

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA,
VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION
AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION

Applicants

**APPLICATION RECORD
(Initial Order and Receivership Order)
(returnable November 25, 2015)**

November 24, 2015

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Tab 1

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AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN
REGION

Applicants

NOTICE OF APPLICATION

TO THE PARTIES HEREIN:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicants appears on the following pages.

THIS APPLICATION will come on for a hearing before a judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario on November 25, 2015, at 10:00 am or as soon after that time as the matter can be heard.

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of

appearance, serve a copy of the evidence on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 pm on the day before the hearing.

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

Date November , 2015

Issued by _____
Local registrar

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APPLICATION

1. The Applicants, Victorian Order Of Nurses For Canada ("**VON Canada**"), Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**") and Victorian Order Of Nurses For Canada – Western Region ("**VON West**") make application for:

- (a) an Initial Order substantially in the form attached to the Application Record (the "**Initial Order**"), among other things:
 - (i) abridging the time for service of this Notice of Application and dispensing with service on any person other than those served;
 - (ii) declaring that the Applicants are parties to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "**CCAA**") applies;
 - (iii) appointing Collins Barrow Toronto Limited ("**CBTL**") as monitor of the Applicants in these proceedings (in such capacity, the "**Monitor**");
 - (iv) staying all proceedings and remedies taken or that might be taken in respect of the Applicants, their directors and officers or any of their property;
 - (v) staying certain proceedings and remedies taken or that might be taken in respect of Victorian Order Of Nurses For Canada – Ontario Branch ("**VON Ontario**") and Victorian Order Of Nurses For Canada Nova Scotia Branch ("**VON Nova Scotia**") as further described in the Initial Order;
 - (vi) authorizing the Applicants to carry on business in a manner consistent with the preservation of their property and to make certain payments in connection with their business and the proceedings taken hereunder, including payment and performance of certain obligations arising prior to the date of the Initial Order;

- (vii) authorizing the Applicants to file with this Court a plan of compromise or arrangement, subject to the terms of the Initial Order;
- (viii) granting the following charges over the property of the Applicants:
 - (A) a charge in favour of the Applicants' counsel, the Monitor and the Monitor's counsel, counsel to the boards of directors of the Applicants and the Chief Restructuring Officer (as defined below) in the maximum amount of \$250,000 to secure payment of their fees and disbursements incurred in connection with this proceeding, including services rendered both before and after the commencement of these proceedings (the "**Administration Charge**");
 - (B) a charge to protect the directors and officers of the Applicants and the Chief Restructuring Officer from certain liabilities in the maximum amount of \$750,000 (the "**Directors' Charge**");
- (ix) approving a key employee retention plan;
- (x) approving the engagement letter entered into between VON Canada and the Chief Restructuring Officer (as defined below); and
- (xi) sealing the confidential exhibits to the Affidavit of Jo-Anne Poirier sworn November 24, 2015,
- (b) an Order appointing CBTL as Receiver of the goodwill and intellectual property of the Applicants substantially in the form attached to the Application Record (the "**Receivership Order**"); and
- (c) such further and other relief as this Honourable Court may deem just.

2. The grounds for the application are:

The Applicants are parties to which the CCAA applies

- (a) The Applicants collectively are subject to claims well in excess of \$5 million;
- (b) VON East and VON West are under common control with VON Canada;
- (c) The value of each of the Applicants' property is not, at a fair valuation, sufficient to enable payment of their obligations that are due or accruing due;
- (d) The restructuring of VON Canada cannot proceed if its arrangements with VON East and VON West are not resolved and VON East and VON West are not wound down in an orderly manner;

Stay of Proceedings

- (e) The stay of proceedings in favour of the Applicants is necessary to provide a stable environment within which to undertake extensive operational restructuring efforts;
- (f) Without the relief sought in the proposed Initial Order, the Applicants would be exposed to significant and immediate claims resulting from the steps that will be taken in connection with the proposed restructuring;
- (g) The proposed restructuring may also trigger detrimental steps by certain contract counterparties against VON Ontario and VON Nova Scotia, which steps would be highly damaging to the VON Group's business;

