understand that all or any portion of the Escrow Fund invested in interest bearing instruments (including the instruments described in Section 4.1) and, if available before maturity, may be available only on terms which require payment of break fees, make whole premiums, or similar charges to the issuers of such instruments.

ARTICLE 5

RELEASE OF ESCROW FUND

5.1 Release of Escrow Fund

At any time during the Term, the Escrow Agent may receive notices, letters or other communications with regard to the application of the Escrow Fund under Section 2.8(c) of the Purchase Agreement, as amended, specifying payment due to the Buyer and/or the Seller, as the case may be, and the Escrow Agent will, within 3 Business Days of receiving those notices, letters or other communications, pay to the Buyer and/or the Seller, as the case may be, the dollar amount set out in such notice, letter or communication.

ARTICLE 6 TERMINATION OF ESCROW

6.1 Termination of Escrow

If the Term has not already ended by virtue of the Escrow Agent's resignation or removal, the escrow established by this Agreement will terminate on the earlier to occur of (the "**Final Release Date**"):

- 6.1.1 the payment by the Escrow Agent of the balance of the Escrow Fund, if any, (less any amounts not yet paid by the Escrow Agent to the Purchaser in respect of MOH Monthly Payment Notices given to the Escrow Agent prior to the Final Release Date) to the Seller upon receipt from the MOH of correspondence that confirms that reconciliations for all years of the MOH Closing Adjustment Period have been finalized or closed and that no further amounts are owing (with the parties agreeing that such correspondence may include other phrases or terminology with similar meaning which will be sufficient for the purposes of this section, provided that such other phrases or terminology are satisfactory to both parties hereto, each acting reasonably); and
- 6.1.2 July 26, 2016, at which time any balance in the Escrow Fund will be paid to the Seller in accordance with Section 2.8(c)H of the Purchase Agreement, as amended.

ARTICLE 7 DUTIES AND RIGHTS OF THE ESCROW AGENT

7.1 Duties of the Escrow Agent

7.1.1 Specific Duties. The Escrow Agent will:

- 7.1.1.1 hold, safeguard, invest, reinvest and pay the Escrow Fund in accordance with this Agreement;
- 7.1.1.2 deduct, at the time any payment of income is made from the Escrow Fund, all amounts from the payment which the Escrow Agent is required to deduct pursuant to applicable withholding tax laws; and
- 7.1.1.3 remit all amounts withheld under Section 7.1.1.2 to the appropriate governmental authority.

- 7.1.2 **No Implied Duties.** Except as expressly provided in this Agreement, the Escrow Agent will have no other duties or responsibilities under this Agreement and no implied duties or obligations will be read into this Agreement against the Escrow Agent.

7.1.3 No Duty—Instances. Without limiting the generality of Section 7.1.2, the Escrow Agent will have no duty to:

- 7.1.3.1 give the Escrow Fund any greater degree of care than required under the applicable by-laws and rules of professional conduct established by the Law Society of Upper Canada;
- 7.1.3.2 invest all or any part of the Escrow Fund except as directed in this Agreement;
- 7.1.3.3 enforce any obligation of any Person, except as expressly provided in this Agreement;
- 7.1.3.4 make any representation as to the validity, value, genuineness or collectability of any Document held by or delivered to it; or
- 7.1.3.5 advise any Party as to the wisdom in selling or retaining, or taking or refraining from taking any action, with respect to any property in the Escrow Fund.

7.2 Liability of the Escrow Agent

The Escrow Agent will not be liable for any action taken or not taken by it with respect to any matter relating to this Agreement, except for its own wilful misconduct or gross negligence.

7.3 Rights of the Escrow Agent

The Escrow Agent will be entitled to:

- 7.3.1 rely upon any Joint Instructions, any judgment, court order or other judicial process, certification, demand, notice, deed, agreement, instrument, security or other writing (each being a "**Document**") delivered to it under this Agreement without being required to determine the:
 - 7.3.1.1 authenticity of any Document (whether the Document purports to be an original or a copy);
 - 7.3.1.2 due authorization, execution or delivery of any Document;
 - 7.3.1.3 correctness of any fact stated in any Document; or
 - 7.3.1.4 propriety or validity of the service of any Document;
- 7.3.2 rely upon any signature believed by the Escrow Agent to be genuine;
- 7.3.3 assume that the Person purporting to give any receipt or advice or make any statement or execute any Document in connection with the provisions of this Agreement has been duly authorized to do so;

- 7.3.4 assume that the undersigned representative of any Party which is an entity other than a natural person has full power and authority to instruct the Escrow Agent on behalf of that Party unless written notice to the contrary is delivered to the Escrow Agent;
- 7.3.5 in its capacity as a trustee for the benefit of the Parties, seek advice and directions from a court having jurisdiction;
- 7.3.6 commence or defend any action or proceeding for the determination of any Claims, including a suit or action in interpleader;
- 7.3.7 retain at the Parties' sole expense, and act on the opinion, advice or information obtained from, any independent lawyer or other expert, whether retained by the Escrow Agent or any Party, but will not be bound to act upon such opinion, advice or information and, except as expressly provided in this Agreement, will not be held responsible for any losses occasioned by so retaining or not retaining any such independent lawyer or other expert or for so acting or not so acting, as the case may be; and
- 7.3.8 employ any assistance as the Escrow Agent may, in its sole discretion, determine to be necessary or advisable to properly discharge its duties under this Agreement and pay, for the account of the Parties, the fees, disbursements and other costs required for such assistance, including legal or other services provided for in Section 7.3.7.

7.4 Resignation of Escrow Agent

The Escrow Agent may resign at any time upon 5 Business Days' prior written notice, and:

- 7.4.1 if the Escrow Agent has received Joint Instructions within the 5 Business Day period to deliver the Escrow Fund to a named successor escrow agent, the Escrow Agent's resignation will take effect on the date of delivery of the Escrow Fund to the successor escrow agent; or
- 7.4.2 if the Escrow Agent has not received the Joint Instructions described above within the 5 Business Day period, the Escrow Agent's sole responsibilities after the expiry of that period will be to hold and safeguard (and not to invest or reinvest) the Escrow Fund until the Joint Instructions are received pursuant to Section 7.4.1 above.

7.5 Removal of the Escrow Agent

The Parties may remove the Escrow Agent at any time by Joint Instructions, and:

- 7.5.1 if those Joint Instructions name a successor escrow agent, the Escrow Agent's removal will take effect on the date of delivery of the Escrow Fund to the successor escrow agent;

- 7.5.2 if those Joint Instructions do not name a successor escrow agent the Escrow Agent's sole responsibilities will be to hold and safeguard (and not to invest or reinvest) the Escrow Fund until the Joint Instructions are received pursuant to Section 7.5.1 above.

7.6 Discharge from Duties

At the time the Escrow Agent's resignation or removal, as the case may be, takes effect, the Escrow Agent will be discharged of and from any and all further duties and obligations arising in connection with this Agreement.

7.7 Disagreement

If any disagreement between the Parties results in adverse claims or demands made in relation to the Escrow Fund or if the Escrow Agent is in doubt as to what action it should take under this Agreement, the Escrow Agent:

- 7.7.1 will be entitled to retain the Escrow Fund until the Escrow Agent has received Joint Instructions directing payment of the Escrow Fund and the Escrow Agent will rely and act on the Joint Instructions without further question by paying the Escrow Fund as directed; and
- 7.7.2 will be entitled to continue to act as legal counsel to the Seller and Peoples Trust Company in connection with any matter unconnected to any such disagreement, and its appointment as Escrow Agent will in no way hinder its ability to do so.

7.8 Costs

The Seller hereby acknowledges and agrees that it shall be solely responsible for all fees, expenses, costs and disbursements of the Escrow Agent, Diversicare and any consultants, agents and/or advisors retained by the Seller in connection with the matters dealt with hereunder.

7.9 Indemnity

Except to the extent that any Claim which can be brought under Section 7.2 is successfully asserted against the Escrow Agent, the Parties will jointly and severally indemnify and hold harmless the Escrow Agent (and any successor escrow agent) from and against any and all Claims incurred or sustained by the Escrow Agent in respect of any matter or thing done by it under, pursuant to or in connection with this Agreement, or otherwise arising in connection with its office as Escrow Agent.

7.10 Certain Obligations of the Parties

Use of Escrow Agent's Name. No printed or other matter in any language (including prospectuses, notices, reports and promotional material) that mentions the Escrow Agent's name or the rights, powers or duties of the Escrow Agent will be issued by or

on behalf of the Parties unless the Escrow Agent will first have given its specific written consent.

ARTICLE 8 OWNERSHIP FOR TAX PURPOSES

8.1 Rights and Obligations

The Seller will:

- 8.1.1 be treated as the owner of the Escrow Fund for purposes of all applicable taxes;
- 8.1.2 report, if applicable, all income, if any, that is earned on, or derived from, the Escrow Fund as its income in the taxation year or years in which such income is properly includible; and
- 8.1.3 pay any taxes attributable to the Seller pursuant to this Article 8.

ARTICLE 9 GENERAL

9.1 Notices

Any notice provided in connection with this Agreement will be provided in accordance with Section 6.8 of the Purchase Agreement, with delivery to the Escrow Agent to be made to the Escrow Agent at:

Gowling Lafleur Henderson LLP
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario M5X 1G5

Attention: Cliff Prophet and Harry VanderLugt
Facsimile No.: 416-862-7661

9.2 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

- 9.2.1 the legality, validity or enforceability of the remaining provisions of this Agreement;
or
- 9.2.2 the legality, validity or enforceability of that provision in any other jurisdiction.

9.3 Submission to Jurisdiction

Each of the Parties and the Escrow Agent irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity, arising from this Agreement.

9.4 Remedies Cumulative

The rights and remedies of the Parties and the Escrow Agent under this Agreement are cumulative and not alternative.

9.5 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by each of the Parties and the Escrow Agent. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

9.6 Assignment and Enurement

None of the Parties and the Escrow Agent may assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of the Parties, or the Escrow Agent and the other Party, as the case may be, save and except that the Seller may, upon the approval or direction of the court, transfer all or any of its right and obligations hereunder to a Person approved by the court. This Agreement enures to the benefit of and is binding upon the Parties and the Escrow Agent and their respective successors and permitted assigns.

9.7 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original.

9.8 Survival

Section 7.8 and any other provisions that would reasonably be expected to remain in force will survive the termination of the escrow created under this Agreement. The termination of the escrow created under this Agreement will not affect the rights of any Party or the Escrow Agent to make a claim for damages arising from a breach of any provision of this Agreement which occurred prior to that termination.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Each of the Parties has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

**DOWNSVIEW LONG TERM CARE CENTRE
LIMITED**

Per: _____



Name: Syed Hussain

Title: President

DELOITTE & TOUCHE INC., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity

Per: _____

Name:

Title:

GOWLING LAFLEUR HENDERSON LLP

Per: _____

Name:

Title: Partner

Each of the Parties has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

**DOWNSVIEW LONG TERM CARE CENTRE
LIMITED**

Per: _____

Name: Syed Hussain

Title: President

DELOITTE & TOUCHE INC., solely in its capacity as court-appointed interim receiver and receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. and not in its personal capacity

Per: _____

Name: Daniel Weisz

Title: SENIOR VICE PRESIDENT

GOWLING LAFLEUR HENDERSON LLP

Per: _____

Name: HARRY R. VANDER LUGT

Title: Partner

TAB K

**This is Appendix “K” to the
Tenth Report of the Receiver
dated October 9, 2015**

**fogler
rubinoff**

Fogler, Rubinoff LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G0
t: 416.864.9700 | f: 416.941.0852
foglers.com

July 17, 2014

Reply To: Pinar Ozyetis
Direct Dial: 416.864.7610
E-mail: pozyetis@foglers.com
Our File No. 142481

VIA EMAIL ONLY [Clifton.Prophet@Gowlings.com; Frank.Lamie@gowlings.com]

Gowling Lafleur Henderson LLP
1 First Canadian Place
100 King Street West
Suite 1600
Toronto, Ontario
M5X 1G5, Canada

Dear Sirs:

Re: Downsview Long Term Care Centre Limited (the "Buyer") purchase from Deloitte and Touche, in its capacity as court-appointed interim receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. and Paragon Healthcare (Ontario) Inc. and not in its personal capacity (the "Seller") - Claim against Escrow Fund

We have been retained by Downsview Long Term Care Centre Limited with respect to the above-noted matter.

Reference is made to:

1. Agreement of Purchase and Sale dated October 20, 2010 between the Seller and Gem Health Care Group Limited, as amended, as assigned to the Buyer (the "Purchase Agreement");
2. Amending Agreement No. 6 to the Purchase Agreement ("Amendment No. 6");
3. Escrow Agreement dated July 25, 2012 among Gowling Lafleur Henderson LLP (the "Escrow Agent"), the Buyer and the Seller (the "Escrow Agreement");
4. Letter of Michael Dockrill of Belliveau Veinotte Inc. Chartered Accountants, dated March 6, 2014, and supporting enclosures, addressed to Mr. Hartley Bricks of the Seller (the "Dockrill Letter"); and
5. E-mail response of Hartley Bricks of the Seller dated March 10, 2014 (the "Bricks' Response").

fogler
rubinoff

Page 2 of 2

We understand that the Buyer has communicated certain monetary claims against the Seller as outlined in the Dockrill Letter. Further to and as requested by the Bricks' Response, we wish to formally provide notice to the Escrow Agent on behalf of the Buyer pursuant to Section 5.1 of the Escrow Agreement and Section 2.8(c)(D) of Amendment No. 6 that a claim in the amount of \$339,808 is made against the Escrow Fund (as defined in the Escrow Agreement) in favour of the Buyer pursuant to the Ministry of Health letter of April 24, 2013 and payment calculation notices dated July 2013 through October 2013, copies of which have been provided to you previously and which are enclosed again for your reference.

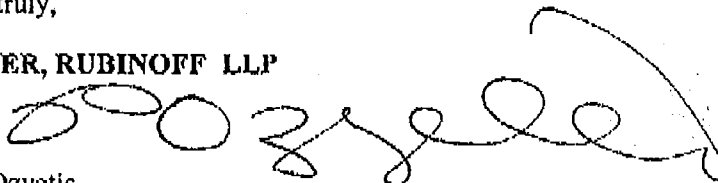
Section 2.8(c)(D) of Amendment No. 6. provides that the Escrow Agent will release a corresponding amount of funds to the Buyer within three (3) Business Days of receiving a MOH Monthly Payment Notice. Please confirm that you will attend to the payment of \$339,808 to the Buyer from the Escrow Fund within three (3) Business Days per the wire instructions attached as Schedule "A" to this letter.

Further to the above, Section 2.8(c)(D)(ii) of Amendment No. 6 provides, among other things, that upon written request by the Seller, the Escrow Agent will release the balance of the Escrow Fund if any to the Seller in accordance with Section 2.8(H) of Amendment No. 6. **We hereby put you on notice that a claim will be made against the Escrow Fund by a separate letter that will be sent to you no later than July 31, 2014.** Please provide your confirmation that you will continue to hold the balance of the Escrow Fund until such claim is resolved to the satisfaction of all parties.

We look forward to your prompt response.

Yours truly,

FOGLER, RUBINOFF LLP



Pinar Ozyetis
PO/tj

cc: Syed Hussain (via e-mail)
James Balcom (via e-mail)

SCHEDULE "A"

WIRING INSTRUCTIONS

TD Canada Trust
1785 Barrington Street
PO Box 427
Halifax, NS
B3J 2P8.

Transit No. 54203
Bank No. 004
Account No. 01605241894

TAB L

**This is Appendix “L” to the
Tenth Report of the Receiver
dated October 9, 2015**



montréal • ottawa • toronto • hamilton • waterloo region • calgary • vancouver • moscow • london

July 25, 2014

SENT BY E-MAIL (POZYETIS@FOGLERS.COM)

Pinar Ozyetis
Fogler, Rubinoff LLP
77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Clifton Prophet
Direct (416) 862-3509
Direct Fax (416) 863-3509
Assistant 416-862-4340
clifton.prophet@gowlings.com

Dear Mr. Ozyetis:

**Re: Downsview Long Term Care Centre Limited purchase from Deloitte & Touche Inc., in its capacity as court-appointed interim receiver and manager of the current and future assets, undertakings and properties of Paragon Health Care Inc. et al. and Gem Health Care Group Limited
Your File No.: 142481**

I am writing in response to your letter of July 17, 2014 on behalf of Gowling Lafleur Henderson LLP in its capacity as Escrow Agent pursuant to the Escrow Agreement dated as of July 25, 2012 and pursuant to s. 2.8(c), as amended, of the Agreement of Purchase and Sale between Deloitte & Touche Inc. in its capacity as receiver of Paragon Health Care Inc. et al. and Gem Health Care Group Limited dated October 20, 2010.

We have today initiated a wire in the amount of \$339,808 to the credit of Downsview Long Term Care Centre Limited, using the wire instructions attached to your July 17, 2014 letter. Attached to this letter is a copy of the bank wire confirmation information for our outgoing wire.

With regard to the request at the end of your letter concerning the Escrow Agent's maintenance of the balance of the Escrow Fund, please be advised that, without prejudice to the claims of all parties, the Receiver will continue to hold the Escrow Fund until August 15, 2014. Please be further advised that we understand that Deloitte Restructuring Inc., formerly known as Deloitte & Touche Inc., will respond to your client's apparent further claims through independent counsel.

Yours very truly,
GOWLING LAFLEUR HENDERSON LLP

Clifton Prophet
CP/adc
Attachment

cc: Receiver

TOR_LAW\8487304\1

Gowling Lafleur Henderson LLP • Lawyers • Patent and Trade-mark Agents

1 First Canadian Place • 100 King Street West • Suite 1600 • Toronto • Ontario • M5X 1G5 • Canada T 416-862-7525 F 416-862-7661 gowlings.com

Cano, Alma

From: Santos-Luis, Aurora
Sent: July-25-14 3:04 PM
To: Cano, Alma
Cc: Prophet, Clifton
Subject: FW: Wire Instructions - Paragon Health / T994141

Importance: High

The wire has been sent. Here is the confirmation # CA140725027823000

Aurora Santos-Luis
Accounting Clerk, Payables
T 416-862-4469
gowlings.com

TAB M

**This is Appendix “M” to the
Tenth Report of the Receiver
dated October 9, 2015**

From: Prophet, Clifton
To: Ozyetis, Pinar
Cc: Bricks, Hartley (CA - Toronto)
Subject: RE: Reply requested - Paragon Health Care Inc. et al. - Downsview Long Term Care Centre Limited Purchase from Deloitte & Touche Inc.
Date: Friday, August 15, 2014 3:28:35 PM

Pinar;

Gowlings will continue to hold the balance in the escrow (except those amounts required to pay the fees of the Escrow Agent) for a further 30 days, without prejudice to the positions of Downsview and the Receiver. I do not anticipate that further extensions will be granted absent express written direction from the parties or the Court.

Regards,

Cliff

Clifton Prophet
 Partner
 416-862-3509
gowlings.com

From: Ozyetis, Pinar [mailto:pozyetis@foglers.com]
Sent: August-15-14 7:44 AM
To: Prophet, Clifton
Cc: Syed M Hussain; 'James Balcom'
Subject: Reply requested - Paragon Health Care Inc. et al. - Downsview Long Term Care Centre Limited Purchase from Deloitte & Touche Inc.
Importance: High

Clif, with regards to the attached letter from you on July 25, I would request your confirmation that Gowlings please continue to hold the balance of the escrow fund for an additional one month period. I am seeking instructions from GEM on this matter and with vacations through the summer months, we would like more time to consider this matter with the Receiver.

Thank you,

Pinar Ozyetis
 Tel: 416.864.7610

From: Cano, Alma [mailto:Alma.Cano@gowlings.com] **On Behalf Of** Prophet, Clifton
Sent: Friday, July 25, 2014 4:57 PM
To: Ozyetis, Pinar
Subject: Paragon Health Care Inc. et al. - Downsview Long Term Care Centre Limited Purchase from Deloitte & Touche Inc.

Please see attached correspondence from Clifton Prophet for your attention.

Thank you.

Alma Cano

Legal Assistant
to Clifton Prophet & Haddon Murray
Financial Services Department
T 416-862-4340
alma.cano@gowlings.com

gowlings

Gowling Lafleur Henderson LLP

Lawyers • Patent and Trade-mark Agents
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario
M5X 1G5 Canada
T 416-862-7525 F 416-862-7661
gowlings.com

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Before printing, please consider the environment.

TAB N

**This is Appendix “N” to the
Tenth Report of the Receiver
dated October 9, 2015**

**Ministry of Health and
Long-Term Care**

Financial Management Branch
Corporate Services Division
5700 Yonge Street, 12th Floor
Toronto ON M2M 4K5

Telephone : (416) 212-0534
Facsimile : (416) 212-0683

**Ministère de la Santé
et des Soins de longue durée**

Direction de la gestion financière
Division des services ministériels
5700, rue Yonge, 12^e étage
Toronto ON M2M 4K5

Téléphone : (416) 212-0534
Télécopieur : (416) 212-0683



October 17, 2014

OCT 16 2014

Mr. Hartley Bricks
Vice President
Financial Advisory Services
Deloitte & Touche Inc.
181 Bay Street, Brookfield Place, Suite 1400
Toronto, ON M5J 2V1

Dear Mr. Bricks:

Re: 2011 Long-Term Care Home Overall Reconciliation - Casa Verde Health Centre (NH1324)

Pursuant to the information received in response to the ministry letter dated April 24, 2013, the ministry has reviewed your submission for the 2011 annual report for Casa Verde Health Centre. A copy of the revised 2011 overall reconciliation is attached for your review and file.

As a result of this review, \$ 45,415 is payable to the home. In accordance with s. 3 of O.Reg. 264/07 under the Local Health System Integration Act, 2006, s. 243 of O.Reg. 79/10 under the Long-Term Care Homes Act, 2007 and section 2.4 of the LTCH Reconciliation and Recovery policy, this amount will be added to your January 2015 payment.

Further to your submission, the following adjustments have been made:

- Page 5 line RD118c has been adjusted to equal = RD116c + RD117c which is now 46,707 days;
- We have allowed \$32,599 reported for bad debts;
- We have only allowed \$23,597 for collection costs. Please see attachment for details.

Summary:

Initial 2011 recovery made in July to October 2013	\$339,808
Revised 2011 recovery after adjustment	<u>\$294,393</u>
Net new payment to be made in January 2015	\$ 45,415

This completes the 2011 reconciliation for Casa Verde Health Centre.

Sincerely,

Ursula Dunston
Senior Financial Analyst
Ministry of Health and Long Term Care, Financial Management Branch

Attachment

TAB O

**This is Appendix “O” to the
Tenth Report of the Receiver
dated October 9, 2015**

From: Kubicka, Wiesia (MOH)
To: Syed Hussain; Weisz, Daniel (CA - Toronto)
Cc: Bricks, Hartley (CA - Toronto); james.balcom@gemhc.com; Lee, Richard G. (MOH); Orr, Michael J. (MOH); Prete, Anna (MOH); Hopkins, Nancy (MOH); Tennakoon, Chandike (MOH); Petes, Edith (MOH)
Subject: RE: Approval w Conditions Letter re. the licence transfer of Casa Verde NH - REVISED
Date: Tuesday, July 10, 2012 7:32:44 PM

Hello all

I received a follow up call from Mr. Weisz requesting confirmation that based on the today's letter, the reconciliations for 2006 to 2010 are considered closed and there are no outstanding recoveries for these periods. By way of this email I am confirming this to be true. The only outstanding reconciliations/recoveries are for 2011 and 2012, as set out in the condition #3 in the letter.

Thank you,
 Wiesia

Wiesia Kubicka | Manager

Performance Improvement and Compliance Branch | Organizational Development Unit
 Health System Accountability and Performance Division | MOHLTC
 11th Floor | 1075 Bay St. | Toronto, Ontario | M5S 2B1
 Tel: 416.325.8881 | Cell: 416.904.3670 | Fax: 416.327.7603 | Email: Wiesia.Kubicka@ontario.ca

Private and Confidential: Intended only for the named recipient(s). If otherwise received, please destroy immediately.

From: Petes, Edith (MOH)
Sent: July 10, 2012 3:58 PM
To: 'Syed Hussain'
Cc: Bricks, Hartley; 'james.balcom@gemhc.com'; 'Kim.Baker@LHINS.ON.CA'; Slater, Karen (MOH); Kubicka, Wiesia (MOH); Diamond, Mary (MOH); Lee, Richard G. (MOH); Kaftarian, Peter (MOH); Orr, Michael J. (MOH); Prete, Anna (MOH); Hopkins, Nancy (MOH)
Subject: RE: Approval w Conditions Letter re. the licence transfer of Casa Verde NH - REVISED
Importance: High

Dear Mr. Hussain,
 Please find attached the scanned copy of a letter from Karen Slater, Acting Director, that's being couriered out to you today.

If you have any questions or concerns, please let me know.

Best regards,
 Edith Petes

Edith Petes
 Licensing Program Coordinator
 ODU/PICB/HSAPD/MOHLTC
 1075 Bay Street, 11th Floor
 Toronto ON M5S 2B1
 Phone: 416-326-1933 / Fax: 416-327-7603
Edith.Petes@ontario.ca

From: Petes, Edith (MOH)
Sent: December 19, 2011 1:41 PM
To: Syed Hussain
Cc: 'james.balcom@gemhc.com'; 'Kim.Baker@LHINS.ON.CA'; Kampus, Rachel E. (MOH); Kubicka, Wiesia

(MOH); Diamond, Mary (MOH); Lee, Richard G. (MOH); Alberding, James (MOH); Orr, Michael J. (MOH);
Prete, Anna (MOH); Hopkins, Nancy (MOH); Enriquez-Mary, Leticia (MOH)

Subject: Approval w Conditions Letter re. the licence transfer of Casa Verde NH

Importance: High

Dear Mr. Hussain,

Please find attached a scanned copy of a letter from Rachel Kampus, Director, that's being couriered out to you today.

If you have any questions or concerns, please let me know.

Regards,

Edith Petes

Edith Petes

Licensing Program Coordinator

Organizational Development Unit

Performance Improvement & Compliance Branch

Health System Accountability & Performance Division

Ministry of Health & Long-Term Care

55 St. Clair Avenue West, Ste. 800

Toronto, Ontario M4V 2Y7

Phone: 416-326-1933

Fax: 416-327-4486

Edith.Petes@ontario.ca

TAB P

**This is Appendix “P” to the
Tenth Report of the Receiver
dated October 9, 2015**

**Ministry of Health
and Long-Term Care**

Health System Accountability
and Performance Division
Performance Improvement and
Compliance Branch

1075 Bay Street, 11th Floor
Toronto ON M5S 2B1

Telephone: (416) 326-1933
Facsimile: (416) 327-7603

**Ministère de la Santé
et des Soins de longue durée**

Division de la responsabilisation
et de la performance du système de santé
Direction de l'amélioration de la
performance conformité

1075, rue Bay, 11^e étage
Toronto ON M5S 2B1

Téléphone: (416) 326-1933
Télécopieur: (416) 327-7603



By e-Mail and Courier

July 10, 2012

Mr. Syed M. Hussain
President
Downsview Long Term Care Centre Limited
1046 Barrington Street, 3rd Floor
Halifax NS B3H 2R1

Dear Mr. Hussain:

Re: REVISED – Licensing Transaction Review – Licence Transfer of Casa Verde Health Centre in North York (Home # 1041)

This is to inform you that the Ministry of Health and Long-Term Care (the "Ministry") has completed the Licensing Transaction Review of the proposal regarding the transfer of the licence of Casa Verde Health Centre (the "Home"). This proposal was submitted by Deloitte & Touche Inc., the Court-Appointed Interim Receiver and Receiver and Manager of Paragon Health Care Inc. (the "Licensee") and Paragon Health Care (Ontario) Inc. (together as the "Vendor"), to surrender the licence on condition that the licence be reissued to Downsview Long Term Care Centre Limited (the "Proposed Purchaser").

Your proposal regarding the above noted long-term care home will be approved once the following conditions have been met:

1. the Ministry receives, in writing, confirmation of the actual date of the sale closing;
2. the Ministry receives a letter from the Vendor surrendering the current licence held by the Vendor along with the current licence for the Home (must be an original not a photocopy);
3. the Proposed Purchaser assumes liability for any monies up to a maximum of \$1,000,000.00 owed by the Vendor to the Ministry and/or the Central Local Health Integration Network (the LHIN) for the period beginning on January 1, 2011 and ending at the closing date of the transaction that result from any financial reconciliations by the Ministry or the LHIN as permitted by law or pursuant to any agreements entered into between the Ministry or the LHIN and the Vendor (the "Monies"). When requested to do so by the Ministry or the LHIN, Downsview Long Term Care Centre Limited will pay to the Ministry or the LHIN the Monies or enter into an arrangement that is satisfactory to the Ministry or the LHIN for the repayment of the Monies; and

-
4. the Proposed Purchaser agrees to correct all outstanding findings of non-compliance set out in the inspection reports issued by the Ministry to the Vendor, and to comply with all outstanding orders issued by a Ministry inspector or the Director against the Vendor, if any, and all inspection reports and orders should be available from the Vendor and they must be posted in the Home pursuant to applicable law.

Notwithstanding the above, the Ministry is not approving the prudence of this proposed transaction, including any financial projections submitted. Downsview Long Term Care Centre Limited is cautioned that they must assume full responsibility for these transactions, and all consequences thereof.

Prior to the issuance of the new licence, we require the following updated Corporate Documentation (if it has not been submitted yet):

- If the Proposed Purchaser is a Corporation:
 - Certificate of Incorporation;
 - Articles of Incorporation / Amendment; Letters Patent / Supplementary Letters Patent;
 - Form 1 – Ontario Corporation – Initial Return / Notice of Change / *Corporations Information Act* or Annual Return;
 - For Charitable Corporations all of the above is required, including any documentation to show that they are a registered Charitable Organization;
 - List of current Officers and Directors (including the names, positions held and business telephone numbers of all officers, directors and persons with a controlling interest (10% or more shares, owned or controlled directly or indirectly) in the Proposed Purchaser, along with a statement describing the ownership or beneficial ownership of equity shares of capital stock in the Proposed Purchaser); and
 - Each person who is involved in the Proposed Purchaser shall list all long-term care homes of which
 - a) the person is the licensee;
 - b) the person is the manager;
 - c) the person has a controlling interest in the licensee; or
 - d) the person has a controlling interest in the manager.
- If the Proposed Purchaser is a Limited Partnership:
 - Certificate of Incorporation for the general partner (GP);
 - Articles of Incorporation / Amendment for the GP;
 - Form 3 – Declaration under the *Limited Partnerships Act*;
 - Form 1 – Ontario Corporation – Initial Return / Notice of Change / *Corporations Information Act* or Annual Return for the GP;
 - List of current Officers and Directors for the GP (including the names, positions held and business telephone numbers of all officers, directors and persons with a controlling interest (10% or more shares, owned or controlled directly or indirectly) in the Proposed Purchaser, along with a

Mr. Syed M. Hussain, Downsview Long Term Care Centre Limited

July 10, 2012

statement describing the ownership or beneficial ownership of equity shares of capital stock in the Proposed Purchaser); and

- Each person who is involved in the GP shall list all long-term care homes of which

- a) the person is the licensee;
- b) the person is the manager;
- c) the person has a controlling interest in the licensee; or
- d) the person has a controlling interest in the manager.

You will be advised in writing if further information is required.

Please note that any licence that may be issued to the Proposed Purchaser as a result of the foregoing transaction will contain conditions including, but not limited to:

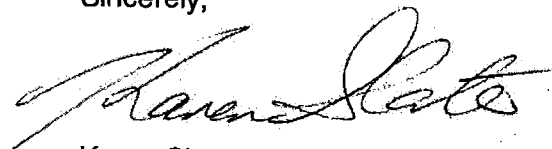
1. the Proposed Purchaser agrees to operate the Home in accordance with the *Long-Term Care Homes Act, 2007* and Ontario Regulation 79/10, the agreements between the Crown and the Proposed Purchaser as licensee of the Home, and any other applicable Act, regulation, agreement, policy or Municipal By-law;
2. the Ministry will be under no obligation to license any additional bed accommodation beyond the licensed capacity of 252 beds operating at Casa Verde Health Centre;
3. if anyone other than the licensee (the Proposed Purchaser) is proposed to manage the Home, the Ministry will receive a management contract for the Home for prior approval pursuant to s. 110 of the Act; and
4. the Proposed Purchaser will submit to the Ministry, for prior review and approval, any plans for proposed renovations or other work referred to in s. 305(3) of Ontario Regulations 79/10 regarding the Home.

Please sign below indicating that you agree to the conditions and return the originals with an original signature (no photocopy please) to Edith Petes, Licensing Program Coordinator, Performance Improvement and Compliance Branch, Ministry of Health and Long-Term Care, 8th Floor, 55 St. Clair Avenue West, Toronto, Ontario M4V 2Y7.

If you have any questions, please do not hesitate to contact Edith at (416) 326-1933.

Thank you for your co-operation.

Sincerely,



Karen Slater
Director (A), Performance Improvement and Compliance Branch
Director under the *Long-Term Care Homes Act, 2007*

Mr. Syed M. Hussain, Downsview Long Term Care Centre Limited

July 10, 2012

Acknowledged and agreed to this _____ day of _____, 2012.

Downsview Long Term Care Centre Limited

Per: _____

Authorized Signing Officer
(I have authority to bind the Proposed Purchaser)

Please print:

Name: _____

Title: _____

- c: Kim Baker, CEO, Central Local Health Integration Network (LHIN)
Peter Kaftarian, Director, Health Capital Investment Branch, MOHLTC
Wiesia Kubicka, Manager, Organizational Development Unit, Performance Improvement and Compliance Branch (PICB), Ministry of Health and Long-Term Care (MOHLTC)
Mary Diamond, Manager, Toronto Service Area Office, PICB
Richard Lee, Senior Financial Consultant, Financial Management Branch, MOHLTC
Michael Orr, Counsel, Legal Services Branch, MOHLTC
Anna Prete, Licensing Program Coordinator, PICB, MOHLTC
Edith Petes, Licensing Program Coordinator, PICB, MOHLTC

TAB Q

**This is Appendix “Q” to the
Tenth Report of the Receiver
dated October 9, 2015**

MUTUAL RELEASE

1. **Definitions:** The following terms apply to this Mutual Release:

- (a) **"Agreement"** means this Mutual Release.
- (b) **"Claims"** means all actions, causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, complaints, claims and demands of every kind and every other form of relief of every kind available at law, however arising, including, without limitation:
 - (i) any claim for damages (including general, punitive and exemplary damages), declaratory, injunctive relief, contribution, indemnity, costs, interest, and taxes; and
 - (ii) any claim in respect of which a Party asserts rights of subrogation.
- (c) **"Central LHIN"** means the Central Local Health Integration Network.
- (d) **"First Release Party"** means, together, the Receiver, Paragon and Paragon Ontario.
- (e) **"Ministry"** means Her Majesty in right of Ontario as represented by the Minister of Health and Long-Term Care.
- (f) **"Paragon"** means Paragon Health Care Inc.
- (g) **"Paragon Ontario"** means Paragon Health Care (Ontario) Inc.
- (h) **"Parties"** means the First Release Party, and the Second Release Party, and **"Party"** means any one of them.
- (i) **"Prohibited Proceeding"** is defined in paragraph 5 below.
- (j) **"Receiver"** means Deloitte Restructuring Inc., in its capacity as court appointed interim receiver and manager of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc.
- (k) **"Reconciliation"** means the claims of the First Release Party and the Second Release Party (as defined below) in relation to funding provided to the First Release Party or any of them by the Second Release Party or any of them in relation to the operation of **Casa Verde Health Centre** ("Casa Verde"), for any period.
- (l) **"Second Release Party"** means the Ministry and the Central LHIN.

2. **Mutual Release:** In consideration of the First Release Party's agreement that the Second Release Party shall retain any refund which is payable in respect of the operation of Casa Verde during 2011 or during 2012 for the period prior to July 25, 2012, together with other good and valuable consideration, including the terms set out in this Agreement, the receipt and sufficiency of which is irrevocably acknowledged, the Parties fully and finally remise, mutually release and forever discharge each other from all Claims asserted in connection with, arising out of, or relating to the Reconciliation, which any of the Parties may have had, now has, or may in the future have against any other Party or Parties.
3. **Warranty:** The First Release Party warrants that any and all refunds which are payable in respect of the operation of Casa Verde during 2011 and 2012 (prior to July 25, 2012) is the property of the Receiver and acknowledges that the Second Release Party relies on this warranty.
4. **Excepted Claims:** Despite any of the provisions of this Agreement, the following Claims are not released: Claims under this Agreement.
5. **Prohibited Proceedings:** The Parties undertake and agree not to commence any action or other proceeding:
 - (a) to assert a Claim against any person, firm, corporation or other entity which is released and discharged by this Agreement; or
 - (b) to assert a Claim against any other person, firm, corporation or other entity who claims, in any manner or forum, contribution or indemnity, in respect of the Claim, in common law or in equity, or under the provisions of any statute or regulation, from any person, firm, corporation or other entity released and discharged by this Agreement in relation to that Claim (a "Prohibited Proceeding").
6. **Estoppel/Defence:** This Agreement will operate conclusively as an estoppel if a Prohibited Proceeding is commenced, and
 - (a) may be pleaded as a complete defence and reply if a Prohibited Proceeding is commenced; and
 - (b) may be relied upon in any proceeding to dismiss a Prohibited Proceeding, and no objection will be raised by the party that commenced the Prohibited Proceeding that the other parties to the Prohibited Proceedings are not parties to this Agreement.
7. **Effective Date of Mutual Release:** This Agreement will be effective upon its execution and delivery.
8. **No Assignment:** Each of the Parties represents and warrants to all of the other Parties that it has not assigned to any person, firm, corporation or other entity any Claim that is released by this Agreement.

9. **No Admission Of Liability:** The Parties acknowledge and agree that nothing contained in this Agreement will be interpreted to constitute an admission regarding the existence or absence of any liability or obligation of any kind on the part of any of them.
10. **Independent Legal Advice:** Each of the Parties represents and warrants to all of the other Parties that it has obtained independent legal advice in connection with this Agreement.
11. **General:**
- (a) This Agreement may be executed in counterparts and transmitted by facsimile or e-mail, which transmission will be for all purposes as effective as if the parties had delivered an executed original of it.
 - (b) This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the Federal laws of Canada applicable in that Province.
 - (c) This Agreement will enure to the benefit of and will be binding upon the Parties and all of their respective successors and assigns directors, partners, officers, shareholders, employees, servants, agents, and administrators.
12. This Mutual Release is of no force and effect unless it is executed by all parties on or before 5pm on September 18, 2015.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF the undersigned have executed this Agreement under the hand of their proper officers, duly authorized in their behalf, this 7th day of September, 2015.

DELOITTE RESTRUCTURING INC. in its capacity as court-appointed Interim Receiver and Manager of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc.

Per:



Name: HARTLEY BRICKS
Title: SENIOR VICE-PRESIDENT

I have authority to bind the First Release Party

MINISTRY OF HEALTH AND LONG-TERM CARE FOR ONTARIO

Per:

Name:
Title:

I have authority to bind the Ministry.

CENTRAL LOCAL HEALTH INTEGRATION NETWORK

Per:

Name:
Title:

I have authority to bind the Central LHIN.

- 4 -

IN WITNESS WHEREOF the undersigned have executed this Agreement under the hand of their proper officers, duly authorized in their behalf, this 15th day of September, 2015.

DELOITTE RESTRUCTURING INC. in its capacity as court-appointed Interim Receiver and Manager of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc.

Per:

Name:

Title:

I have authority to bind the First Release Party

MINISTRY OF HEALTH AND LONG-TERM CARE FOR ONTARIO

Per:

Nancy Naylor

Name: Nancy Naylor

Title: Assoc. DM, MDHLC C

I have authority to bind the Ministry.

CENTRAL LOCAL HEALTH INTEGRATION NETWORK

Per:

Name:

Title:

I have authority to bind the Central LHIN.

- 4 -

IN WITNESS WHEREOF the undersigned have executed this Agreement under the hand of their proper officers, duly authorized in their behalf, this 15th day of September, 2015.

**DELOITTE RESTRUCTURING INC. in
its capacity as court-appointed Interim
Receiver and Manager of Paragon
Health Care Inc. and Paragon Health
Care (Ontario) Inc.**

Per:

Name:

Title:

I have authority to bind the First Release
Party

**MINISTRY OF HEALTH AND LONG-
TERM CARE FOR ONTARIO**

Per:

Name:

Title:

I have authority to bind the Ministry.

**CENTRAL LOCAL HEALTH
INTEGRATION NETWORK**

Per:

Name: Kim Baker

Title: Chief Executive Officer

I have authority to bind the Central LHIN.

TAB R

**This is Appendix “R” to the
Tenth Report of the Receiver
dated October 9, 2015**

IN THE MATTER OF THE RECEIVERSHIP OF
PARAGON HEALTH CARE INC./SOINS DE SANTE PARAGON INC.

**Receiver's Final Statement of Receipts and Disbursements
for the period January 24, 2006 to October 6, 2015**

Receipts

1. Ministry of Health Funding	\$ 68,168,627
2. Net proceeds from sale	8,013,642
3. Balance of Escrow Fund	684,300
4. Receiver's Certificates	265,000
5. Cash in bank	124,096
6. Interest earned	63,160
7. Miscellaneous refunds	18,870
8. Transfer from Paragon Health Care (Ontario) Inc. account	3,792
9. Total receipts	\$ 77,341,486

Disbursements

9. Funding to Casa Verde Nursing Home	\$ 53,718,223
10. Funding to Casa Verde Retirement Home	7,175,000
11. Receiver fees	1,193,713
12. Transfer to Escrow Fund	1,000,000
13. Legal fees	379,823
14. Repayment of Receiver's Certificates (plus interest)	306,793
15. Real estate commission	225,000
16. HST	107,766
17. GST	57,761
18. Advertising	7,345
19. Consulting fees	6,511
20. Courier	6,408
21. Appraisal fees	5,000
22. Security	3,424
23. Travel expenses	1,268
24. Telephone	951
25. Bank charges	408
26. Photocopies	364
27. Postage	280
28. Filing fee	70
29. Total disbursements	\$ 64,196,108
30. Receipts less disbursements	\$ 13,145,378
31. Less: Distributions to secured creditor	(12,150,000)
32. Balance on Hand	\$ 995,378

TAB S

**This is Appendix "S" to the
Tenth Report of the Receiver
dated October 9, 2015**



September 09, 2015

Paragon Health Care Inc. - Soins de
3595 Keele Street
North York, ON M3J1M7

RE: Paragon Health Care Inc. - Soins de
3595 keele street North York, ON

STATEMENT FOR DISCHARGE PURPOSES - Mortgage No. 20795
(Effective September 09, 2015 - Interest currently paid to October 01, 2014)

Principal Balance as at October	\$ 0.00
Interest Rate 8.370% from October 01 2014 to September 09 2015	\$ 0.00
Tax Account (A Minus Balance is a Credit)	\$ 0.00
Late Payment Interest	\$ 0.00
Discharge Penalty	\$ 0.00
Statement Fee	\$ 0.00
Discharge Fee	\$ 0.00
Sundry Account (A Minus Balance is a Credit)	\$1,399,698.80

Total Amount	\$1,399,698.80
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Per Diem from September 09, 2015	\$ 0.00
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The loan balance outstanding as at September 09, 2015 will be \$1,399,698.80.