Payment and performance of pre-filing obligations

- (h) The payment of the proposed pre-filing amounts on account of certain obligations to employees, professionals, volunteers, directors, assistants and credit card issuers are justifiable in the circumstances;
- (i) The continued service of these parties will be essential in the post-filing period to move forward with the Applicants' restructuring efforts;

- (j) Continued access to the company's credit cards, which have been issued by Bank of Nova Scotia is important from an administrative perspective and Bank of Nova Scotia has agreed to the continued use of these credit cards in the post-filing period, but amounts incurred in the pre-filing period must be paid;

Charges

- (k) No secured creditors who have not received notice of this Application will be affected by the Administration Charge or the Directors' Charge at this time.
- (l) The proposed Monitor has reviewed the Administration Charge and the Directors' Charge;
- (m) The Applicants believe that the beneficiaries of the Administration Charge have played and will continue to play a necessary and integral role in the restructuring activities of the Applicants;
- (n) The Applicants require the continued participation of their directors and officers;
- (o) While the directors' and officers' insurance is available, the directors and officers of the Applicants cannot be certain that the insurance providers will not seek to deny coverage on the basis that the directors' and officers' insurance does not cover a particular claim or that coverage limits have been exhausted;

Key Employee Retention Plan

- (p) In the circumstances, there is a strong possibility that certain critical employees would consider other employment options without the benefit of retention compensation;
- (q) Given the specialized nature of the Applicants' industry, the experience and knowledge of these critical individuals is highly valuable;

- (r) The Applicants are unlikely to be able to adequately replace any of their critical employees at this time;

Chief Restructuring Officer

- (s) March Advisory Services Inc. (as “**Chief Restructuring Officer**”) has played and will continue to play a significant role in VON Canada’s restructuring efforts;
- (t) The Chief Restructuring Officer is expected to be particularly helpful in ongoing reviews of strategic alternatives for VON Canada;

Sealing

- (u) The information subject to the sealing request is commercially sensitive information, and in some cases private personal information, which if disclosed would be detrimental to the Chief Restructuring Officer’s ability to compete for future engagements and to the key employees generally;
- (v) The sealing order will not prejudice stakeholders;

Proposed Monitor

- (w) CBTL has consented to act as the Court-appointed Monitor of the Applicants, subject to Court approval;
- (x) CBTL is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA;

Modified Cash Management System

- (y) The Modified Cash Management System effectively segregates the cash management of the non-Applicant entities at VON Ontario and VON Nova Scotia from the existing cash consolidation arrangement and maintains an effective cash management arrangement for the Applicants to collectively fund their operations going forward;

Receivership

- (z) It is both just and convenient to appoint a receiver under section 101 of the Courts of Justice Act (Ontario) over certain property of Applicants in the current circumstances;
- (aa) CBTL has consented to act as Receiver on the terms of the proposed Receivership Order

General

- (bb) The provisions of the CCAA and the equitable jurisdiction of this Honourable Court; and
 - (cc) Such further and other grounds as counsel may advise and this Honourable Court may permit.
3. The following documentary evidence will be used at the hearing of the application:
- (a) The affidavit of Jo-Anne Poirier sworn on November 24, 2015, and the Exhibits attached thereto;
 - (b) The Consent of CBTL dated November 24, 2015 to act as the Monitor; and
 - (c) The Consent of CBTL dated November 24, 2015 to act as Receiver
 - (d) The Pre-Filing Report of CBTL, as proposed Monitor, dated November 24, 2015; and
 - (e) Such further and other material as counsel may advise and this Honourable Court will permit.