THE AMOUNTS IN THIS STATEMENT ARE CALCULATED ON THE BASIS THAT ALL PAYMENTS UP TO AND INCLUDING THE ACTUAL PAYOUT ARE MADE AND HONOURED. If any such payments are not made or honoured, then the amounts in this statement will no longer be valid and will be replaced without notice by amounts reflecting such non-payment. WE WILL NOT BE OBLIGED TO PROVIDE A DISCHARGE OF OUR MORTGAGE, NOTWITHSTANDING ANY TERMS OR CONDITIONS ACCOMPANYING PAYOUT, UNLESS AND UNTIL ANY SUCH PAYMENTS ARE MADE OR HONOURED, so the obligation to ensure that all such payments are made and honoured is on the party relying on this statement and making payment to us in accordance with it.

All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement are the responsibility of the Mortgagor.

Funds received after 12:00 P.M. of the proposed discharge date will be subject to an additional daily interest charge of \$ 0.00 until paid. If the proposed discharge date is on Friday, funds received after 12:00 P.M. will be subject to additional interest until the next business day. If this is a floating rate mortgage, the daily interest charge is subject to change in the Prime Lending Rate of the Bank of Montreal.

Payment must be in the form of a solicitor's trust cheque or certified cheque. Please include the appropriate form of Discharge Documentation (including PPSA Security if applicable) for execution by Peoples Trust Company.

This statement may not be used past the end of the month in which it was issued.

If this loan is in an MBS Pool, the Discharge Statement may be subject to CMHC approval. If approved, a final Discharge penalty calculation must be requested no more than 5 business days prior to payout. If this is a final penalty calculation, the penalty is valid only for the effective date on this statement.

Martin Mallich
Manager, Default Management

E. & O.E.

Head Office <input type="checkbox"/> Suite 1400, 888 Dunsmuir St. Vancouver, B.C. V6C 3K4 Telephone: 604-683-2881 Fax: 604-683-5110 Email: people@peoplestrust.com	B.C. Region <input type="checkbox"/> Suite 450, 888 Dunsmuir St. Vancouver, B.C. V6C 3K4 Telephone: 604-683-1068 Fax: 604-683-2787 Email: vancouver@peoplestrust.com	Prairie Region <input type="checkbox"/> Suite 955, 808-4 th Ave. S.W. Calgary, AB, T2P 3E8 Telephone: 403-237-8975 Fax: 403-266-5002 Email: calgary@peoplestrust.com	Ontario Region <input type="checkbox"/> Citigroup Place, 123 Front St. W., Suite No. 901 Toronto, ON M5J 2M2 Telephone: 416-368-3266 Fax: 416-368-3328 Email: toronto@peoplestrust.com
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TAB T

**This is Appendix “T” to the
Tenth Report of the Receiver
dated October 9, 2015**

IN THE MATTER OF THE RECEIVERSHIP OF
1508669 ONTARIO LIMITED

**Receiver's Final Statement of Receipts and Disbursements
for the period January 24, 2006 to October 6, 2015**

Receipts

1. Ministry of Health Funding	\$ 27,344,530
2. Net proceeds from sale	3,295,604
3. Receiver's Certificates	477,273
4. Balance of Escrow Fund	82,094
5. Interest earned	45,327
6. Cash in bank	32,194
7. Miscellaneous refunds	12,432
8. Total receipts	\$ 31,289,455

Disbursements

9. Funding to West Park Health Centre	\$ 25,829,123
10. Receiver fees	772,484
11. Repayment of Receiver's Certificates (plus interest)	522,059
12. Legal fees	212,062
13. Transfer to Escrow Fund	100,000
14. Real estate commission	76,875
15. HST	73,621
16. GST	28,383
17. Consulting/Auditor fees	10,448
18. Advertisement	3,955
19. Appraisal fees	2,500
20. Security	2,406
21. Courier	1,169
22. Travel expenses	975
23. Telephone	787
24. Photocopies	308
25. Bank charges	280
26. Postage	276
27. Filing fee	70
28. Total disbursements	\$ 27,637,780
29. Receipts less disbursements	\$ 3,651,674
30. Less: Distributions to secured creditor	(3,250,000)
31. Balance on hand	\$ 401,674

TAB U

**This is Appendix “U” to the
Tenth Report of the Receiver
dated October 9, 2015**



September 09, 2015

759592 Ontario Inc - Attn.: Gerald
3595 Keele Street
North York, ON M3J1M7

RE: 759592 Ontario Inc - Attn.: Gerald
103 Pelham Road St. Catharines, ON

STATEMENT FOR DISCHARGE PURPOSES - Mortgage No. 20793
(Effective September 09, 2015 - interest currently paid to October 01, 2014)

Principal Balance as at October	\$ 0.00
Interest Rate 7.280% from October 01 2014 to September 09 2015	\$ 0.00
Tax Account (A Minus Balance is a Credit)	\$ 0.00
Late Payment Interest	\$ 0.00
Discharge Penalty	\$ 0.00
Statement Fee	\$ 0.00
Discharge Fee	\$ 0.00
Sundry Account (A Minus Balance is a Credit)	\$855,805.79

Total Amount

\$855,805.79

Per Diem from September 09, 2015

\$ 0.00

The loan balance outstanding as at September 09, 2015 will be \$855,805.79.

THE AMOUNTS IN THIS STATEMENT ARE CALCULATED ON THE BASIS THAT ALL PAYMENTS UP TO AND INCLUDING THE ACTUAL PAYOUT ARE MADE AND HONoured. If any such payments are not made or honoured, then the amounts in this statement will no longer be valid and will be replaced without notice by amounts reflecting such non-payment. WE WILL NOT BE OBLIGED TO PROVIDE A DISCHARGE OF OUR MORTGAGE, NOTWITHSTANDING ANY TERMS OR CONDITIONS ACCOMPANYING PAYOUT, UNLESS AND UNTIL ANY SUCH PAYMENTS ARE MADE OR HONoured, so the obligation to ensure that all such payments are made and honoured is on the party relying on this statement and making payment to us in accordance with it.

All taxes and other charges paid by us from the time of preparation to the closing date and not indicated on this statement are the responsibility of the Mortgagor.

Funds received after 12:00 P.M. of the proposed discharge date will be subject to an additional daily interest charge of \$ 0.00 until paid. If the proposed discharge date is on Friday, funds received after 12:00 P.M. will be subject to additional interest until the next business day. If this is a floating rate mortgage, the daily interest charge is subject to change in the Prime Lending Rate of the Bank of Montreal.

Payment must be in the form of a solicitor's trust cheque or certified cheque. Please include the appropriate form of Discharge Documentation (including PPSSA Security if applicable) for execution by Peoples Trust Company.

This statement may not be used past the end of the month in which it was issued.

If this loan is in an MBS Pool, the Discharge Statement may be subject to CMHC approval. If approved, a final Discharge penalty calculation must be requested no more than 5 business days prior to payout. If this is a final penalty calculation, the penalty is valid only for the effective date on this statement.

Martin Mallich
Manager, Default Management

E.& O.E.

Head Office <input type="checkbox"/> Suite 1400, 888 Dunsmuir St. Vancouver, B.C. V6C 3K4 Telephone: 604-683-2881 Fax: 604-683-5110 Email: people@peoplestrust.com	B.C. Region <input type="checkbox"/> Suite 450, 888 Dunsmuir St. Vancouver, B.C. V6C 3K4 Telephone: 604-683-1068 Fax: 604-683-2787 Email: vancouver@peoplestrust.com	Prairie Region <input type="checkbox"/> Suite 955, 808-4 th Ave. S.W. Calgary, AB, T2P 3E8 Telephone: 403-237-8975 Fax: 403-266-5002 Email: calgary@peoplestrust.com	Ontario Region <input type="checkbox"/> Citigroup Place, 123 Front St. W., Suite No. 901 Toronto, ON M5J 2M2 Telephone: 416-368-3266 Fax: 416-368-3328 Email: toronto@peoplestrust.com
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TAB 3

Court File No. 06-CL-6233

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED
and PARAGON HEALTH CARE (ONTARIO) INC.

Respondents

AFFIDAVIT OF HARTLEY M. BRICKS
(Sworn September 28, 2015)

I, **HARTLEY M. BRICKS**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of Deloitte Restructuring Inc., the court-appointed interim receiver and receiver and manager (the "**Receiver**") of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**"). As such, I have personal knowledge of the matters to which I hereinafter refer.
2. Attached hereto as **Exhibit "A"** is a summary of the accounts issued by the Receiver for Paragon and Paragon Ontario from November 1, 2012 to September 14, 2015.
3. Attached hereto as **Exhibit "B"** are true copies of the accounts of the Receiver with respect to Paragon and Paragon Ontario, including a detailed description of the

- 2 -

activities, number of hours worked, applicable hourly rates, and totals. The Receiver's last account, for the period ending September 14, 2015, includes 29 hours of time for work incurred or to be incurred after September 14, 2015 to complete the receivership proceedings, which hours are set out in a schedule attached at the back of Exhibit "C". The Receiver's average hourly rate charged over the period of the accounts is \$467. I confirm that these accounts accurately reflect the services provided or to be provided by the Receiver in this proceeding.

4. Attached hereto as **Exhibit "C"** is a summary of the accounts issued by the Receiver for 1508669 from November 1, 2012 to September 14, 2015.

5. Attached hereto as **Exhibit "D"** are true copies of the accounts of the Receiver with respect to 1508669, including a detailed description of the activities, number of hours worked, applicable hourly rates, and totals. The Receiver's last account, for the period ending September 14, 2015, includes 29 hours of time for work incurred or to be incurred after September 14, 2015 to complete the receivership proceedings, which hours are set out in a schedule at the back of Exhibit "D". The Receiver's average hourly rate charged over the period of the accounts is \$474. I confirm that these accounts accurately reflect the services provided or to be provided by the Receiver in this proceeding.

6. Based on my review of both the Paragon and Paragon Ontario, and 1508669 accounts and my personal knowledge of this matter, the Paragon and Paragon Ontario, and 1508669 accounts represent a fair and accurate description of the services provided or to be provided and the amounts charged by the Receiver.

7. I swear this affidavit in support of the Receiver's Motion for, among other things, approval of its fees and disbursements and those of its counsel and for no other or improper purpose.

- 3 -

SWORN before me at the City of
Toronto, in the Province of Ontario,
on September 28, 2015.



Commissioner for Taking Affidavits

Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte Restructuring Inc.,
Trustee in Bankruptcy,
Expires July 10, 2016.

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)
)
)
)

Hartley M. Bricks

TAB A

This is Exhibit " A " ^{relt.}
in the Affidavit of Hartley Backs.
Sworn before me this 28th day of
September, 2015.
A Commissioner, etc., [Signature]

Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte Restructuring Inc.,
Trustee in Bankruptcy,
Expires July 10, 2016.

EXHIBIT "A"

EXHIBIT "A"

**Summary of Invoices Issued by the Receiver for Services Rendered
as Interim Receiver and Receiver and Manager of Paragon Health Care Inc.
For the Period November 1, 2012 to September 14, 2015**

<u>Invoice Date</u>	<u>Invoice Period</u>	<u>Amount of Invoice (including HST)</u>
11-Feb-13	November 1, 2012 to January 31, 2013	\$ 8,519.64
12-Aug-13	February 1 to July 31, 2013	10,051.92
13-Jan-14	August 1, 2013 to January 8, 2014	11,731.66
4-Dec-14	January 9 to November 30, 2014	22,805.66
2-Apr-15	December 1, 2014 to February 28, 2015	10,502.22
16-Sep-15	March 1 to September 14, 2015	<u>44,434.99</u>
		\$ 108,046.09

TAB B

This is Exhibit " B " refile
in the Affidavit of Hartley Bricks
Sworn before me this 28 day of
September 2015
A Commissioner, etc., AK

Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte Restructuring Inc.,
Trustee in Bankruptcy,
Expires July 10, 2016.

EXHIBIT "B"

Deloitte.

Deloitte & Touche Inc.
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6690
www.deloitte.ca

Private and Confidential

Paragon Health Care Inc. o/a Casa Verde Health Centre and
Paragon Health Care (Ontario) Inc.
c/o Deloitte & Touche Inc.
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: February 25, 2013
Invoice No: 3250185
Client/Mandate No: 891048.1000000
Billing Partner: Daniel R. Weisz

HST Registration No: 133245290

Invoice #41

Regarding: Paragon Health Care Inc. ("Paragon") and Paragon Health Care (Ontario) Inc. ("Paragon Ontario") - Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc. as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. o/a Casa Verde Health Centre ("Casa Verde") for the period November 1, 2012 to January 31, 2013, including;

Date	Description
11/1/2012	Discussion with Ms. Paige Chan of Diversicare Canada Management Services Co., Inc. ("Diversicare") regarding post-closing matters; review of correspondence from Ms. Millie Christie of Diversicare regarding the insurance premium refund.
11/14/2012	Correspondence with a former Casa Verde supplier regarding unpaid invoices and correspondence with Ms. Chan regarding same.
11/20/2012	Review Gowling Lafleur Henderson LLP ("Gowlings") invoice received.
11/22/2012	Correspondence with Ms. Leila Burden Nixon of Gowlings regarding timing for post-closing adjustments; review of files regarding same.
12/5/2012	Review of correspondence from Diversicare regarding WSIB and review of correspondence regarding same and respond to Diversicare.
12/11/2012	Discussion with Ms. Chan regarding various post-closing matters and review of files regarding same; prepare cash flow funding as requested by Diversicare; Trust Banking Administration - Disbursement cheques.
12/14/2012	Review of Gowlings invoice received.
12/14/2012	Prepare report pursuant to section 246 (2) of the <i>Bankruptcy and Insolvency Act</i> .
12/17/2012	Update report pursuant to section 246 (2) of the <i>Bankruptcy and Insolvency Act</i> .
12/21/2012	Review and execute disbursements; correspondence with Ms. Chan regarding disbursement matters; Trust Banking Administration - Disbursement cheque.
1/22/2013	Review and respond to various correspondence from Ms. Chan regarding post-closing matters.


Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership
 February 25, 2013
 Page 2 of 2 – Invoice #41

Date	Description
1/31/2013	Review of correspondence from Ms. Chan regarding requirement for additional funds and respond to same.
	To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

A detailed summary of hours and rates is as follows:

Staff	Position	Hours	Rate	Fees
Daniel Weisz, CA•CIRP, CIRP	Senior Vice-President	1.6	\$ 575.00	\$ 920.00
Hartley Bricks, MBA, CA•CIRP, CIRP	Vice President	11.5	\$ 480.00	5,520.00
Anna Koroneos, CIRP	Manager	2.7	\$ 385.00	1,039.50
Rose Brown	Estate Administrator	0.6	\$ 100.00	60.00
Total hours and professional fees		<u>16.4</u>		\$ 7,539.50
HST at 13%				980.14
Total payable				\$ 8,519.64

Payable upon receipt to Deloitte & Touche Inc.



Daniel R. Weisz, CA•CIRP, CIRP
 Senior Vice President



Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6690
www.deloitte.ca

Private and Confidential

Paragon Health Care Inc. o/a Casa Verde Health Centre and
Paragon Health Care (Ontario) Inc.
c/o Deloitte Restructuring Inc.
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: August 13, 2013
Invoice No: 3390969
Client/Mandate No: 891048.1000000
Billing Partner: Paul Casey

HST Registration No: 133245290

Invoice #42

Regarding: Paragon Health Care Inc. ("Paragon") and Paragon Health Care (Ontario) Inc. ("Paragon Ontario") - Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. o/a Casa Verde Health Centre ("Casa Verde") for the period February 1, 2013 to July 31, 2013, including:

Date	Description
2/4/2013	Review of correspondence from Ms. Rameena Shivram of Canada Brokerlink regarding cancellation of insurance for Casa Verde and the status of the refund of insurance premiums.
2/13/2013	Review of files regarding post-closing matters and correspondence to GEM Healthcare Group Limited ("GEM Healthcare") regarding providing Ministry of Health and Long-Term Care (the "MOH") payment notices.
2/15/2013	Review of correspondence from the MOH regarding reconciliation for 2010, review of files and respond to MOH regarding request to retract letter.
2/20/2013	Correspondence from Ms. Paige Chan of Diversicare Canada Management Services, Inc. ("Diversicare") regarding supplier rebates.
2/21/2013	Discussion with Ms. Chan regarding the resident trust account, review of Agreement of Purchase and sale (the "APS") and preparation of correspondence to Mr. Cliff Prophet of Gowling Lafleur Henderson LLP ("Gowlings") regarding same.
2/26/2013	Review of Gowlings invoice and correspondence to Mr. Frank Lamie of Gowlings regarding same.
3/11/2013	Discussion with Ms. Chan regarding insurance refund and other post-closing matters.
3/12/2013	Further discussion with Ms. Chan regarding status of outstanding matters regarding closing of sale.
3/13/2013	Discussion with Mr. Prophet regarding funds at resident trust fund issue; correspondence with the MOH regarding the status of their response to our correspondence of February 15, 2013.

Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership

August 13, 2013

Page 2 of 3 – Invoice #42

Date	Description
3/26/2013	Review of correspondence from Ms. Chan and Mr. Amin Makawi of GEM Healthcare regarding audited financial statements for 2012 and books and records, discuss same with Ms. Chan, review of APS and prepare response to same.
3/27/2013	Correspondence from Mr. Martin Mallich of Peoples Trust Company ("Peoples") regarding property tax receipts and message to Ms. Leila Burden Nixon of Gowlings regarding same.
4/1/2013	Review and execute disbursements; correspondence with Ms. Chan regarding trust funds and closure of Diversicare's operating account.
4/15/2013	Review of files and prepare correspondence to the MOH regarding payment notices for reconciliation.
4/16/2013	Correspondence with Ms. Chan regarding closing of bank accounts and arrange for deposit of cheques.
4/17/2013	Completion of on-going trust account banking administration, and disbursement processing.
4/19/2013	Review of correspondence from Mr. Richard Lee of the MOH regarding the status of reconciliations; review of files regarding the MOH closing adjustments.
4/22/2013	Discussion with Ms. Chan regarding various closing matters and bank accounts.
4/24/2013	Review of correspondence from the MOH regarding the 2011 annual reconciliation and prepare responding correspondence; prepare correspondence to Diversicare regarding review of the 2011 reconciliation.
4/30/2013	Review correspondence from Diversicare regarding resident refund payment, arrange for replacement cheque and draft cover letter.
4/30/2013	Completion of on-going trust account banking administration, and disbursement processing.
5/21/2013	Completion of on-going trust account banking administration, and disbursement processing.
5/22/2013	Prepare cover correspondence for various disbursements.
5/23/2013	Completion of on-going trust account banking administration, and disbursement processing.
6/19/2013	Review of correspondence from the MOH regarding the annual reconciliation for 2010 and forward same to Mr. Prophet.
6/21/2013	Discussion with Ms. Chan regarding 2011 reconciliation status and Local Health Integration Network ("LHIN") receipts.
6/24/2013	Review of response to 2011 reconciliation prepared by Ms. Chan and discussion with her regarding same.
7/3/2013	Discussion with Mr. Prophet regarding status of response to the MOH regarding the 2010 annual reconciliation.
7/4/2013	Correspondence from Mr. Chao Su of Diversicare regarding a resident refund and prepare payment of same.
7/18/2013	Completion of on-going trust account banking administration, and disbursement processing.
	To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership


August 13, 2013

Page 3 of 3 – Invoice #42

A detailed summary of hours and rates is as follows:

Staff	Position	Hours	Rate	Fees
Daniel Weisz, CA•CIRP, CIRP	Senior Vice-President	0.9	\$ 575.00	\$ 517.50
Hartley Bricks, MBA, CA•CIRP, CIRP	Vice President	17.1	\$ 480.00	8,208.00
Rose Brown	Estate Administrator	1.7	\$ 100.00	170.00
Total hours and professional fees		<u>19.7</u>		\$ 8,895.50
HST at 13%				1,156.42
Total payable				\$ 10,051.92

Payable upon receipt to Deloitte Restructuring Inc.


Paul Casey, CPA, CA•CIRP
Senior Vice President



Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6690
www.deloitte.ca

Private and Confidential

Paragon Health Care Inc. o/a Casa Verde Health Centre and
Paragon Health Care (Ontario) Inc.
c/o Deloitte Restructuring Inc.
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: January 13, 2014
Invoice No: 3472249
Client/Mandate No: 891048.1000000
Billing Partner: Paul Casey

HST Registration No: 122893605

Invoice #43

Regarding: Paragon Health Care Inc. ("Paragon") and Paragon Health Care (Ontario) Inc. ("Paragon Ontario") - Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. o/a Casa Verde Health Centre ("Casa Verde") for the period August 1, 2013 to January 8, 2014, including:

Date	Description
8/2/2013	Review of analysis prepared by Diversicare Canada Management Services Co., Inc. ("Diversicare") and telephone call to discuss same.
8/6/2013	Correspondence from Diversicare regarding Ministry of Health and Long-Term Care (the "MOH") and respond to same.
8/9/2013	Review and respond to correspondence from purchaser regarding 2012 annual return, review of files and correspondence with Diversicare regarding same.
8/14/2013	Review of correspondence from Gowling Lafleur Henderson LLP ("Gowlings") to the MOH regarding the 2010 annual reconciliation.
8/16/2013	Completion of on-going trust account banking administration, and disbursement processing.
8/27/2013	Discussion with Ms. Paige Chan of Diversicare re status.
9/3/2013	Correspondence with C. Su of Diversicare regarding unpaid invoices.
9/4/2013	Completion of on-going trust account banking administration, and disbursement processing.

Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership

January 13, 2014

Page 2 of 3 – Invoice #43

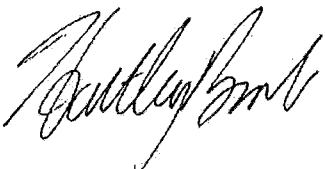
Date	Description
9/16/2013	Trust Banking Administration - Deposit.
10/28/2013	Review of files and discussion with P. Chan re MOH reconciliation.
11/26/2013	Correspondence with C. Su regarding unpaid invoices
12/4/2013	Discussion with M. Mallich of Peoples Trust Company re information requested by Canada Mortgage and Housing Corporation ("CMHC"), review of files and correspondence to Diversicare re accumulation of information.
12/5/2013	Completion of on-going trust account banking administration, and disbursement processing.
1/6/2014	Review of information provided by Diversicare, convert certain old files into usable format; correspondence with M. Mallich re status and method of delivery to CMHC.
1/8/2014	Finalize information requested by CMHC and prepare cover letter regarding same.
	To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership
 January 13, 2014
 Page 3 of 3 – Invoice #43

A detailed summary of hours and rates is as follows:

Staff	Position	Hours	Rate	Fees
Hartley Bricks, MBA, CA•CIRP, CIRP	Vice President	21.4	\$480.00	\$10,272.00
Rose Brown	Estate Administrator	1.1	\$100.00	110.00
Total hours and professional fees		22.5		\$10,382.00
HST at 13%				1,349.66
Total payable				\$11,731.66

Payable upon receipt to Deloitte Restructuring Inc.


 for Paul Casey, CPA, CA•CIRP
 Senior Vice President

REMITTANCE ADDRESS:

Deloitte Restructuring Inc.
 5140 Yonge Street, Suite 1700
 Toronto, ON M2N 6L7 CANADA

Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696 US Bank Account

Bank Code# 002 Account #476968822816

Swift Code and ABA Address

NOSCCATT

ABA # 026002532

Canadian Bank Account

Account #476960440019

Swift Code Address – Canada / Int'l Wires

NOSCCATT

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l./s.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6690
www.deloitte.ca

Private and Confidential

Paragon Health Care Inc. o/a Casa Verde Health Centre and
Paragon Health Care (Ontario) Inc.
c/o Deloitte Restructuring Inc.
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: December 4, 2014
Invoice No: **3697680**
Client/Mandate No: 891048.1000000
Billing Partner: Paul Casey
HST Registration No: 122893605

Invoice #44

Regarding: Paragon Health Care Inc. ("Paragon") and Paragon Health Care (Ontario) Inc. ("Paragon Ontario") - Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. o/a Casa Verde Health Centre ("Casa Verde") for the period January 9, 2014 to November 30, 2014, including:

Date	Description
1/14/2014	Review of Receipts and Disbursements ("R&D") and respond to M. Mallich of Peoples regarding excess funds available for distribution.
1/15/2014	Correspondence with M. Mallich regarding funds available for distribution.
1/15/2014	Completion of on-going trust account banking administration, and disbursement processing.
1/16/2014	Correspondence with C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") regarding distribution.
1/17/2014	Review of files and prepare materials for distribution.
3/10/2014	Review and respond to correspondence from M. Dockrill of Belliveau Veinotte Inc., accountants for Downsview Long-Term Care Centre ("Downsview"), regarding a request to confirm amounts owing.
5/30/2014	Discussion with Ministry of Finance regarding status of Receivership.

Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership
 December 4, 2014
 Page 2 of 4 – Invoice #44

Date	Description
7/14/2014	Review of information requested by Canada Mortgage and Housing Corporation ("CMHC"), review of files, discussion with P. Chan of Diversicare Canada Management Services Co., Inc. ("Diversicare") and prepare correspondence to M. Mallich regarding same; prepare correspondence to C. Prophet regarding information required.
7/15/2014	Review and respond to correspondence with P. Chan regarding invoices requested by CMHC.
7/16/2014	Correspondence with M. Mallich regarding information request and discussion with P. Chan regarding same.
7/22/2014	Review correspondence from counsel to Downsview, review of files and discuss same with C. Prophet; correspondence with U. Dunston of the Ministry of Health and Long-Term Care (the "MOH") regarding the status of the 2011 reconciliation and timing to complete.
7/24/2014	Discussion with C. Prophet regarding escrow fund, review and respond to correspondence from C. Prophet regarding same;
7/25/2014	Prepare correspondence to CMHC concerning the sale of assets of Paragon.
8/15/2014	Correspondence with C. Prophet regarding the Escrow Fund and Downsview Long Term Care Centre.
9/2/2014	Correspondence with P. Chan regarding the status of accumulation of support for disbursements.
9/9/2014	Review of information provided by CMHC, prepare correspondence to CMHC and forward information.
9/12/2014	Review of correspondence from C. Prophet regarding letter from Ministry of Health and Long-Term Care (the "MOH"), review of files and discuss same with C. Prophet.
9/23/2014	Review of correspondence from P. Chan to the MOH regarding supporting documentation relating to the 2011 reconciliation; completion of on-going trust account banking administration, and disbursement processing.
9/29/2014	Correspondence with M. Mallich regarding CMHC settlement and estate accounting.
9/30/2014	Discussion with C. Prophet regarding MOH letter and review of files regarding escrow funds.
10/1/2014	Discussion with C. Prophet regarding MOH and escrow agreement matters; correspondence with U. Dunstan of the MOH regarding the status of the 2011 reconciliation.
10/3/2014	Review draft correspondence from C. Prophet regarding response to MOH.
10/6/2014	Review and provide comments on Gowlings letter to MOH regarding 2010 reconciliation.
10/7/2014	Review of correspondence sent by Gowlings to the MOH regarding the 2010 reconciliation.
10/15/2014	Review of CMHC settlement documents and correspondence with M. Mallich regarding same.
10/16/2014	Review of CMHC settlement documents and correspondence with M. Mallich regarding same.
10/21/2014	Review of correspondence from the MOH concerning 2011 ARR and correspondence with C. Prophet regarding same.
10/22/2014	Correspondence with C. Su of Diversicare regarding a misplaced resident refund cheque.
10/27/2014	Prepare sale proceeds analysis and forward same to M. Mallich.
10/28/2014	Respond to questions from M. Mallich regarding distribution of proceeds.
10/29/2014	Completion of on-going trust account banking administration, and disbursement processing; correspondence with M. Mallich regarding materials required for supplementary claim.
11/11/2014	Discussion with C. Prophet regarding MOH issue.

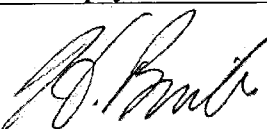
Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership
December 4, 2014
Page 3 of 4 – Invoice #44

Date	Description
11/12/2014	Correspondence with M. Mallich regarding info required for supplemental claim; prepare R&D information for Peoples Trust Company.
11/14/2014	Review status of MOH reconciliations.
11/18/2014	Correspondence with C. Prophet regarding MOH; conference call with C. Prophet and U. Dunston of MOH regarding proposal for settling 2010 overall reconciliation.
11/18/2014	Prepare correspondence to MOH regarding proposal for settlement for 2010 overall reconciliation and forward to C. Prophet for review.
11/18/2014	Finalize and send to MOH proposal for settlement of 2010 ARR.
11/24/2014	Message to P. Chan regarding status of post-sale invoice accumulation.
11/27/2014	Review of correspondence with P. Chan and discuss with her regarding timing for accumulating information for claim.
	To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership
 December 4, 2014
 Page 4 of 4 – Invoice #44

A detailed summary of hours and rates is as follows:

Staff	Position	Hours	Rate	Fees
Hartley Bricks, MBA, CPA, CA, CIRP	Vice President	41.9	\$480.00	\$ 20,112.00
Rose Brown	Estate Administrator	0.7	\$100.00	70.00
Total hours and professional fees		42.6		\$ 20,182.00
HST at 13%				2,623.66
Total payable				\$ 22,805.66

for 
 Paul Casey, CPA, CA • CIRP
 Senior Vice President

REMITTANCE ADDRESS:

Deloitte Restructuring Inc.,
 5140 Yonge Street, Suite 1700
 Toronto, ON M2N 6L7 CANADA

Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit # 47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte S.E.N.C.R.L. /s.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance.

Payable upon receipt to: Deloitte Restructuring Inc.

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Telephone: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Private and Confidential

Paragon Health Care Inc. o/a Casa Verde Health Centre and
Paragon Health Care (Ontario) Inc.
c/o Deloitte Restructuring Inc.
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: April 2, 2015
Invoice No: **3771725**
Client/Mandate No: 891048.1000000
Billing Partner: Paul Casey
HST Registration No: 122893605

Invoice #45

Regarding: Paragon Health Care Inc. ("Paragon") and Paragon Health Care (Ontario) Inc.
("Paragon Ontario") - Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. o/a Casa Verde Health Centre ("Casa Verde") for the period December 1, 2014 to February 28, 2015, including:

Date	Description
12/1/2014	Correspondence with M. Mallich of Peoples Trust Company ("Peoples") regarding timing for distribution.
12/2/2014	Review of information provided by P. Chan of Diversicare Canada Management Services Co., Inc. ("Diversicare") concerning post-closing receipts and disbursements.
12/3/2014	Correspondence with U. Dunston of Ministry of Health and Long-Term Care (the "MOH") regarding the status of consideration of Receiver's proposal concerning the 2010 and 2011 Annual Report Reconciliation ("ARR").
12/4/2014	Further correspondence and review of information provided by P. Chan regarding post-closing receipts and disbursements.
12/10/2014	Telephone discussion with C. Tennakoon of the MOH regarding status of consideration of receiver's proposal concerning the 2010 and 2011 ARR and e-mail to C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") with update.
12/11/2014	Preparation of analysis of concerning post-closing activity; correspondence with M. Mallich regarding the status of the distribution.

Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership
 April 2, 2015
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Date	Description
12/12/2014	Correspondence with C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") concerning the escrow account; continue preparation of analysis of post-closing receipts and disbursements.
12/15/2014	Continue preparation of analysis for M. Mallich regarding estimated distribution and forward same.
12/17/2014	Correspondence with C. Tennakoon of the MOH regarding status of consideration of proposal and discussion with C. Prophet regarding same; correspondence with M. Mallich regarding contemplated distribution.
12/18/2014	Completion of on-going trust account banking administration, and disbursement processing.
12/19/2014	Correspondence with C. Tennakoon regarding 2010 and 2011 ARR.
1/9/2015	Review of files and discussion with C. Prophet regarding escrow agreement and discharge matters; correspondence with U. Dunston regarding the status of consideration concerning the proposal.
2/3/2015	Review of correspondence from the C. Tennakoon regarding agreement regarding 2010 and 2011ARR and correspondence with C. Prophet regarding same.
2/17/2015	Correspondence with C. Prophet regarding status of mutual release.
2/23/2015	Review of mutual release regarding MOH settlement and correspondence with C. Prophet regarding same.
2/24/2015	Further correspondence with C. Prophet regarding mutual release.
	To all other administrative matters with respect to the receivership administration, including all meetings, telephone attendances, execution and approval of disbursements, written and verbal correspondence to facilitate the foregoing.

Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership
 April 2, 2015
 Page 3 of 4 – Invoice #45

Summary of Fees

Staff	Position	Hours	Rate	Fees
Hartley Bricks, MBA, CA•CIRP, CIRP	Vice President	19.3	\$ 480.00	\$ 9,264.00
Rose Brown	Estate Administrator	<u>0.3</u>	\$ 100.00	<u>30.00</u>
Total hours and professional fees		<u>19.6</u>		\$ 9,294.00
HST at 13%				1,208.22
Total payable				\$ 10,502.22

Payable upon receipt to Deloitte Restructuring Inc.

Remittance information on last page

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Telephone: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

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Paragon Health Care Inc. o/a Casa Verde Health Centre and
Paragon Health Care (Ontario) Inc.
c/o Deloitte Restructuring Inc.
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Date: September 16, 2015
Invoice No: **3903610**
Client/Mandate No: 891048.1000000
Billing Partner: Paul Casey
HST Registration No: 122893605

Invoice #46

Regarding: Paragon Health Care Inc. ("Paragon") and Paragon Health Care (Ontario) Inc. ("Paragon Ontario") - Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of Paragon Health Care Inc. and Paragon Health Care (Ontario) Inc. o/a Casa Verde Health Centre ("Casa Verde") for the period March 1, 2015 to September 14, 2015, including:

Date	Description
3/27/2015	Correspondence with C. Prophet of Gowling Lafleur Henderson LLP regarding status of Ministry of Health and Long-Term Care review and comments on mutual release.
4/9/2015	Review of files and commence preparation of materials for final distribution and discharge.
4/10/2015	Continue preparation of materials for final distribution and discharge.
4/15/2015	Continue preparation of materials for final distribution and discharge.
4/16/2015	Discussion with C. Prophet regarding the status of the mutual release with the MOH.
4/21/2015	Continue preparation of materials for final distribution and discharge.
4/22/2015	Correspondence with M. Mallich of Peoples Trust Company regarding the status of matters to complete file.
4/29/2015	Continue preparation of materials for final distribution and discharge.
5/12/2015	Correspondence with C. Prophet regarding the status of the mutual release with the MOH.



Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership

September 16, 2015

Page 2

6/2/2015	Correspondence to C. Prophet regarding the status of the mutual release with the MOH and update to M. Mallich regarding same.
6/18/2015	Correspondence to C. Prophet regarding the status of the mutual release with the MOH.
7/14/2015	Correspondence with M. Mallich regarding status; continue preparation of materials for final distribution and discharge.
7/15/2015	Correspondence with C. Prophet regarding outstanding issues and escrow fund.
7/17/2015	Continue preparation of materials for final distribution and discharge.
7/20/2015	Review of files re outstanding invoices and forward to M. Mallich for approval.
7/22/2015	Discussion with C. Prophet re status of escrow fund and other matters.
7/23/2015	Review of correspondence from M. Orr of the MOH and C. Prophet regarding comments on the mutual release and correspondence to C. Prophet regarding same.
7/27/2015	Review of correspondence from M. Orr of the MOH regarding the status of the mutual release.
8/12/2015	Update report to court.
8/13/2015	Correspondence with M. Mallich regarding the status of final distribution and correspondence with C. Prophet regarding same.
8/25/2015	Review of Canada Mortgage and Housing Corporation Claim Calculation and prepare analysis of same.
8/26/2015	Continue preparation of analysis of CMHC Claim Calculation and forward to M. Mallich.
8/31/2015	Review of correspondence from MOH concerning 2012 ARR and correspondence to C. Prophet regarding same.
9/8/2015	Review and provide comments on Mutual Release and execute same; correspondence with M. Mallich re status.
9/9/2015	Update report to court; telephone disc. with MOH regarding delay in their review of Mutual Release and discussion with C. Prophet regarding same.
9/10/2015	Update report to court and forward to C. Prophet for comments.
9/11/2015	Review of revised Mutual Release and execute same.
	To matters to be undertaken to effect the completion of the administration of the Receivership including finalization of the Tenth Report to Court, preparation of fee affidavit, review and prepare comments on motion materials, attendance in court, preparation of final distribution, and preparation and filing of section 246(2) and 246(3) BIA reports.
	To all other administrative matters with respect to the receivership, including all meetings/discussions, telephone attendances, written correspondence, review and execution of disbursements, verbal and written reporting to facilitate the foregoing.



Paragon Health Care Inc. o/a Casa Verde Health Centre - Receivership
 September 16, 2015
 Page 2

Summary of Fees

Staff	Position	Hours	Rate	Fees
Paul Casey	Senior Vice President	3.0	\$ 575.00	\$ 1,725.00
Adam Bryk	Senior Vice President	2.0	\$ 575.00	1,150.00
Hartley Bricks	Vice President	75.1	\$ 480.00	36,048.00
Rose Brown	Estate Administrator	<u>4.0</u>	\$ 100.00	400.00
Total hours and professional fees		<u>84.1</u>		\$ 39,323.00
HST at 13%				5,111.99
Total payable				\$ 44,434.99

Remittance information on last page

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.

Paragon Health Care Inc.

Time to be incurred to complete administration

September 15, 2015 onward

Task	H. Bricks	P. Casey	A. Bryk	R. Brown	Hours
Finalize court report (incl. revisions and comments)	6.0				6.0
Review and comment on motion materials	2.0				2.0
Prepare fee affidavit	1.5				1.5
Partner review		3.0			3.0
Quality review			2.0		2.0
Preparation for and attendance in Court	2.0				2.0
Preparation of distribution	0.5			1.0	1.5
Close bank account				3.0	3.0
Section 246 reports	4.0				4.0
Misc.	4.0				4.0
	20.0	3.0	2.0	4.0	29.0

TAB C

This is Exhibit "C" ret
in the Affidavit of Hartley Bricks
Sworn before me this 28th day of
September 2015
A Commissioner, etc., AK

Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte Restructuring Inc.,
Trustee in Bankruptcy,
Expires July 10, 2016.

EXHIBIT "C"

EXHIBIT "C"

**Summary of Invoices Issued by the Receiver for Services Rendered
as Interim Receiver and Receiver and Manager of 1508669 Ontario Limited
For the Period November 1, 2012 to September 14, 2015**

<u>Invoice Date</u>	<u>Invoice Period</u>	<u>Amount of Invoice (including HST)</u>
26-Feb-13	November 1, 2012 to January 31, 2013	\$ 58,336.82
13-Aug-13	February 1 to July 31, 2013	9,755.86
13-Jan-14	August 1, 2013 to January 8, 2014	17,044.92
17-Dec-14	January 9 to November 30, 2014	9,313.46
2-Apr-15	December 1, 2014 to March 31, 2015	2,257.74
7-Aug-15	April 1 to July 31, 2015	11,946.36
16-Sep-15	August 1 to September 14, 2015	<u>21,928.22</u>
		\$ 130,583.38

TAB D

his is Exhibit "D" ^{rel:}
in the Affidavit of Hartley Bricks
Sworn before me this 28 day of
September 2015
A Commissioner, etc., AK

Anna Koroneos, a Commissioner, etc.,
Province of Ontario
for Deloitte Restructuring Inc.,
Trustee in Bankruptcy,
Expires July 10, 2016.

EXHIBIT "D"



Deloitte & Touche Inc.
181 Bay Street
Suite 1400
Toronto, Ontario M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6680
www.deloitte.ca

Private and confidential

1508669 Ontario Limited o/a West Park Health Centre
c/o Deloitte & Touche Inc.
181 Bay Street
Suite 1400
Toronto, Ontario
M5J 2V1

Date: February 26, 2013
Invoice No: 3251187
Client/Mandate No: 891066.1000000
Billing Partner: Daniel R. Weisz

HST Registration No: 133245290

Invoice #41

Regarding: 1508669 Ontario Limited ("1508669" or the "Company") – Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc. ("Deloitte") as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of 1508669 Ontario Limited o/a West Park Health Centre ("West Park") for the period November 1, 2012 to January 31, 2013, including:

Date	Description
11/1/2012	Discussion with Mr. Keith McIntosh of Southbridge regarding the closing date and various closing matters; attendance on a conference call with Ms. Marjorie Mossman of West Park, Mr. McIntosh and Ms. Jane Buckrell of Southbridge to discuss employee meetings and transition; review of draft Amending Agreement No. 14 and the draft Escrow Agreement and prepare comments; discussion with Ms. Paige Chan of Diversicare Canada Management Services Co., Inc. ("Diversicare") regarding transitional and closing matters; correspondence with Ms. Leila Burden Nixon of Gowling Lafleur Henderson LLP ("Gowlings") regarding closing matters; review of monthly operating statements for August and September 2012 and forward same to Mr. McIntosh and Mr. Robert Yoanidis of Southbridge.
11/2/2012	Correspondence with Mr. McIntosh regarding the closing date; review draft Amending Agreement #14 and the draft Escrow Agreement and provide comments to Ms. Burden Nixon; prepare correspondence to the Ministry of Health and Long-Term Care (the "MOH") regarding licence surrender and the closing date; correspondence with Ms. Mossman regarding the employee list required for closing; correspondence with Ms. Chan regarding operating statements and the MOH Closing Adjustment.
11/5/2012	Correspondence with Ms. Buckrell and Ms. Chan regarding payroll matters; correspondence with Ms. Chan regarding the MOH Closing Adjustment; correspondence with Mr. McIntosh regarding employee matters; finalize correspondence to the MOH and provide a copy to Mr. McIntosh; review draft statement of adjustments and direction of funds including correspondence with Ms. Mossman and Mr. Eric Hall of Diversicare regarding same and forward comments to Ms. Burden Nixon; review and execute disbursements.