November 24, 2015

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
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Court File No: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN
ORDER OF NURSES FOR CANADA

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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Tab 2

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NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

**AFFIDAVIT OF JO-ANNE POIRIER
(sworn November 24, 2015)**

I, Jo-Anne Poirier, of the City of Ottawa, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am the President and Chief Executive Officer of Victorian Order Of Nurses for
Canada ("**VON Canada**") as well as its four separately incorporated regional operating
entities:

- (a) Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**");
 - (b) Victorian Order Of Nurses For Canada – Western Region ("**VON West**");
 - (c) Victorian Order Of Nurses For Canada – Ontario Branch ("**VON Ontario**");
- and

- (d) Victorian Order Of Nurses For Canada Nova Scotia Branch ("**VON Nova Scotia**").

VON Canada, VON East, VON West, VON Ontario and VON Nova Scotia, are referred to herein, collectively, as the "**VON Group**" and VON Canada, VON East and VON West are referred to herein as the "**Applicants**"

2. I have held that position since January 2, 2014. As such, I have personal knowledge of the matters to which I hereinafter depose, except where otherwise stated. In preparing this affidavit I have also consulted, where necessary, with other members of VON Group's management team. Where I have relied upon other sources of information, I have stated the source of that information and believe such information to be true.

3. This affidavit is sworn in support of:

- (a) an application by the Applicants for an order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"); and
- (b) an application by VON Canada for the appointment of a Receiver under Section 101 of the *Courts of Justice Act* (Ontario) over certain of the assets, properties and undertaking of VON Canada, VON East and VON West (the "**Receivership Order**").

I. INTRODUCTION

4. The VON Group provides home and community care services that address the health care needs of Canadians in various locations across the country on a not-for-profit charitable basis. For over 100 years, the VON Group has been a part of Canada's health care system.

5. VON Canada is the administrative centre of the VON Group.

6. The VON Group delivers its programs through its four regional VON Group entities (VON East, VON West, VON Ontario and VON Nova Scotia). The services delivered in each region are subject to separate regional contractual arrangements and the services offered are not identical across all regions.

7. The VON Group has experienced sustained financial challenges over the past several years, has incurred significant losses, and without an extensive restructuring of its operations and finances it could entirely exhaust its available liquidity in the very near future.

8. The VON Group has considered and, where possible, implemented a variety of options to remedy these challenges by: (i) exiting loss producing lines of business; (ii) reducing and deferring capital expenditures; (iii) implementing hiring freezes for non-front line personnel; (iv) capital raising efforts; and (v) cost control efforts, including with respect to wages. However, the foregoing options were either not executable or, if executable, did not achieve the VON Group's goals of long term sustainability.

9. The Applicants have determined that a formal process is necessary so that fundamental operational and financial restructuring steps can be undertaken in an orderly and controlled manner and stability can be maintained for the VON Group's core health and community care programs.

10. The focus of the Applicants' efforts in its CCAA proceedings will be: (i) restructuring of overhead costs that are currently incurred at VON Canada and that are at an unsustainable level; (ii) winding down VON East and VON West, which are not financially viable; and (iii) positioning VON Ontario and VON Nova Scotia to achieve long term sustainability.

11. A successful restructuring will allow the VON Group to continue providing much needed health and community care services in its core regions to a population that is increasingly in need of the flexible health and community-based care services that the VON Group provides.

II. VON GROUP

A. Corporate Structure

12. The VON Group does not operate under a traditional vertical corporate structure. The current corporate structure is as follows:

- (a) VON Canada: VON Canada is a not-for-profit charitable corporation that was incorporated by Royal Charter dated the 28th day of December, 1897. It was continued under Part II of the Canada Corporations Act by Letters Patent dated the 31st day of December, 1974. It was continued again under the Canada Not-for-profit Corporations Act (“**CNCA**”) by Certificate of Continuance dated the 8th day of July, 2014. VON Canada’s registered head office is located at 2315 St. Laurent Boulevard, Suite 100, Ottawa, Ontario K1G 4J8. As a not-for-profit corporation, the affairs of VON Canada are governed by a board of directors (the “**VON Canada Board**”) elected by the members of VON Canada. The members of VON Canada (analogous to shareholders of a business corporation) are the VON Canada board of directors and Community Corporations described below.

- (b) Regional Entities: VON East, VON West, VON Ontario and VON Nova Scotia (collectively, the “**Regional Entities**”) are the regional operating corporations of the VON Group.

- (i) VON Ontario is a not-for-profit charitable corporation incorporated under the *Corporations Act* (Ontario). VON Ontario's registered head office is located at 2315 St. Laurent Boulevard, Suite 100, Ottawa, Ontario K1G 4J8.
- (ii) VON East is a not-for-profit charitable corporation incorporated under Part II of the Canada Corporations Act in 2004 and continued under the CNCA in 2014. VON East's registered head office is located at 2315 St. Laurent Boulevard, Suite 100, Ottawa, Ontario K1G 4J8.
- (iii) VON West is a not-for-profit charitable corporation incorporated under Part II of the Canada Corporations Act in 2004 and continued under the CNCA in 2014. VON West's registered head office is located at 2315 St. Laurent Boulevard, Suite 100, Ottawa, Ontario K1G 4J8.
- (iv) VON Nova Scotia was established in 2000 under the Victorian Order of Nurses Act of Nova Scotia. VON Nova Scotia's registered head office is located at 900-1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2.

VON Canada and the Regional Entities operate as an affiliated corporate group. Operationally, VON Canada is fully integrated with each of the Regional Entities. Each Regional Entity has a board of directors composed of the same individuals who comprise the VON Canada board. The members of each Regional Entity are VON Canada itself as well as the individual VON Canada directors. VON Canada's senior management team is also the senior management team of each of the Regional Entities.

- (c) Community Corporations: Over 30 separate community corporations (the "**Community Corporations**") are the members of VON Canada (together with the VON Canada board of directors). The role of the Community Corporations at this time is fund-raising as well as advocacy and community development to support the activities of the VON Group, primarily in their local communities. The Community Corporations do not provide health or community care services. The Community Corporations elect the board of directors of VON Canada, which also serves as the board of directors of the various Regional Entities. The Community Corporations are separately incorporated and therefore not subject to the direction or control of VON Canada. While the Community Corporations do provide some funding to the VON Group, the VON Group has many other material sources of funding that account for the majority of the VON Group's overall funding.

13. This structure is the product of a prior corporate reorganization commenced in 2000 and completed in 2006 outside of a court process (the "**2006 Reorganization**"). Prior to the commencement of the 2006 Reorganization, the individual Community Corporations each provided health and community care services directly to clients in their communities. However, in 2006 these operating activities were transferred to the VON Group and consolidated under the Regional Entities.

14. In 2007, Association Agreements were entered into between VON Canada and the Community Corporations. The Association Agreements outline the responsibilities as between VON Canada and each Community Corporation. A copy of the template Association Agreement is attached hereto as Exhibit "A".

B. Operational Structure

15. The operational structure of the VON Group is as follows:

- (a) VON Canada: The administrative and overhead related functions of the VON Group are performed by VON Canada. VON Canada also owns the intellectual property of the VON Group, which is licensed to the Regional Entities and the Community Corporations through trademark licensing agreements. VON Canada provides necessary back office support and senior management oversight for the operations undertaken by the Regional Entities.
- (b) Regional Entities: The Regional Entities enter into and perform the VON Group's service agreements within specific provinces or regions. The majority of services are provided at the cost and direction of governments, government agencies, health authorities and charitable organizations across Canada. These service arrangements are the primary source of the VON Group's cash flow.

16. VON Canada, the Regional Entities and each Community Corporation have also entered into trademark license agreements pursuant to which it is agreed that all applications for trademark registrations