1508669 Ontario Limited o/a West Park Health Centre

February 26, 2013

Page 2 of 5 – Invoice #41

11/6/2012	Correspondence with Ms. Buckrell regarding payroll matters; preparation for and attendance at a meeting at West Park first with Mr. McIntosh and other representatives of Southbridge and then with West Park employees to discuss closing of the sale and transition matters; correspondence with Mr. John Jensen of John A. Jensen Realty Inc. regarding the status of the closing of the transaction, review of real estate commission invoice and forward to Ms. Burden Nixon.
11/7/2012	Preparation for and attendance on a conference call with Ms. Burden Nixon regarding closing matters; prepare correspondence to Mr. Martin Mallich of Peoples Trust Company regarding the status of the transaction and the proposed amending agreement and escrow agreement; review of various draft closing documents provided by Ms. Burden Nixon; correspondence with Ms. Theresa Waller of Southbridge regarding life insurance premium waivers; correspondence with Ms. Mossman and Ms. Chan regarding closing adjustments; correspondence with Mr. Hall and Ms. Elaine Whitelocke of Diversicare regarding employee matters; correspondence with Mr. Yoanidis regarding the termination of certain contracts; review of the Purchaser's comments on the draft Statement of Adjustments.
11/8/2012	Preparation for and attendance on a conference call with representatives of Southbridge and their counsel and Ms. Burden Nixon to discuss matters relating to closing; various correspondence and discussions with Ms. Mossman and Ms. Chan regarding items for the statement of adjustments and closing matters; correspondence with Mr. Mallich regarding the escrow agreement; correspondence with Ms. Buckrell regarding the status of life insurance premium waivers; correspondence with Ms. Carol Woodcock of Southbridge regarding employee matters; correspondence with Mr. Hall regarding contract matters; correspondence with Ms. Mossman regarding employee matters.
11/9/2012	Correspondence with Mr. Yoanidis regarding various closing matters; correspondence with Mr. Keith Foot of Ralph Moss regarding the life insurance premium waiver issue; discussion with Ms. Burden Nixon regarding closing matters; discussion and correspondence with Ms. Mossman regarding closing issues; prepare correspondence to West Park suppliers regarding the upcoming closing; correspondence with Mr. Hall regarding a leased asset and the letter to suppliers; preparation of correspondence to West Park employees regarding the upcoming closing of the sale and forward same to Mr. Hall; review and revise various closing documents and the closing agenda; correspondence with Ms. Chan regarding payroll matters.
11/12/2012	Correspondence with Mr. Yoanidis and Ms. Woodcock regarding grievances and various other closing matters; revision to the letter to West Park suppliers and provide same to Mr. Hall, discussion with Ms. Burden Nixon regarding closing matters; review and revise statement of adjustments; discussion with Ms. Chan regarding high intensity needs claims, utilities cut-off and other closing matters; correspondence with Mr. David Rough of Extendicare regarding transitional matters; correspondence with Ms. Whitelocke regarding employee matters.
11/13/2012	Various discussions and correspondence with Ms. Burden Nixon regarding closing matters; correspondence with the Purchaser regarding closing matters; discussion with Ms. Mossman regarding closing of the transaction; revision to certain closing documents; attendance at a meeting at Gowlings with Ms. Burden Nixon to execute closing documents; correspondence with Mr. Hall regarding the status of the closing of the transaction; review of correspondence from the MOH regarding the issuance of a new licence to the purchaser; correspondence with Mr. Mallich regarding the closing of the transaction.
11/14/2012	Correspondence with Ms. Burden Nixon regarding closing matters; prepare correspondence to Canada Brokerlink regarding termination of insurance coverage; correspondence with the Purchaser regarding the statement of adjustments; correspondence with Ms. Mossman regarding collection of accounts receivable; Trust Banking Administration - Confirm incoming wire received and input into Ascend.

11/15/2012	Prepare support for statement of adjustments; correspondence with Mr. Yoanidis regarding post-closing matters; correspondence with Ms. Mossman regarding accounts receivable cut off.
11/16/2012	Correspondence with Mr. Cliff Prophet of Gowlings regarding correspondence to be sent to the union regarding the closing of the sale of West Park; Trust Banking Administration – Investment.
11/19/2012	Correspondence with Mr. Andrw Valyi of Altus Group regarding termination of a property tax appeal; correspondence with Ms. Chan regarding post-closing matters.
11/20/2012	Review Gowlings invoice; correspondence with Ms. Burden Nixon regarding closing documents; correspondence with Ms. Mossman regarding employee matters; review of correspondence sent by Gowlings to counsel for the union.
11/21/2012	Prepare summary of activities; correspondence with Ms. Mossman regarding accounts receivable collections and cut off; correspondence with Mr. Frank Lamie of Gowlings regarding timing for preparation of materials for a motion to court for a distribution of the sale proceeds.
11/23/2012	Prepare the report to court; correspondence with Ms. Chan regarding MOH payments.
11/26/2012	Prepare information for the report to court; Trust Banking Administration - prepare outgoing wire transfer.
11/27/2012	Prepare the report to court; correspondence with Ms. Chan regarding a contract buyout; correspondence with Mr. Lamie regarding the date for the Receiver's application to the court for approval of a distribution; correspondence with Ms. Chan regarding providing monthly operating reports.
11/28/2012	Correspondence with Mr. Mallich regarding information required; review of files and correspondence with Ms. Chan regarding same.
11/30/2012	Review and execute disbursements; correspondence with Ms. Chan regarding timing of receipt of historical operating results.
12/3/2012	Prepare the report to court.
12/4/2012	Prepare the report to court; prepare fee affidavit; discussion with Mr. Mallich regarding timing for distribution; correspondence with Ms. Chan regarding bank account balances.
12/5/2012	Prepare the report to court; correspondence with Ms. Chan regarding cash flow funding and high intensity needs claims; Trust Banking Administration - disbursement cheque.
12/6/2012	Revisions to the report to court and forward the draft report to Gowlings for review and comments; correspondence with Ms. Chan regarding the MOH closing adjustment; correspondence with Ms. Burden Nixon regarding filing of the receiver's certificate in court.
12/7/2012	Attendance upon revisions to the court report; discussion with Mr. Lamie regarding status of the Receiver's application to the court.
12/7/2012	Prepare correspondence to Peoples regarding repayment of the Receiver's Certificate; Trust Banking Administration - Cash out part of Investment and prepare outgoing wire, have signed and sent.
12/10/2012	Review of Gowlings comments on the report to court and revise same; correspondence with Mr. Mallich regarding a utility bill received by Peoples.
12/10/2012	Finalize court report; discussion with Mr. Lamie regarding report and service.
12/10/2012	Trust Banking Administration - Confirm outgoing wire was completed on Friday and input into Ascend.
12/11/2012	Review further suggested updates to report provided by Gowlings and conference call with Mr. Lamie and Mr. Prophet to discuss same; attend at Gowlings and meet with Mr. Lamie to sign report; review draft Notice of Motion and Distribution Order and provide comments.
12/12/2012	Discussion with Ms. Chan regarding timing for information on the MOH closing adjustment; forward operating statements to Mr. Mallich.
12/13/2012	Review of further MOH closing adjustment information provided by Ms. Chan, prepare correspondence to Southbridge regarding same.

1508669 Ontario Limited o/a West Park Health Centre

February 26, 2013

Page 4 of 5 – Invoice #41

12/14/2012	Correspondence with Ms. Chan regarding closing adjustments.
12/17/2012	Prepare schedule for Mr. Eamonn O'Rafferty of Canada Mortgage and Housing Corporation ("CMHC") of updated closing proceeds available for distribution; review Gowlings statement of account; correspondence with Ms. Burden Nixon regarding the final rent roll.
12/18/2012	Review and respond to Ms. Burden Nixon regarding list of assumed contracts; discussion with Mr. Jensen regarding FINTRAC information and email to Ms. Burden Nixon regarding same; review correspondence from Mr. Prophet regarding purchaser issues on quantum of reserve and respond to same.
12/19/2012	Review documents in preparation for tomorrow's court attendance; correspondence with Mr. Lamie regarding the Purchaser's issues with the proposed court order and the proposed amendments to satisfy the Purchaser's concerns.
12/20/2012	Prepare for and attend in court regarding the Receiver's application to court for, among other things, an interim distribution to Peoples; correspondence with Peoples regarding the results of the application to court; prepare wire transfer information for distribution.
12/21/2012	Correspondence with Ms. Mossman regarding beds held in abeyance and documentation that confirms the amount; correspondence with Ms. Chan regarding support for post-closing adjustment to the MOH closing adjustment; Trust Banking Administration - Wire payment processing.
12/27/2012	Telephone conversation with Mr. Mallich to confirm receipt of wire transfer of distribution from receivership account.
12/28/2012	Review request of the Purchaser for a purchase price allocation, and discussion with Ms. Burden Nixon on same, review files; provide various closing documents and receivership information to Mr. Mallich as requested.
01/02/2013	Review of issues involved in the purchaser's proposed purchase price allocation, telephone discussion with Ms. Chan and Mr. Roger Chaplin of Chaplin & Associates regarding same.
01/03/2013	Telephone discussion with Ms. Burden Nixon regarding the purchaser's proposed purchase price allocation.
01/07/2013	Review of files regarding the proposed purchase price allocation issue and review of correspondence from Ms. Burden Nixon regarding same.
01/09/2013	Review of correspondence from Ms. Chan regarding cash flow funding requirements.
01/14/2013	Correspondence with Ms. Chan regarding cash flow funding for disbursements.
01/16/2013	Compile receivership information as requested by Mr. Mallich and forward.
01/21/2013	Review and respond to correspondence from Mr. Mallich regarding repayment of the Receiver's Certificate.
01/23/2013	Review of files and compile information requested by Mr. Mallich.
01/24/2013	Further review of files and compile information requested by Mr. Mallich.
01/28/2013	Further review of files and compile information requested by Mr. Mallich and forward same.
01/31/2013	Review of correspondence from Gowlings regarding allocation of purchase price and sign documents.
	To all other administrative matters with respect to the receivership, including all meetings/discussions, telephone attendances, written correspondence, review and execution of disbursements, verbal and written reporting to facilitate the foregoing.

1508669 Ontario Limited o/a West Park Health Centre
February 26, 2013
Page 5 of 5 – Invoice #41

A detailed summary of hours and rates is as follows:

Staff	Position	Hours	Rate	Fees
Daniel Weisz, CA•CIRP, CIRP	Senior Vice President	23.8	\$ 575.00	\$ 13,685.00
Hartley Bricks, MBA, CA•CIRP, CIRP	Vice President	78.1	\$ 480.00	37,488.00
Anna Koroneos, CIRP	Manager	0.5	\$ 385.00	192.50
Rose Brown	Estate Administrator	2.6	\$ 100.00	260.00
Total hours and professional fees		<u>105.0</u>		\$ 51,625.50
HST at 13%				6,711.32
Total payable				\$ 58,336.82

Payable upon receipt to Deloitte & Touche Inc.



Daniel R. Weisz, CA•CIRP, CIRP
Senior Vice President



Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto, Ontario M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6690
www.deloitte.ca

Private and confidential

1508669 Ontario Limited o/a West Park Health Centre
c/o Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto, Ontario
M5J 2V1

Date: August 13, 2013
Invoice No: 3390976
Client/Mandate No: 891066.1000000
Billing Partner: Paul Casey

HST Registration No: 133245290

Invoice #42

Regarding: 1508669 Ontario Limited ("1508669" or the "Company") – Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of 1508669 Ontario Limited o/a West Park Health Centre ("West Park") for the period February 1, 2013 to July 31, 2013, including:

Date	Description
2/4/2013	Review of correspondence from Ms. Rameena Shiwram of Canada Brokerlink regarding cancellation of insurance for West Park and the status of the refund of insurance premiums.
2/6/2013	Review of correspondence received from Ministry of Health and Long-Term Care ("MOH") and correspondence with Mr. Keith McIntosh of Southbridge regarding same.
2/12/2013	Review of correspondence from Mr. Robert Yoanidis of Southbridge regarding post-closing reconciliation, review of files and respond to same; correspondence with Ms. Ashley Melo of Extendicare (Canada) Inc. ("Extendicare") regarding information required for post-closing reconciliation.
2/19/2013	Correspondence with Ms. Marjorie Mossman of West Park regarding trust account balance and transfer.
2/20/2013	Correspondence with Ms. Paige Chan of Diversicare Canada Management Services Co., Inc. ("Diversicare") regarding supplier rebates; correspondence with Ms. Mossman regarding the resident trust account.
2/21/2013	Correspondence with Ms. Chan regarding the resident trust account and correspondence with Mr. Cliff Prophet of Gowling Lafleur Henderson LLP ("Gowlings") regarding same.
3/12/2013	Review of status of outstanding matters regarding closing of sale.
3/12/2013	Discussion with Ms. Paige Chan of Diversicare Canada Management Services Co., Inc. ("Diversicare") regarding status of post-closing adjustments and MOH reconciliation and review of files regarding same.
3/15/2013	Review of Gowlings' accounts.
3/15/2013	Review of correspondence from Ms. Paige regarding post-closing reconciliation.
3/22/2013	Correspondence with Ms. Mossman and Ms. Chan regarding unpaid supplier invoices.
3/27/2013	Correspondence with Mr. Keith McIntosh of Southbridge regarding employee matters; review of files and respond to same.

1508669 Ontario Limited o/a West Park Health Centre

August 13, 2013

Page 2 of 3 – Invoice #42

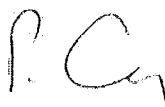
4/1/2013	Correspondence with Ms. Chan regarding trust funds.
4/16/2013	Review of correspondence from Ms. Chan regarding closing Diversicare's operating bank accounts and arrange for deposit of cheques.
4/25/2013	Review of correspondence from the MOH and prepare correspondence to Diversicare regarding same.
5/10/2013	Prepare post-closing adjustment calculation and request certain information from Ms. Chan.
5/13/2013	Review of post-closing information provided by Ms. Chan and prepare detailed correspondence.
5/14/2013	Discussion with Ms. Chan regarding the MOH closing adjustments.
5/15/2013	Review of information provided by Ms. Chan and Ms. Melo and preparation and attendance on a telephone call with Mr. Yoanidis regarding post-closing adjustments.
5/17/2013	Discussion with Mr. Melo regarding reconciliations; preparation and attendance on a conference call with Mr. Yoanidis and Mr. Melo regarding same; telephone call to Ms. Chan regarding vacation accrual adjustments.
5/21/2013	Correspondence with Ms. Chan and Ms. Mossman regarding unpaid disbursements.
5/22/2013	Review of acknowledgement regarding post-closing adjustments prepared by Southbridge and forward to Ms. Leila Burden Nixon of Gowlings for comments.
6/21/2013	Discussion with Mr. Martin Mallich of Peoples Trust Company ("Peoples") regarding auditor enquiries on transfer of property to West Park Holdings and telephone discussion with Mr. Chris Mullen of PricewaterhouseCoopers LLP regarding same.
6/28/2013	Correspondence with Ms. Melo of Extendicare requesting information on pay equity, forward same to Mr. Eric Hall of Diversicare, review of response and respond to Ms. Melo.
7/30/2013	Review of correspondence from Ms. Yoanidis regarding post-closing reconciliation issues, correspondence with Ms. Chan of Diversicare regarding same and respond to Mr. Yoanidis.
7/31/2013	Correspondence with Ms. Chan regarding the MOH reconciliation and preparation of ARR for 2012.
	To all other administrative matters with respect to the receivership, including all meetings/discussions, telephone attendances, written correspondence, review and execution of disbursements, verbal and written reporting to facilitate the foregoing.

1508669 Ontario Limited o/a West Park Health Centre
 August 13, 2013
 Page 3 of 3 – Invoice #42

A detailed summary of hours and rates is as follows:

Staff	Position	Hours	Rate	Fees
Daniel Weisz, CPA, CA•CIRP	Senior Vice President	0.9	\$ 575.00	\$ 517.50
Hartley Bricks, MBA, CPA, CA•CIRP	Vice President	16.7	\$ 480.00	8,016.00
Rose Brown	Estate Administrator	1.0	\$ 100.00	100.00
Total hours and professional fees		<u>18.6</u>		\$ 8,633.50
HST at 13%				1,122.36
Total payable				\$ 9,755.86

Payable upon receipt to Deloitte Restructuring Inc.


 Paul Casey, CPA, CA•CIRP
 Senior Vice President

REMITTANCE ADDRESS:
 Deloitte Management Services LP
 5140 Yonge Street, Suite 1700
 Toronto, ON M2N 6L7 CANADA

Wire Transfer Information:
 Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte LLP

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto, Ontario M5J 2V1
Canada

Tel: 416-601-8150
Fax: 416-601-8690
www.deloitte.ca

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1508669 Ontario Limited o/a West Park Health Centre
c/o Deloitte Restructuring Inc.,
181 Bay Street
Suite 1400
Toronto, Ontario
M5J 2V1

Date: January 13, 2014
Invoice No: 3472278
Client/Mandate No: 891066.1000000
Billing Partner: Paul Casey
HST Registration No: 122893605

Invoice #43

Regarding: 1508669 Ontario Limited ("1508669" or the "Company") – Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of 1508669 Ontario Limited o/a West Park Health Centre ("West Park") for the period August 1, 2013 to January 8, 2014, including:

Date	Description
8/8/2013	Review correspondence from Extendicare (Canada) Inc. ("Extendicare") regarding post-closing adjustments and status and respond to same.
8/13/2013	Correspondence with B. Yoanidis of Southbridge regarding the 2012 audit of the Long Term Care Home Annual Report ("ARR").
8/15/2013	Correspondence with A. Melo of Extendicare (Canada) Inc. ("Extendicare") and B. Yoanidis regarding the audit of the 2012 Long Term Care Home Annual Report ("ARR").
8/16/2013	Review of correspondence from Southbridge regarding outstanding matters, review of files and respond to same; completion of on-going trust account banking administration, and disbursement processing.
8/23/2013	Correspondence with B. Yoanidis of Southbridge regarding status of completion of post-closing reconciliation.
8/29/2013	Correspondence with B. Yoanidis and P. Chan of Diversicare Canada Management Services Co., Inc. ("Diversicare") regarding the audit of the 2012 ARR.
9/25/2013	Review and respond to correspondence from A. Melo and P. Chan regarding Ministry of Health and Long-Term Care ("MOH") reconciliations.
9/26/2013	Review of final ARR for 2012.
10/1/2013	Review and analysis of post-closing schedule sent by A. Melo.
10/7/2013	Review of post-closing adjustments provided by Extendicare and review of files regarding same and request further information.
10/17/2013	Review of further version of post-closing adjustment schedule and detail and discuss same with A. Melo.
10/24/2013	Review of e-mail from A. Melo regarding post-closing adjustment details.
10/29/2013	Review of reconciliation and telephone discussion with A. Melo regarding same; discussion

1508669 Ontario Limited o/a West Park Health Centre
 January 13, 2014
 Page 2 of 3 – Invoice #43

Date	Description
	with P. Chan regarding issues with reconciliation and follow up e-mail regarding same; correspondence to A. Melo regarding allocation of audit fees.
10/30/2013	Completion of on-going trust account banking administration, and disbursement processing.
11/25/2013	Review of correspondence from B. Yoanidis regarding post-closing adjustments.
12/4/2013	Discussion with M. Mallich regarding information requested by Canada Mortgage and Housing Corporation ("CMHC") and correspondence with Diversicare regarding same.
12/16/2013	Review of files and post-closing reconciliation.
12/19/2013	Prepare correspondence to B. Yoanidis regarding finalization of post-closing adjustments and review and respond to further correspondence from B. Yoanidis and A. Melo regarding same.
12/20/2013	Prepare further correspondence to B. Yoanidis regarding finalization of post-closing adjustments.
1/2/2014	Correspondence regarding receipt and deposit of post-closing adjustment payment received from Southbridge.
1/7/2014	Review of information provided by Diversicare regarding historic banking information and prepare for delivery to CMHC.
1/8/2014	Finalize information requested by CMHC and prepare cover letter regarding same.
	To all other administrative matters with respect to the receivership, including all meetings/discussions, telephone attendances, written correspondence, review and execution of disbursements, verbal and written reporting to facilitate the foregoing.

1508669 Ontario Limited o/a West Park Health Centre
 January 13, 2014
 Page 3 of 3 – Invoice #43

A detailed summary of hours and rates is as follows:

Staff	Position	Hours	Rate	Fees
Hartley Bricks, MBA, CPA, CA•CIRP	Vice President	31.3	\$ 480.00	\$ 15,024.00
Rose Brown	Estate Administrator	0.6	\$ 100.00	60.00
Total hours and professional fees		31.9		\$ 15,084.00
HST at 13%				1,960.92
Total payable				\$ 17,044.92

Payable upon receipt to Deloitte Restructuring Inc.



for Paul Casey, CPA, CA•CIRP
 Senior Vice President

REMITTANCE ADDRESS:

Deloitte Restructuring Inc.
 5140 Yonge Street, Suite 1700
 Toronto, ON M2N 6L7 CANADA

Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit #47696 US Bank Account
 Bank Code# 002 Account #476968822816
 Swift Code and ABA Address
 NOSCCATT
 ABA # 026002532

Canadian Bank Account
 Account #476960440019
 Swift Code Address – Canada / Int'l Wires
 NOSCCATT

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte s.e.n.c.r.l./s.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto, Ontario M5J 2V1
Canada

Tel: 416-601-6150
Fax: 416-601-6690
www.deloitte.ca

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1508669 Ontario Limited o/a West Park Health Centre
c/o Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto, Ontario
M5J 2V1

Date: December 17, 2014
Invoice No: **3709472**
Client/Mandate No: 891066.1000000
Billing Partner: Paul Casey

HST Registration No: 122893605

Invoice #44

Regarding: 1508669 Ontario Limited ("1508669" or the "Company") – Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of 1508669 Ontario Limited o/a West Park Health Centre ("West Park") for the period from January 9, 2014 to November 30, 2014 including:

Date	Description
1/2/2014	Trust Banking Administration - deposit.
1/14/2014	Review of Receipts and Disbursements ("R&D") and respond to Martin Mallich of Peoples regarding excess funds available for distribution.
1/15/2014	Correspondence with M. Mallich regarding funds available for distribution.
1/15/2014	Completion of on-going trust account banking administration, and disbursement processing.
1/16/2014	Review of files and correspondence with C. Prophet of Gowling Lafleur Henderson LLP ("Gowlings") regarding distribution.
4/21/2014	Review of files regarding timing for completion of Escrow Agreement.
5/12/2014	Review and respond to correspondence from M. Mossman of West Park regarding union matters.
5/16/2014	Review of files and provide further to response to M. Mossman.
5/30/2014	Telephone discussion with a representative of the Ministry of Finance regarding status of receivership.
7/16/2014	Review of correspondence from Peoples regarding information requested by Canada Mortgage and Housing Corporation ("CMHC") and discuss same with P. Chan Diversicare Canada Management Services Co., Inc. ("Diversicare").
7/18/2014	Further discussion with P. Chan of Diversicare regarding information requested.

1508669 Ontario Limited o/a West Park Health Centre
 December 17, 2014
 Page 2 of 3 – Invoice #44

Date	Description
7/22/2014	Correspondence with M. Mallich regarding tax payment information, review of files and call City of St. Catherine's tax department to locate tax payment information.
7/23/2014	Discussion with Kate of City of St. Catherine's tax department to obtain tax receipts and prepare correspondence regarding same; correspondence with M. Mallich regarding same.
7/28/2014	Correspondence with M. Mallich regarding tax documentation.
7/29/2014	Correspondence with M. Mallich regarding CMHC request and prepare correspondence to CMHC regarding same.
7/30/2014	Prepare and forward correspondence to CMHC regarding remaining assets after sale of West Park.
8/8/2014	Correspondence with P. Chan regarding the status of accumulation of information requested.
8/21/2014	Trust Banking Administration - deposit.
9/2/2014	Correspondence with M. Mallich regarding the status of information requested by CMHC and disc. with P. Chan regarding same.
9/9/2014	Review of information prepared by Diversicare, prepare correspondence to CMHC and forward same to CMHC.
9/19/2014	Completion of on-going trust account banking administration, and disbursement processing.
9/29/2014	Correspondence with M. Mallich regarding cash on hand and in escrow and respond to same.
9/30/2014	Review of various correspondence from M. Mallich regarding reconciliation of proceeds, review of files and respond.
10/2/2014	Review of correspondence from M. Mallich regarding CMHC Claim Statement.
10/15/2014	Review of files and prepare analysis of CMHC Claim Statement and forward same to M. Mallich; trust Banking Administration - deposit.
10/16/2014	Further correspondence with M. Mallich regarding CMHC Claim Statement.
11/12/2014	Prepare statement of receipts and disbursement since the closing of the sale of West Park.
	To all other administrative matters with respect to the receivership, including all meetings/discussions, telephone attendances, written correspondence, review and execution of disbursements, verbal and written reporting to facilitate the foregoing.

1508669 Ontario Limited o/a West Park Health Centre
 December 17, 2014
 Page 3 of 3 – Invoice #44

A detailed summary of hours and rates is as follows:

Professional	Position	Hours	Rate	Fees
Hartley Bricks, MBA, CPA, CA•CIRP	Vice President	16.9	\$480.00	\$ 8,112.00
Rose Brown	Estate Administrator	1.3	\$100.00	130.00
Total hours and professional fees		<u>18.2</u>		\$ 8,242.00
HST at 13%				1,071.46
Total payable				\$ 9,313.46

Paul Casey, CPA, CA, CIRP
 Senior Vice President

REMITTANCE ADDRESS:

Deloitte Restructuring Inc.
 5140 Yonge Street, Suite 1700
 Toronto, ON M2N 6L7 CANADA

Wire Transfer Information:

Bank of Nova Scotia, Toronto Business Centre, 20 Queen Street West, Toronto, Ontario M5H 3R3

Transit # 47696	US Bank Account	Canadian Bank Account
Bank Code# 002	Account #476968822816	Account #476960440019
	Swift Code and ABA Address	Swift Code Address – Canada / Int'l Wires
	NOSCCATT	NOSCCATT
	ABA # 026002532	

Please reference the invoice number listed above when wiring funds.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte S.E.N.C.R.L. /s.r.l. through your financial institution and quote the first 6 digits of your client number).

Please return one copy with remittance

Payable upon receipt to: Deloitte Restructuring Inc.

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Telephone: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

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1508669 Ontario Limited o/a West Park Health Centre
c/o Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto, Ontario
M5J 2V1

Date: April 8, 2015
Invoice No: **3775485**
Client/Mandate No: 891066.1000000
Billing Partner: Paul Casey

HST Registration No: 122893605

Invoice #45

Regarding: 1508669 Ontario Limited ("1508669" or the "Company") – Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of 1508669 Ontario Limited o/a West Park Health Centre ("West Park") for the period from December 1, 2014 to March 31, 2015 including:

Date	Description
12/1/2014	Correspondence with M. Mallich of Peoples Trust Company regarding status of estimate of final distribution.
12/2/2014	Correspondence with P. Chan of Diversicare Canada Management Services Co., Inc. ("Diversicare") regarding post-closing receipts and disbursements.
12/3/2014	Correspondence with A. Melo of Extendicare (Canada) Inc. ("Extendicare") regarding the status of reconciliation of 2012 ARR.
12/5/2014	Correspondence with A. Melo and P. Chan concerning the 2012 ARR.
12/9/2014	Review of correspondence from the Ministry of Health and Long-Term Care ("MOH") concerning the 2012 ARR and correspondence with P. Chan concerning same.
12/10/2014	Correspondence with P. Chan and A. Melo regarding supporting documentation for 2012 ARR and audit of same.
12/11/2014	Correspondence with M. Mallich regarding the status of information for supplementary claim; correspondence with C. Prophet of Gowling Lafleur Henderson LLP concerning escrow fund.
12/17/2014	Prepare updated interim statement of receipts and disbursements and analysis of estimated distribution and forward to M. Mallich.

Invoice #45
1508669 Ontario Limited o/a West Park Health Centre
April 8, 2015
Page 2

Date	Description
12/18/2014	Review correspondence from P. Chan and A. Melo regarding 2012 ARR; completion of on-going trust account banking administration, and disbursement processing.
1/6/2015	Review and respond to correspondence from M. Mallich regarding timing for final distribution.
2/23/2015	Correspondence with A. Melo regarding the status of MOH review of the 2012 ARR.
3/27/2015	Correspondence with A. Melo regarding the status of MOH review of the 2012 ARR.

1508669 Ontario Limited o/a West Park Health Centre
 April 8, 2015
 Page 3 – Invoice 45

A detailed summary of hours and rates is as follows:

Professional	Position	Hours	Rate	Fees
Hartley Bricks, MBA, CPA, CA•CIRP	Vice President	4.1	\$ 480.00	1,968.00
Rose Brown	Estate Administrator	<u>0.3</u>	\$ 100.00	30.00
Total hours and professional fees		<u>4.4</u>		\$ 1,998.00
HST at 13%				259.74
Total payable				\$ 2,257.74

Payable upon receipt to Deloitte Restructuring Inc.

Remittance information on last page

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Telephone: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

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1508669 Ontario Limited o/a West Park Health Centre
c/o Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto, Ontario
M5J 2V1

Date: August 7, 2015
Invoice No: **3884035**
Client/Mandate No: 891066.1000000
Billing Partner: Paul Casey

HST Registration No: 122893605

Invoice #46

Regarding: 1508669 Ontario Limited ("1508669" or the "Company") – Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of 1508669 Ontario Limited o/a West Park Health Centre ("West Park") for the period from April 1, 2015 to July 31, 2015 including:

Date	Description
4/9/2015	Review of files in connection with preparation for final distribution.
4/10/2015	Commence preparation of report to court for final distribution and discharge.
4/21/2015	Preparation of report to court.
4/22/2015	Correspondence with M. Mallich regarding the status of final distribution; correspondence with R. Lee of the Ministry of Health and Long-Term Care regarding the status of the MOH's final reconciliation of the 2012 Annual Report.
5/12/2015	Discussion with S. Savani of the MOH regarding the timing for their final review of the of 2012 Annual Report; update to M. Mallich regarding discussion with the MOH.
5/19/2015	Return call from S. Savani of MOH regarding questions with the 2012 Annual Report; review of files and forward correspondence to A. Melo of Extendicare for response.
6/2/2015	Correspondence with S. Savani of the MOH regarding the status of the final reconciliation of the 2012 Annual Report and update to M. Mallich regarding same.
6/15/2015	Review of correspondence from the MOH regarding the final reconciliation of the 2012 Annual Report and correspondence with A. Melo regarding same.
6/23/2015	Review of e-mail and correspondence with A. Melo regarding the status of her analysis of the MOH's final reconciliation.

Invoice #46
 Rose of Sharon - Receivership
 August 6, 2015
 Page 2

7/6/2015	Review of correspondence and analysis prepared by A. Melo concerning 2012 ARR and review of files concerning same
7/9/2015	Prepare report to court
7/14/2015	Correspondence with M. Mallich regarding the status of completion of the administration and final distribution.
7/15/2015	Review of schedule prepared by A. Melo and call her to discuss same; prepare analysis of same
7/16/2015	Review revised reconciliation schedule prepared by A. Melo and forward to C. Woodcock of CVH No. 1 LP; correspondence with C. Prophet of Gowling Lafleur Henderson LLP regarding escrow funds; prepare analysis of estimated final distribution and forward to M. Mallich.
7/17/2015	Draft report to court.
7/20/2015	Correspondence from C. Woodcock regarding release of the escrow funds.
7/21/2015	Review and respond to correspondence from C. Woodcock and C. Prophet concerning escrow fund
7/22/2015	Discussion with C. Prophet regarding the proposed escrow fund release; review and execute joint instruction and forward to C. Prophet.
7/23/2015	Correspondence with C. Prophet re escrow fund release
7/24/2015	Trust Banking Administration - Disbursement cheque and deposit.
7/27/2015	Review correspondence re escrow account and revise court report for same
	To all other administrative matters with respect to the receivership, including all meetings/discussions, telephone attendances, written correspondence, review and execution of disbursements, verbal and written reporting to facilitate the foregoing.

1508669 Ontario Limited o/a West Park Health Centre
 August 6, 2015
 Page 3 – Invoice 46

A detailed summary of hours and rates is as follows:

Professional	Position	Hours	Rate	Fees
Hartley Bricks, MBA, CPA, CA•CIRP	Vice President	21.9	\$ 480.00	10,512.00
Rose Brown	Estate Administrator	<u>0.6</u>	\$ 100.00	60.00
Total hours and professional fees		<u>22.5</u>		\$ 10,572.00
HST at 13%				1,374.36
Total payable				\$ 11,946.36

Payable upon receipt to Deloitte Restructuring Inc.

Remittance information on last page

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.



Deloitte Restructuring Inc.
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Telephone: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Private and Confidential

1508669 Ontario Limited o/a West Park Health Centre
c/o Deloitte Restructuring Inc.
181 Bay Street
Suite 1400
Toronto, Ontario
M5J 2V1

Date: September 16, 2015
Invoice No: **3903518**
Client/Mandate No: 891066.1000000
Billing Partner: Paul Casey

HST Registration No: 122893605

Invoice #47

Regarding: 1508669 Ontario Limited ("1508669" or the "Company") – Receivership

To professional services rendered in connection with the appointment of Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("Deloitte"), as Court-appointed Interim Receiver and Receiver and Manager ("Receiver") of 1508669 Ontario Limited o/a West Park Health Centre ("West Park") for the period from August 1, 2015 to September 14, 2015 including:

Date	Description
8/12/2015	Update report to court.
8/13/2015	Correspondence and discussion with M. Mallich of Peoples Trust Company regarding the status of the final distribution; review files; correspondence with C. Prophet regarding timing to final distribution.
8/18/2015	Correspondence from M. Mallich regarding Canada Mortgage and Housing Corporation Claim Calculation and review of files regarding same.
8/19/2015	Review of CMHC Claim Calculation, prepare analysis and forward to M. Mallich and telephone discussion regarding same.
8/24/2015	Prepare correspondence to M. Mallich concerning CMHC Claim Calculation.
9/8/2015	Review and respond to correspondence from M. Mallich regarding the status of the final distribution.
9/9/2015	Correspondence with M. Mallich regarding updated Statement of Discharge Purposes and review of same; update report to court.
9/11/2015	Update report to court and forward to C. Prophet for comments.
	To matters to be undertaken to effect the completion of the administration of the Receivership including finalization of the Tenth Report to Court, preparation of fee



1508669 Ontario Limited o/a West Park Health Centre

September 16, 2015

Page 2 – Invoice 46

	affidavit, review and prepare comments on motion materials, attendance in court, preparation of final distribution, and preparation and filing of section 246(2) and 246(3) BIA reports.
	To all other administrative matters with respect to the receivership, including all meetings/discussions, telephone attendances, written correspondence, review and execution of disbursements, verbal and written reporting to facilitate the foregoing.

Remittance information on last page

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty (30) days after the invoice date to the date on which the entire account is paid.

A detailed summary of hours and rates is as follows:



1508669 Ontario Limited o/a West Park Health Centre
 September 16, 2015
 Page 3 – Invoice 46

Professional	Position	Hours	Rate	Fees
Paul Casey	Senior Vice-President	1.5	\$ 575.00	CAD \$ 862.50
Adam Bryk	Senior Vice-President	1.0	\$ 575.00	575.00
Hartley Bricks, MBA, CPA, CA•CIRP	Vice President	36.6	\$ 480.00	17,568.00
Rose Brown	Estate Administrator	<u>4.0</u>	\$ 100.00	400.00
Total hours and professional fees		<u>43.1</u>		\$ 19,405.50
HST at 13%				2,522.72
Total payable				CAD \$ 21,928.22

Please note our banking information has changed.

1508669 Ontario Limited

Time to be incurred to complete administration

September 15, 2015 onward

Task	H. Bricks	P. Casey	A. Bryk	R. Brown	Hours
Finalize court report (incl. revisions and comments)	3.0				3.0
Review and comment on motion materials	0.5				0.5
Prepare fee affidavit	1.0				1.0
Partner review		1.5			1.5
Quality review			1.0		1.0
Preparation for and attendance in Court	1.0				1.0
Preparation of distribution	0.5			1.0	1.5
Close bank account				3.0	3.0
Section 246 reports	4.0				4.0
Misc.	4.0				4.0
	14.0	1.5	1.0	4.0	20.5

<p>PEOPLES TRUST COMPANY</p> <p>- and -</p> <p>PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED</p> <p>Court File No.: 06-CL-6233</p>	
<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE</p> <p>COMMERCIAL LIST</p> <p>(PROCEEDING COMMENCED AT TORONTO)</p>	
<p>AFFIDAVIT OF HARTLEY M. BRICKS</p> <p>(sworn September 28, 2015)</p>	
	<p>GOWLING LAFLEUR HENDERSON LLP</p> <p>Barristers and Solicitors</p> <p>Suite 1600, 1 First Canadian Place</p> <p>100 King Street West</p> <p>Toronto, Ontario M5X 1G5</p> <p>Clifton Prophet (LSUC No.: 34845K)</p> <p>Telephone: (416) 862-3509</p> <p>Facsimile: (416) 862-7661</p> <p>Solicitors for Deloitte Restructuring Inc., in its capacity as Interim Receiver and Receiver and Manager of current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited</p>

TAB 4

Court File No. 06-CL-6233

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

**IN THE MATTER OF AN APPLICATION UNDER
SECTION 47 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, C.B-3**

**AND IN THE MATTER of SECTION 101 of *THE
COURTS of JUSTICE ACT*, R.S.O. 1990, C.C-43**

B E T W E E N:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

**AFFIDAVIT OF LEILA BURDEN NIXON
(Sworn October 8, 2015)**

I, LEILA BURDEN NIXON, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an associate in the law firm of Gowling Lafleur Henderson LLP ("**Gowlings**"). I have personal knowledge of the billings related to Gowlings' retainer in respect of the receivership of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**").
2. Pursuant to an order of this court dated January 23, 2006, Mintz & Partners Limited was appointed Receiver effective 9:00 am on January 24, 2006 (the "**Initial Order**"). By Order of the Court dated July 2, 2008, following the merger of the accounting practices of Deloitte & Touche LLP and Mintz & Partners LLP, the name of the Receiver was changed to Deloitte & Touche Inc. and subsequently to Deloitte Restructuring Inc. (the "**Receiver**").

- 2 -

3. Pursuant to the Initial Order, Gowlings has acted as counsel to the Receiver in its capacity as Interim Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Paragon, Paragon Ontario and 1508669.


4. Gowlings has provided services and incurred disbursements in relation to the receivership of Paragon for the period from December 31, 2012 to October 8, 2015, as described in the Legal Costs Summary for the Paragon receivership and detailed invoices attached hereto as **Exhibit "A"** (the "**Dockets**"). The Paragon Dockets have been redacted where they reference information subject to privilege.

5. Gowlings has provided services and incurred disbursements in relation to the receivership of Paragon for the period from December 31, 2012 to October 8, 2015, as described in the Legal Costs Summary for the 1508669 receivership and detailed invoices attached hereto as **Exhibit "B"** (the "**Dockets**"). The 1508669 Dockets have been redacted where they reference information subject to privilege.

6. Based on my review of the Dockets and my personal knowledge of this matter, the Dockets represent a fair and accurate description of the services provided and the amounts charged by Gowlings.

7. I swear this affidavit in support of the Receiver's Motion for, among other things, approval of its fees and disbursements and those of its counsel and for no other or improper purpose.

SWORN before me at the City of
Toronto, in the Province of Ontario,
on October 8, 2015.



Commissioner for Taking Affidavits
Clifton P. Raplat

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)
)



LEILA BURDEN NIXON

TAB A

THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF
LEILA BURDEN NIXON
SWORN BEFORE ME THIS
8TH DAY OF OCTOBER, 2015



A Commissioner for Taking Affidavits

Exhibit "A"

LEGAL COSTS SUMMARY
Receiverships of Paragon Health Care Inc.

LAWYER		YEAR OF CALL		HOURLY RATE 2015 /2014/ 2013	
Clifton P. Prophet		1993		\$815.00 /\$775.00/ \$775.00	
Leila Burden-Nixon		2005		\$610.00 /\$580.00/ \$530.00	
Frank Lamie		2007		\$595.00 /\$555.00/ \$495.00	
Sandra Ripley		Law Clerk		\$320.00 /\$320.00/ \$305.00	
SUMMARY OF ACCOUNTS					
No.	Date of Account	Fees	Disbursements	HST	Total
1.	8 October 2015	\$10,106.00	\$1.00	\$1,313.91	\$11,420.91
2.	24 June 2015	\$652.00	N/A	\$84.76	\$736.76
3.	5 March 2015	\$1,467.00	N/A	\$190.71	\$1,657.71
4.	31 December 2014	\$465.00	N/A	\$60.45	\$525.45
5.	26 November 2014	\$5,270.00	N/A	\$685.10	\$5,955.10
6.	15 August 2014	\$2,712.50	\$1.25	\$352.79	\$3,066.54
7.	5 March 2015	\$733.50	N/A	\$95.36	\$828.86
8.	31 March 2014	\$155.00	N/A	\$20.15	\$175.15
9.	30 September 2013	\$261.00	N/A	\$33.93	\$294.93
10.	20 August 2013	\$1,627.50	\$3.00	\$211.97	\$1,842.47

No.	Date of Account	Fees	Disbursements	HST	Total
11.	25 June 2013	\$448.00	\$296.05	\$60.33	\$804.38
12.	31 March 2013	\$617.00	N/A	\$80.21	\$697.21
13.	26 February 2013	\$2,623.50	\$270.18	\$376.18	\$3,269.86
TOTAL		\$27,138.00	\$571.48	\$3,565.85	\$31,275.33
Average Hourly Rate – Before HST		Total fees before HST \$27,138.00 ÷ Total hours of 50.8 = \$534.21			
TOTAL		\$31,275.33			



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Deloitte Restructuring Inc.
ATTN: Hartley Bricks
Vice President, Financial Advisory Services
181 Bay Street, Brookfield Place
Suite 1400
Toronto ON M5J 2V1

October 8, 2015
INVOICE: 18303452

Our Matter: T994141 / 204696
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

TO OUR FEE:

Fees for Professional Services	\$10,106.00
HST on Fees	1,313.78
Total Fees and Taxes	11,419.78

DISBURSEMENTS:

Disbursements (Taxable)	1.00
HST on Disbursements	0.13
Total Disbursements and Taxes	1.13

TOTAL INVOICE BALANCE:

Total for this Invoice	11,420.91
[Total HST: \$1,313.91]	
Please remit total invoice balance due:	In Canadian Dollars <u>\$11,420.91</u>

GOWLING LAFLEUR HENDERSON LLP

PER Cliff Prophet

Our services are provided in accordance with our Standard Retainer Terms (www.gowling.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



October 8, 2015
INVOICE: 18303452

Deloitte Restructuring Inc.
Our Matter: T994141
Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
21/07/2015	0.40	Cliff Prophet	Call to Ministry of Health and Long-Term Care re reconciliations and release of funds;
22/07/2015	0.40	Cliff Prophet	Further dealings with MOHLTC on reconciliation claims;
04/09/2015	1.40	Cliff Prophet	Correspondence with M. Orr of MOHLTC;
09/09/2015	1.30	Cliff Prophet	Revisions to release and call with M. Orr;
17/09/2015	0.30	Cliff Prophet	Call with H. Bricks re motion to distribute funds;
24/09/2015	0.90	Cliff Prophet	Dealings with Ministry of Health re final reconciliations; dealing with escrow release;
25/09/2015	0.60	Cliff Prophet	Call to P. Poetics, solicitor for Downsview re distribution and discharge motion;
06/10/2015	4.90	Cliff Prophet	Prepare notice of motion and order on distribution and discharge hearing; e-mails with client;
08/10/2015	2.20	Cliff Prophet	Instructions for and review of fee affidavit; finalizing motion record;

Total Fees for Professional Services

\$10,106.00

DISBURSEMENTS

Taxable Costs

Scanning Service

\$1.00

Total Taxable Disbursements

\$1.00

Terms: due upon receipt

Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this Invoice

Errors and omissions excluded



October 8, 2015
INVOICE: 18303452

Remittance Copy

Client: 204696 Deloitte Restructuring Inc.
Matter: T994141
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement
Amount Due: \$11,420.91

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

US Corresponding Bank for US Dollar wires:
Well Fargo Bank, N.A. BIC: PNBPU33NNYC - ABA:026005092

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

Terms: due upon receipt
Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



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Deloitte Restructuring Inc.
ATTN: Hartley Bricks
Vice President, Financial Advisory Services
181 Bay Street, Brookfield Place
Suite 1400
Toronto ON M5J 2V1

June 24, 2015
INVOICE: 18234216

Our Matter: T994141 / 204696
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

TO OUR FEE:

Fees for Professional Services	\$652.00
HST on Fees	84.76
Total Fees and Taxes	736.76

TOTAL INVOICE BALANCE:

Total for this Invoice	736.76
[Total HST: \$84.76]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>736.76</u>

GOWLING LAFLEUR HENDERSON LLP

PER Cliff Prophet

Our services are provided in accordance with our Standard Retainer Terms (www.gowlings.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



June 24, 2015
INVOICE: 18234216

Deloitte Restructuring Inc.
Our Matter: T994141
Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
11/05/2015	0.30	Cliff Prophet	Call with H. Bricks;
12/05/2015	0.50	Cliff Prophet	E-mail and call to MOHLTC and to counsel (M. Orr) re reconciliation payment;

Total Fees for Professional Services

\$652.00

Terms: due upon receipt
Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



June 24, 2015
INVOICE: 18234216

Remittance Copy

Client: 204696 Deloitte Restructuring Inc.
Matter: T994141
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement
Amount Due: \$736.76

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

US Corresponding Bank for US Dollar wires:
Well Fargo Bank, N.A. BIC: PNBUS3NNYC - ABA:026005092

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

Terms: due upon receipt
Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



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Deloitte Restructuring Inc.
ATTN: Hartley Bricks
Vice President, Financial Advisory Services
181 Bay Street, Brookfield Place
Suite 1400
Toronto ON M5J 2V1

March 5, 2015
INVOICE: 18166065

Our Matter: T994141 / 204696
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

TO OUR FEE:

Fees for Professional Services	\$1,467.00
HST on Fees	190.71
Total Fees and Taxes	1,657.71

TOTAL INVOICE BALANCE:

Total for this Invoice	1,657.71
[Total HST: \$190.71]	
Please remit total invoice balance due:	In Canadian Dollars <u>\$1,657.71</u>

GOWLING LAFLEUR HENDERSON LLP

PER **Cliff Prophet**

Our services are provided in accordance with our Standard Retainer Terms (www.gowlings.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



March 5, 2015
INVOICE: 18166065

Deloitte Restructuring Inc.
Our Matter: T994141
Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
09/01/2015	0.50	Cliff Prophet	Further review of escrow claims and MOHLTC reconciliation;
17/02/2015	0.50	Cliff Prophet	Prepare release to implement reconciliation settlement with MOHLTC; e-mails with H. Bricks;
18/02/2015	0.10	Cliff Prophet	Comments on form of release re MOHLTC reconciliation amounts from H. Bricks;
23/02/2015	0.70	Cliff Prophet	Call with H. Bricks re release of reconciliation claims by MOHLTC;

Total Fees for Professional Services

\$1,467.00

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



March 5, 2015
INVOICE: 18166065

Remittance Copy

Client: 204696 Deloitte Restructuring Inc.
Matter: T994141
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement
Amount Due: \$1,657.71

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



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Deloitte Restructuring Inc.
ATTN: Hartley Bricks
Vice President, Financial Advisory Services
181 Bay Street, Brookfield Place
Suite 1400
Toronto ON M5J 2V1

December 31, 2014
INVOICE: 18126900

Our Matter: T994141 / 204696
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

TO OUR FEE:

Fees for Professional Services	\$465.00
HST on Fees	60.45
Total Fees and Taxes	525.45

TOTAL INVOICE BALANCE:

Total for this Invoice	525.45
[Total HST: \$60.45]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>525.45</u>

GOWLING LAFLEUR HENDERSON LLP

PER Cliff Prophet

Our services are provided in accordance with our Standard Retainer Terms (www.gowlings.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



December 31, 2014
INVOICE: 18126900

Deloitte Restructuring Inc.
Our Matter: T994141
Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
19/11/2014	0.50	Cliff Prophet	Call with MOHLTC; discussion with H. Bricks re dealing with 2010 and 2011 reconciliations;
20/11/2014	0.10	Cliff Prophet	Review and comment on letter re 2010 and 2011 reconciliations;

Total Fees for Professional Services

\$465.00

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



December 31, 2014
INVOICE: 18126900

Remittance Copy

Client: 204696 Deloitte Restructuring Inc.
Matter: T994141
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement
Amount Due: \$525.45

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBUS3NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



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Deloitte Restructuring Inc.
ATTN: Hartley Bricks
Vice President, Financial Advisory Services
181 Bay Street, Brookfield Place
Suite 1400
Toronto ON M5J 2V1

November 26, 2014
INVOICE: 18094573

Our Matter: T994141 / 204696
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

TO OUR FEE:

Fees for Professional Services	\$5,270.00
HST on Fees	685.10
Total Fees and Taxes	5,955.10

TOTAL INVOICE BALANCE:

Total for this Invoice	5,955.10
[Total HST: \$685.10]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>\$5,955.10</u>

GOWLING LAFLEUR HENDERSON LLP

PER Cliff Prophet

Our services are provided in accordance with our Standard Retainer Terms (www.gowlings.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded
GST/HST: 11936 4511 RT



November 26, 2014
INVOICE: 18094573

Deloitte Restructuring Inc.
Our Matter: T994141
Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
15/08/2014	0.30	Cliff Prophet	E-mail to P. Ozeytis re claims;
30/09/2014	1.50	Cliff Prophet	Review of escrow terms; review of correspondence with Fogler re Downsvie claims; review of MOH position on 2010 reconciliations;
01/10/2014	1.20	Cliff Prophet	Call with H. Bricks re escrow distribution and re: MOH claims for both 2010 and 2011;
03/10/2014	2.00	Cliff Prophet	Letter to Ministry re reconciliation; e-mail to H. Bricks;
06/10/2014	0.40	Cliff Prophet	Call with H. Bricks; completion of letter to MOHLTC re reconciliation claims for 2011;
07/10/2014	0.40	Cliff Prophet	Revisions to letter to MOHLTC;
06/11/2014	0.50	Cliff Prophet	E-mails to H. Bricks re dealing with final reconciliations;
11/11/2014	0.20	Cliff Prophet	Meet with H. Bricks re reconciliation claims;
12/11/2014	0.30	Cliff Prophet	Call to MOHLTC;

Total Fees for Professional Services

\$5,270.00

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



November 26, 2014
INVOICE: 18094573

Remittance Copy

Client: 204696 Deloitte Restructuring Inc.
Matter: T994141
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement
Amount Due: \$5,955.10

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



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Deloitte Restructuring Inc.
ATTN: Hartley Bricks
Vice President, Financial Advisory Services
181 Bay Street, Brookfield Place
Suite 1400
Toronto ON M5J 2V1

August 15, 2014
INVOICE: 18029476

Our Matter: T994141 / 204696
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

TO OUR FEE:

Fees for Professional Services	\$2,712.50
HST on Fees	352.63
Total Fees and Taxes	3,065.13

DISBURSEMENTS:

Disbursements (Taxable)	1.25
HST on Disbursements	0.16
Total Disbursements and Taxes	1.41

TOTAL INVOICE BALANCE:

Total for this Invoice	3,066.54
[Total HST: \$352.79]	
Total amount applied from Trust Funds	(3,066.54)
Please remit total invoice balance due:	In Canadian Dollars \$ (0.00)

GOWLING LAFLEUR HENDERSON LLP

PER Cliff Prophet

Our services are provided in accordance with our Standard Retainer Terms (www.gowlings.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



August 15, 2014
INVOICE: 18029476

Deloitte Restructuring Inc.
Our Matter: T994141
Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description	
24/07/2014	2.40	Cliff Prophet	Review all escrow documentation re claim by Downsview on MOH adjustment; call with Receiver; letter to P. Ozeyitis; e-mail to Receiver; initiate wire to Downsview;	
25/07/2014	1.10	Cliff Prophet	Further dealings with escrow monies;	
Total Fees for Professional Services				<u>\$2,712.50</u>

DISBURSEMENTS

Taxable Costs

Scanning Service	\$1.25
Total Taxable Disbursements	<u>\$1.25</u>

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



August 15, 2014
INVOICE: 18029476

Remittance Copy

Client: 204696 Deloitte Restructuring Inc.
Matter: T994141
RE: Paragon Health Care Inc. t/a Casa Verde Health Centre
Escrow Arrangements re Sale Agreement
Amount Due: \$(0.00)

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

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Deloitte & Touche Inc.
Attention: Daniel Weisz, Senior Vice President
Brookfield Place
181 Bay Street, Suite 1400
Toronto ON M5J 2V1

March 5, 2015
INVOICE: 18166047

Our Matter: T958690 / 121969
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street,
Toronto

TO OUR FEE:

Fees for Professional Services	\$733.50
HST on Fees	95.36
Total Fees and Taxes	828.86

TOTAL INVOICE BALANCE:

Total for this Invoice	828.86
[Total HST: \$95.36]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>828.86</u>

GOWLING LAFLEUR HENDERSON LLP

PER **Cliff Prophet**

Our services are provided in accordance with our Standard Retainer Terms (www.gowlings.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3

March 5, 2015
INVOICE: 18166047

Mintz & Partners Limited
Our Matter: T958690
Receivership of Paragon Health Care Inc. t/a Casa Verde
Health Centre 3585 Keele Street, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
09/01/2015	0.90	Cliff Prophet	Review escrow arrangements for Casa Verde; [REDACTED] inquiry with H. Bricks with MOHLTC re settlement of claw back claims for 2010;

Total Fees for Professional Services

\$733.50



March 5, 2015
INVOICE: 18166047

Remittance Copy

Client: 121969 Mintz & Partners Limited
Matter: T958690
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto
Amount Due: \$828.86

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU3NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

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Deloitte & Touche Inc.
Attention: Daniel Weisz, Senior Vice President
Brookfield Place
181 Bay Street, Suite 1400
Toronto ON M5J 2V1

March 31, 2014
INVOICE: 17938265

Our Matter: T958690 / 121969
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street,
Toronto

TO OUR FEE:

Fees for Professional Services	\$155.00
HST on Fees	20.15
Total Fees and Taxes	175.15

TOTAL INVOICE BALANCE:

Total for this Invoice	175.15
[Total HST: \$20.15]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>\$175.15</u>

GOWLING LAFLEUR HENDERSON LLP

PER **Cliff Prophet**

Our services are provided in accordance with our Standard Retainer Terms (www.gowlings.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
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Errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



March 31, 2014
INVOICE: 17938265

Mintz & Partners Limited
Our Matter: T958690
Receivership of Paragon Health Care Inc. t/a Casa Verde
Health Centre 3585 Keele Street, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
10/03/2014	0.20	Cliff Prophet	Inquiry from MOH re release of funds;

Total Fees for Professional Services

\$155.00

Terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



March 31, 2014
INVOICE: 17938265

Remittance Copy

Client: 121969 Mintz & Partners Limited
Matter: T958690
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto
Amount Due: \$175.15

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

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Errors and omissions excluded



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Deloitte & Touche Inc.
Attention: Daniel Weisz, Senior Vice President
Brookfield Place
181 Bay Street, Suite 1400
Toronto ON M5J 2V1

September 30, 2013
INVOICE: 17815486

Our Matter: T958690 / 121969
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto

TO OUR FEE:

Fees for Professional Services	\$261.00
HST on Fees	33.93
Total Fees and Taxes	294.93

TOTAL INVOICE BALANCE:

Total for this Invoice	294.93
[Total HST: \$33.93]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>\$294.93</u>

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3

September 30, 2013
INVOICE: 17815486

Mintz & Partners Limited
Our Matter: T958690
Receivership of Paragon Health Care Inc. t/a Casa Verde
Health Centre 3585 Keele Street, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
13/08/2013	0.20	Cliff Prophet	Call with H. Bricks re letter in response to Ministry;
29/08/2013	0.20	Leila J. Burden Nixon	[REDACTED]

Total Fees for Professional Services

\$261.00



September 30, 2013
INVOICE: 17815486

Remittance Copy

Client: 121969 Mintz & Partners Limited
Matter: T958690
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto
Amount Due: \$294.93

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

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Deloitte & Touche Inc.
Attention: Daniel Weisz, Senior Vice President
Brookfield Place
181 Bay Street, Suite 1400
Toronto ON M5J 2V1

August 20, 2013
INVOICE: 17789084

Our Matter: T958690 / 121969
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto

TO OUR FEE:

Fees for Professional Services	\$1,627.50
HST on Fees	211.58
Total Fees and Taxes	1,839.08

DISBURSEMENTS:

Disbursements (Taxable)	3.00
HST on Disbursements	0.39
Total Disbursements and Taxes	3.39

TOTAL INVOICE BALANCE:

Total for this Invoice	1,842.47
[Total HST: \$211.97]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>\$1,842.47</u>

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



August 20, 2013
INVOICE: 17789084

Mintz & Partners Limited
Our Matter: T958690
Receivership of Paragon Health Care Inc. t/a Casa Verde
Health Centre 3585 Keele Street, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
19/06/2013	0.30	Cliff Prophet	Call [REDACTED]
22/07/2013	0.30	Cliff Prophet	Prepare letter to MOH re recovery amounts;
22/07/2013	0.60	Cliff Prophet	Complete letter to MOH re recovery amounts;
24/07/2013	0.90	Cliff Prophet	Draft letter to Ministry of Health re clawback;

Total Fees for Professional Services

\$1,627.50

DISBURSEMENTS

Taxable Costs

Fax Charges

\$3.00

Total Taxable Disbursements

\$3.00

terms: due upon receipt
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



August 20, 2013
INVOICE: 17789084

Remittance Copy

Client: 121969 Mintz & Partners Limited
Matter: T958690
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto
Amount Due: \$1,842.47

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBUS3NNYC (ABA 026005092)

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errors and omissions excluded



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Deloitte & Touche Inc.
Attention: Daniel Weisz, Senior Vice President
Brookfield Place
181 Bay Street, Suite 1400
Toronto ON M5J 2V1

June 25, 2013
INVOICE: 17755339

Our Matter: T958690 / 121969
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto

TO OUR FEE:

Fees for Professional Services	\$448.00
HST on Fees	58.24
Total Fees and Taxes	506.24

DISBURSEMENTS:

Disbursements (Taxable)	16.05
Disbursements (Non-Taxable)	280.00
HST on Disbursements	2.09
Total Disbursements and Taxes	298.14

TOTAL INVOICE BALANCE:

Total for this Invoice	804.38
[Total HST: \$60.33]	
Please remit total invoice balance due:	In Canadian Dollars
	\$804.38

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this Invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



June 25, 2013
INVOICE: 17755339

Mintz & Partners Limited
Our Matter: T958690
Receivership of Paragon Health Care Inc. t/a Casa Verde
Health Centre 3585 Keele Street, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
10/04/2013	0.20	Leila J. Burden Nixon	Received request from H. Bricks for tax statements for CMHC; engaged in discussions with S. Ripley to provide instructions to obtain tax statements; [REDACTED]
22/05/2013	0.10	Leila J. Burden Nixon	Received and forwarded [REDACTED]
23/05/2013	0.30	Sandra Ripley	Attendance to order realty tax statements from City of Toronto tax dept. for prior years;
13/06/2013	0.20	Leila J. Burden Nixon	Received, reviewed and responded to request from City for more information about request for tax receipts;
13/06/2013	0.30	Sandra Ripley	Attendance to telephone conversation with City of Toronto, tax dept. and email exchange with L. Burden and City of Toronto rep;

Total Fees for Professional Services

\$448.00

DISBURSEMENTS

Non-Taxable Costs

24/05/2013	Agent Fees - Non-Taxable	\$280.00
	PAYEE: Treasurer, City of Toronto; REQUEST#: 1470108;	
	DATE: 05/24/2013. - T958690: Tax History Certificates, 2005-2012: S Ripley	

Total Non-Taxable Disbursements

\$280.00

Taxable Costs

Courier

\$16.05

Total Taxable Disbursements

\$16.05

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



June 25, 2013
INVOICE: 17755339

Remittance Copy

Client: 121969 Mintz & Partners Limited
Matter: T958690
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto
Amount Due: \$804.38

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

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Deloitte & Touche Inc.
Attention: Daniel Weisz, Senior Vice President
Brookfield Place
181 Bay Street, Suite 1400
Toronto ON M5J 2V1

March 31, 2013
INVOICE: 17699279

Our Matter: T958690 / 121969
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto

TO OUR FEE:

Fees for Professional Services	\$617.00
HST on Fees	80.21
Total Fees and Taxes	697.21

TOTAL INVOICE BALANCE:

Total for this Invoice	697.21
[Total HST: \$80.21]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>\$697.21</u>

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt

Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this Invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3

March 31, 2013
INVOICE: 17699279

Mintz & Partners Limited
Our Matter: T958690
Receivership of Paragon Health Care Inc. t/a Casa Verde
Health Centre 3585 Keele Street, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
26/02/2013	0.10	Frank D. Lamie	Attendance to correspondence with H. Bricks;
28/02/2013	0.10	Frank D. Lamie	Attendance to various correspondence with and instructions to M. Sabatino;
04/03/2013	0.20	Frank D. Lamie	Attendance to review file and enclosures; attendance to correspondence, enclosure and instructions to M. Sabatino; attendance to further correspondence, enclosure, and instructions to M. Sabatino;
06/03/2013	0.30	Frank D. Lamie	Attendance to correspondence with and instructions to M. Sabatino; [REDACTED]
11/03/2013	0.10	Frank D. Lamie	Attendance to various correspondence and enclosure from M. Sabatino;
14/03/2013	0.20	Frank D. Lamie	Attendance to [REDACTED]
28/03/2013	0.40	Sandra Ripley	Attendance to email exchange with L. Burden Nixon and discussions with Toronto Tax Dept. regarding availability of tax receipts for previous years;

Total Fees for Professional Services

\$617.00

terms: due upon receipt
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



March 31, 2013
INVOICE: 17699279

Remittance Copy

Client: 121969 Mintz & Partners Limited
Matter: T958690
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto
Amount Due: \$697.21

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

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Deloitte & Touche Inc.
Attention: Daniel Weisz, Senior Vice President
Brookfield Place
181 Bay Street, Suite 1400
Toronto ON M5J 2V1

February 26, 2013
INVOICE: 17673042

Our Matter: T958690 / 121969
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto

TO OUR FEE:

Fees for Professional Services	\$2,623.50
HST on Fees	341.06
Total Fees and Taxes	2,964.56

DISBURSEMENTS:

Disbursements (Taxable)	270.18
HST on Disbursements	35.12
Total Disbursements and Taxes	305.30

TOTAL INVOICE BALANCE:

Total for this Invoice	3,269.86
[Total HST: \$376.18]	
Please remit total invoice balance due:	In Canadian Dollars
	\$3,269.86

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3



February 26, 2013
INVOICE: 17673042

Mintz & Partners Limited
Our Matter: T958690
Receivership of Paragon Health Care Inc. t/a Casa Verde
Health Centre 3585 Keele Street, Toronto

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
04/01/2013	0.50	Frank D. Lamie	Attendance [REDACTED] attendance to review various materials; attendance to instructions to F. Sasso; attendance [REDACTED]
07/01/2013	0.30	Frank D. Lamie	Attendance to correspondence and instructions to A. Cano regarding various materials; attendance to further correspondence with A. Cano; attendance to meeting with A. Cano;
09/01/2013	0.90	Frank D. Lamie	Attendance to review various material from A. Cano; attendance to further instructions to A. Cano;
10/01/2013	1.40	Frank D. Lamie	Attendance to review various Court material; attendance to various materials [REDACTED]; attendance to correspondence with A. Cano regarding further materials; attendance to [REDACTED]
11/01/2013	1.80	Frank D. Lamie	Attendance to review various materials [REDACTED]; attendance to [REDACTED] attendance to instructions to F. Sasso; attendance to correspondence and enclosures to F. Sasso; attendance to review material with F. Sasso; attendance to cause materials to be delivered to D. Weisz;
15/01/2013	0.40	Frank D. Lamie	Attendance to correspondence from A. Cano; attendance to [REDACTED]; attendance to [REDACTED]

Total Fees for Professional Services

\$2,623.50

DISBURSEMENTS

Taxable Costs

Copying	\$242.50
Courier	\$2.68
Off-Site Storage Recovery	\$25.00
Total Taxable Disbursements	<u>\$270.18</u>

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



February 26, 2013
INVOICE: 17673042

Remittance Copy

Client: 121969 Mintz & Partners Limited
Matter: T958690
RE: Receivership of Paragon Health Care Inc. t/a Casa Verde Health Centre 3585 Keele Street, Toronto
Amount Due: \$3,269.86

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

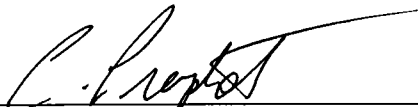
BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

TAB B

THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF
LEILA BURDEN NIXON
SWORN BEFORE ME THIS
8TH DAY OF OCTOBER, 2015



A Commissioner for Taking Affidavits

Exhibit "B"

LEGAL COSTS SUMMARY
Receivership of 1508669 Ontario Inc.

LAWYER		YEAR OF CALL	HOURLY RATE (2015 / 2013 / 2012)		
Clifton P. Prophet		1993	\$815.00 / \$775.00 / \$750.00		
Leila Burden Nixon		2005	\$530.00 / \$505.00		
Frank Lamie		2007	\$435.00		
Haddon Murray		2012	\$330.00		
Katie Parent		Law Clerk	\$300.00		
SUMMARY OF ACCOUNTS					
No.	Date of Account	Fees	Disbursements	HST	Total
1.	8 October 2015	\$3,504.50	\$47.68	\$461.79	\$4,013.97
2.	25 June 2013	\$1,109.00	N/A	\$144.17	\$1,253.17
3.	11 March 2013	\$14,767.50	\$366.18	\$1,950.87	\$17,084.55
4.	11 March 2013	\$1,406.50	\$40.75	\$188.15	\$1,635.40
5.	26 February 2013	\$795.00	\$6.93	\$104.25	\$906.18
6.	31 December 2012	\$900.00	\$820.00	\$223.60	\$1,943.60
TOTAL		\$22,482.50	\$1,281.54	\$3,072.83	\$26,836.87
Average Hourly Rate – Before HST		Total fees before HST \$22,482.50 ÷ Total hours of 48.50 = \$463.56			
TOTAL		\$26,836.87			



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Deloitte Restructuring Inc.
ATTN: Hartley Bricks
Vice President, Financial Advisory Services
181 Bay Street, Brookfield Place
Suite 1400
Toronto ON M5J 2V1

October 8, 2015
INVOICE: 18303450

Our Matter: T994142 / 204696
RE: 1508669 Ontario Limited t/a West Park Health Centre
Escrow Arrangements re Sale Agreement

TO OUR FEE:

Fees for Professional Services	\$3,504.50
HST on Fees	455.59
Total Fees and Taxes	3,960.09

DISBURSEMENTS:

Disbursements (Taxable)	47.68
HST on Disbursements	6.20
Total Disbursements and Taxes	53.88

TOTAL INVOICE BALANCE:

Total for this Invoice	4,013.97
[Total HST: \$461.79]	
Please remit total invoice balance due:	In Canadian Dollars
	\$4,013.97

GOWLING LAFLEUR HENDERSON LLP

PER Cliff Prophet

Our services are provided in accordance with our Standard Retainer Terms (www.gowlings.com/RetainerTerms), subject to any other written retainer agreement entered into between the parties.

Terms: due upon receipt
Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3

October 8, 2015
INVOICE: 18303450

Deloitte Restructuring Inc.
Our Matter: T994142
1508669 Ontario Limited t/a West Park Health Centre
Escrow Arrangements re Sale Agreement

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
22/07/2015	0.40	Cliff Prophet	Calls with receiver and MOLHTC re reconciliation claims;
07/10/2015	3.90	Cliff Prophet	[REDACTED]; further work on notice of motion for discharge and distribution and order re same;

Total Fees for Professional Services

\$3,504.50

DISBURSEMENTS

Taxable Costs

Courier

Bank Charges

\$2.68

\$45.00

Total Taxable Disbursements

\$47.68

Terms: due upon receipt
Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



October 8, 2015
INVOICE: 18303450

Remittance Copy

Client: 204696 Deloitte Restructuring Inc.
Matter: T994142
RE: 1508669 Ontario Limited t/a West Park Health Centre
Escrow Arrangements re Sale Agreement
Amount Due: \$4,013.97

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

US Corresponding Bank for US Dollar wires:
Well Fargo Bank, N.A. BIC: PNBPU33NNYC - ABA:026005092

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

Terms: due upon receipt
Interest at the rate of 1.0% per annum will be charged on all amounts not paid within one month from the date of this invoice

Errors and omissions excluded



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Deloitte & Touche
ATTN: Hartley Bricks
Vice President
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1

June 25, 2013
INVOICE: 17755704

Our Matter: T958691.1 / 90669
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No. 1 Inc.

TO OUR FEE:

Fees for Professional Services	\$1,109.00
HST on Fees	144.17
Total Fees and Taxes	1,253.17

TOTAL INVOICE BALANCE:

Total for this Invoice	1,253.17
[Total HST: \$144.17]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>\$1,253.17</u>

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3

June 25, 2013
INVOICE: 17755704

Deloitte & Touche LLP
Our Matter: T958691.1
Receivership of 1508669 Ontario Limited t/a West Park
Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its
general partner SIPGP No. 1 Inc.

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
22/05/2013	0.20	Leila J. Burden Nixon	Reviewed [REDACTED]
22/05/2013	0.20	Cliff Prophet	[REDACTED]; Instructions to [REDACTED]
05/06/2013	1.60	Leila J. Burden Nixon	Engaged [REDACTED] [REDACTED] reviewed file and compiled documents [REDACTED]

Total Fees for Professional Services

\$1,109.00

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice
errors and omissions excluded



June 25, 2013
INVOICE: 17755704

Remittance Copy

Client: 90669 Deloitte & Touche LLP
Matter: T958691.1
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No. 1 Inc.
Amount Due: \$1,253.17

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

terms: due upon receipt
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



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This Invoice Replaces Invoice Number 17642521 Dated December 31, 2012

Deloitte & Touche LLP
ATTN: Dan Weisz
Senior Vice President
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1

March 11, 2013
INVOICE: 17681731

Our Matter: T958691.1 / 90669
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No. 1 Inc.

TO OUR FEE:

Fees for Professional Services	\$14,767.50
HST on Fees	1,919.78
Total Fees and Taxes	16,687.28

DISBURSEMENTS:

Disbursements (Taxable)	239.18
Disbursements (Non-Taxable)	127.00
HST on Disbursements	31.09
Total Disbursements and Taxes	397.27

TOTAL INVOICE BALANCE:

Total for this Invoice	17,084.55
[Total HST: \$1,950.87]	
Please remit total invoice balance due:	In Canadian Dollars <u>\$17,084.55</u>

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

March 11, 2013
INVOICE: 17681731

Deloitte & Touche LLP
Our Matter: T958691.1
Receivership of 1508669 Ontario Limited t/a West Park
Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its
general partner SIPGP No. 1 Inc.

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
05/12/2012	5.30	Haddon Murray	Email correspondence with F. Lamie; attendance [REDACTED] [REDACTED]
06/12/2012	0.90	Frank D. Lamie	Attendance [REDACTED] [REDACTED] attendance to correspondence [REDACTED] [REDACTED] attendance to [REDACTED]; attendance to [REDACTED]
07/12/2012	3.70	Frank D. Lamie	Attendance to [REDACTED] attendance to correspondence to D. Medding; attendance to [REDACTED] [REDACTED] attendance to draft fee affidavits; attendance to [REDACTED] [REDACTED] attendance correspondence, enclosures, and instructions to L. Taylor;
08/12/2012	1.50	Frank D. Lamie	Attendance to exhibits; attendance to motion record, notice, and order; attendance to [REDACTED] [REDACTED] attendance to draft and revise order;
09/12/2012	1.30	Frank D. Lamie	Attendance to [REDACTED] attendance to review accounts; attendance to [REDACTED] [REDACTED] attendance to [REDACTED] attendance to [REDACTED] attendance to summaries;
10/12/2012	7.10	Frank D. Lamie	Attendance to [REDACTED] attendance to [REDACTED] [REDACTED]; attendance to [REDACTED] attendance to [REDACTED]; attendance to [REDACTED] [REDACTED] attendance to meeting with and instructions to L. Taylor; attendance to [REDACTED] attendance to [REDACTED] attendance to [REDACTED] [REDACTED] attendance to review agreement; attendance to [REDACTED]; attendance to [REDACTED] [REDACTED] attendance to [REDACTED] attendance [REDACTED] attendance to [REDACTED] [REDACTED] attendance to [REDACTED] attendance to [REDACTED] attendance to [REDACTED] attendance to [REDACTED] attendance to statement of receipts and disbursements;
11/12/2012	5.70	Frank D. Lamie	Attendance to [REDACTED] attendance to further [REDACTED] attendance to [REDACTED] attendance to revise service list;

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

March 11, 2013
INVOICE: 17681731

Date	Hours	Timekeeper	Description
			attendance to [REDACTED] attendance to [REDACTED]; attendance to [REDACTED] attendance to [REDACTED] attendance to [REDACTED] attendance to [REDACTED] attendance to further meeting [REDACTED] attendance to [REDACTED] attendance to [REDACTED] [REDACTED] attendance to finalize Court materials; attendance to correspondence from B. Wadsworth; attendance to [REDACTED] attendance to [REDACTED] [REDACTED] attendance to [REDACTED] attendance to [REDACTED]; attendance to [REDACTED]; attendance to finalize record; attendance to instructions regarding effecting service; attendance to letter to service list; attendance to correspondence and enclosure from K. Parent; attendance to [REDACTED] [REDACTED]
11/12/2012	3.60	Katie Parent	Preparing electronic copy pf motion record for service; various correspondence with F. Lamie regarding same; serving same on service list; preparing affidavit of service; [REDACTED]
11/12/2012	0.40	Cliff Prophet	Revisions to [REDACTED]
12/12/2012	0.90	Frank D. Lamie	Attendance to [REDACTED] attendance to review material; attendance to [REDACTED] [REDACTED] attendance to [REDACTED] [REDACTED] attendance to phone call to D. Kuiper; attendance to [REDACTED]
13/12/2012	0.40	Frank D. Lamie	Attendance to various correspondence from A. Mitchell; attendance to [REDACTED] attendance to meeting [REDACTED]; attendance to correspondence to L. Mitchell; attendance to [REDACTED] attendance to [REDACTED] attendance to [REDACTED]
13/12/2012	0.20	Katie Parent	Arranging for filing of motion record with Court;
14/12/2012	0.50	Frank D. Lamie	Attendance to phone call with A. Mitchell; attendance to [REDACTED]
18/12/2012	1.90	Frank D. Lamie	Attendance to correspondence from A. Mitchell; attendance to [REDACTED] attendance to [REDACTED] [REDACTED] attendance to [REDACTED] [REDACTED]; attendance to meeting with [REDACTED] attendance to [REDACTED] attendance to [REDACTED] attendance to correspondence to A. Mitchell; attendance to [REDACTED] [REDACTED] attendance to review schedule; attendance to [REDACTED]; attendance to correspondence and enclosure to A. Mitchell; attendance to

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded

March 11, 2013
INVOICE: 17681731

Date	Hours	Timekeeper	Description
			correspondence [REDACTED] attendance to [REDACTED] [REDACTED] attendance to meeting with K. Parent;
19/12/2012	2.20	Frank D. Lamie	Attendance to correspondence from A. Mitchell; attendance to review and revise Court order; attendance to correspondence and enclosure to A. Mitchell; attendance to [REDACTED] [REDACTED] attendance to various correspondence with A. Mitchell; attendance to [REDACTED] [REDACTED] attendance to review motion record; attendance to [REDACTED] attendance to [REDACTED] [REDACTED] attendance in Chambers before Justice Morawetz; attendance to issue and enter Order; attendance to instructions to F. Sasso; attendance to correspondence and enclosures to service list;
19/12/2012	0.30	Cliff Prophet	Instructions to [REDACTED] [REDACTED]

Total Fees for Professional Services

\$14,767.50

DISBURSEMENTS

Non-Taxable Costs

30/12/2012	Court Filing Fees - Non Taxable	\$127.00
	VENDOR: Reliable Process Servers Inc.; INVOICE#: 55021; DATE: 12/30/2012 - T958690; Commercial court filing - motion record; Court filing fee; K. Parent	
	Total Non-Taxable Disbursements	<u>\$127.00</u>

Taxable Costs

	Copying	\$158.00
	Binding	\$11.10
	Courier	\$5.08
30/12/2012	Process Servers	\$65.00
	VENDOR: Reliable Process Servers Inc.; INVOICE#: 55021; DATE: 12/30/2012 - T958690; Commercial court filing - motion record; K. Parent	
	Total Taxable Disbursements	<u>\$239.18</u>

terms: due upon receipt
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



March 11, 2013
INVOICE: 17681731

Remittance Copy

Client: 90669 Deloitte & Touche LLP
Matter: T958691.1
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No.
1 Inc.
Amount Due: \$17,084.55

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

terms: due upon receipt
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



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This Replaces Invoice Number 17614639 Dated December 10, 2012

Deloitte & Touche LLP
ATTN: Dan Weisz
Senior Vice President
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1

March 11, 2013
INVOICE: 17681728

Our Matter: T958691.1 / 90669
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No. 1 Inc.

TO OUR FEE:

Fees for Professional Services	\$1,406.50
HST on Fees	182.85
Total Fees and Taxes	1,589.35

DISBURSEMENTS:

Disbursements (Taxable)	40.75
HST on Disbursements	5.30
Total Disbursements and Taxes	46.05

TOTAL INVOICE BALANCE:

Total for this Invoice	1,635.40
[Total HST: \$188.15]	
Please remit total invoice balance due:	In Canadian Dollars
	\$1,635.40

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 4

March 11, 2013
INVOICE: 17681728

Deloitte & Touche LLP
Our Matter: T958691.1
Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No. 1 Inc.

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
07/11/2012	0.30	Cliff Prophet	Work on sale of West Park [REDACTED]
19/11/2012	0.20	Frank D. Lamie	Attendance to [REDACTED]
20/11/2012	0.10	Frank D. Lamie	Attendance to [REDACTED]
21/11/2012	0.10	Frank D. Lamie	Attendance to [REDACTED]
22/11/2012	0.10	Leila J. Burden Nixon	Received, reviewed and responded [REDACTED]
26/11/2012	0.10	Frank D. Lamie	Attendance to review Court availability; attendance to [REDACTED]
27/11/2012	1.20	Frank D. Lamie	Attendance to correspondence [REDACTED] attendance to instructions to F. Sasso; attendance to [REDACTED] attendance to [REDACTED] attendance to [REDACTED] attendance to Court form; attendance to [REDACTED] attendance to [REDACTED] attendance to phone call to D. Kuiper; attendance to voice mail from D. Kuiper; attendance to further call with D. Kuiper; attendance to instructions to F. Sasso;
28/11/2012	0.30	Frank D. Lamie	Attendance to voice mail from Court; attendance to [REDACTED] attendance to notice of motion;
29/11/2012	0.50	Frank D. Lamie	Attendance to instructions to F. Sasso; attendance to motion recor; attendance to notice of motion; attendance to letter to service list; attendance to review agreement of purchase and sale;
30/11/2012	0.10	Frank D. Lamie	Attendance to instructions to F. Sasso;

Total Fees for Professional Services

\$1,406.50

DISBURSEMENTS

Taxable Costs

Copying

Scanning Service

\$36.75

\$0.50

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice
errors and omissions excluded

March 11, 2013
INVOICE: 17681728

Fax Charges

\$1.00

CD/DVD Burning

\$2.50

Total Taxable Disbursements

\$40.75

terms: due upon receipt
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



March 11, 2013
INVOICE: 17681728

Remittance Copy

Client: 90669 Deloitte & Touche LLP
Matter: T958691.1
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No. 1 Inc.
Amount Due: \$1,635.40

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

terms: due upon receipt
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errors and omissions excluded



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Deloitte & Touche LLP
ATTN: Dan Weisz
Senior Vice President
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1

February 26, 2013
INVOICE: 17673045

Our Matter: T958691.1 / 90669
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No. 1 Inc.

TO OUR FEE:

Fees for Professional Services	\$795.00
HST on Fees	103.35
Total Fees and Taxes	898.35

DISBURSEMENTS:

Disbursements (Taxable)	6.93
HST on Disbursements	0.90
Total Disbursements and Taxes	7.83

TOTAL INVOICE BALANCE:

Total for this Invoice	906.18
[Total HST: \$104.25]	
Please remit total invoice balance due:	In Canadian Dollars
	\$906.18

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt

Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3

Gowling Lafleur Henderson LLP - Lawyers - Patent and Trade-mark Agents

1 First Canadian Place · 100 King Street West · Suite 1600 · Toronto · Ontario · M5X 1G5 · Canada · T 416-862-7525 · F 416-862-7661 · gowlings.com

February 26, 2013
INVOICE: 17673045

Deloitte & Touche LLP
Our Matter: T958691.1
Receivership of 1508669 Ontario Limited t/a West Park
Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its
general partner SIPGP No. 1 Inc.

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
07/01/2013	0.20	Leila J. Burden Nixon	Engaged in [REDACTED]
15/01/2013	0.20	Leila J. Burden Nixon	[REDACTED] drafted email to MT re purchase price allocation; Attended to FINTRAC response to J. Jensen; attended to finalizing record books;
22/01/2013	0.30	Leila J. Burden Nixon	Received, reviewed and responded to email from MT re purchase price allocation;
24/01/2013	0.30	Leila J. Burden Nixon	Received request to provide additional language for purchase price allocation; engaged in [REDACTED]
25/01/2013	0.30	Leila J. Burden Nixon	Drafted language for purchase price allocation and delivered to MT;
29/01/2013	0.20	Leila J. Burden Nixon	Engaged in correspondence with MT re additional language for purchase price allocation;

Total Fees for Professional Services

\$795.00

DISBURSEMENTS

Taxable Costs

Copying	
Courier	\$0.50
CD/DVD Burning	\$2.68
	\$3.75
Total Taxable Disbursements	<u>\$6.93</u>

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



February 26, 2013
INVOICE: 17673045

Remittance Copy

Client: 90669 Deloitte & Touche LLP
Matter: T958691.1
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre
103-111 Pelham, St. Catharines
Re: Sale to Southbridge Investment Partnership No. 1 by its general partner SIPGP No.
1 Inc.
Amount Due: \$906.18

PAYMENT BY CHEQUE:

Please return this page with your payment payable to Gowling Lafleur Henderson LLP

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



montréal · ottawa · toronto · hamilton · waterloo region · calgary · vancouver · beijing · moscow · london

Deloitte & Touche Inc.
Attention: Daniel Weisz, Senior Vice President
Brookfield Place
181 Bay Street, Suite 1400
Toronto ON M5J 2V1

December 31, 2012
INVOICE: 17642523

Our Matter: T958691 / 121969
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre 103-111 Pelham Road, St. Catharines

TO OUR FEE:

Fees for Professional Services	\$900.00
HST on Fees	117.00
Total Fees and Taxes	1,017.00

DISBURSEMENTS:

Disbursements (Taxable)	820.00
HST on Disbursements	106.60
Total Disbursements and Taxes	926.60

TOTAL INVOICE BALANCE:

Total for this Invoice	1,943.60
[Total HST: \$223.60]	
Please remit total invoice balance due:	In Canadian Dollars
	<u>\$1,943.60</u>

GOWLING LAFLEUR HENDERSON LLP

PER _____
Cliff Prophet

terms: due upon receipt
Interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded
GST/HST: 11936 4511 RT

page 1 of 3

December 31, 2012
INVOICE: 17642523

Mintz & Partners Limited
Our Matter: T958691
Receivership of 1508669 Ontario Limited t/a West Park
Health Centre 103-111 Pelham Road, St. Catharines

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
10/12/2012	0.80	Cliff Prophet	Work on approval and distribution materials; [REDACTED]
12/12/2012	1.00	Katie Parent	Arranging for service of motion record by courier on select parties; reporting to F. Lamie; preparing and swearing affidavits of service; completing general file maintenance;

Total Fees for Professional Services \$900.00

DISBURSEMENTS

Taxable Costs

Copying	\$730.25
Binding	\$45.45
Courier	\$5.36
Courier - FedEx	\$38.94

Total Taxable Disbursements \$820.00

terms: due upon receipt
interest at the rate of 1.3% per annum will be charged on all amounts not paid within one month from the date of this invoice

errors and omissions excluded



December 31, 2012
INVOICE: 17642523

Remittance Copy

Client: 121969 Mintz & Partners Limited
Matter: T958691
RE: Receivership of 1508669 Ontario Limited t/a West Park Health Centre 103-111 Pelham Road, St. Catharines
Amount Due: \$1,943.60

PAYMENT BY CHEQUE:

Please return this page with your payment payable to **Gowling Lafleur Henderson LLP**

Remit to: Gowling Lafleur Henderson LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

PAYMENT BY WIRE TRANSFER:

Pay by Swift MT 103 Direct to:
SWIFTCODE: CIBCCATT

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
119 Sparks Street, Ottawa, ON K1P 5B5

TRANSIT NUMBER: 0010-00006

BENEFICIARY ACCOUNT NAME: Gowling Lafleur Henderson LLP
160 Elgin Street, Suite 2600, Ottawa, ON K1P 1C3

BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 41-02916
USD Account: 02-21015

International payments intermediary banking information:
USD WELLS FARGO BANK, N.A. PNBPU33NNYC (ABA 026005092)

* if paying by wire or EFT please e-mail the remittance details to payments@gowlings.com

Court File No.: 06-CL-6233	
PEOPLES TRUST COMPANY	- and - PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED
	ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) (PROCEEDING COMMENCED AT TORONTO)
	AFFIDAVIT OF LEILA BURDEN NIXON (Sworn October 8, 2015)
	<p>Gowling Lafleur Henderson LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 TORONTO, Ontario M5X 1G5</p> <p>Clifton P. Prophet, LSUC No.: 34845K Telephone: (416) 862-3509 Facsimile: (416) 862-7661</p> <p>Solicitors for Deloitte Restructuring Inc. in its capacity as Interim Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited</p>

PEOPLES TRUST COMPANY

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

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

(PROCEEDING COMMENCED AT TORONTO)

**MOTION RECORD
(Returnable October 16, 2015)**

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

Clifton P. Prophet (LSUC No.: 34845K)

Telephone: (416) 862-3509
Facsimile: (416) 862-7661

Solicitors for Deloitte Restructuring Inc. in its capacity as Interim Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited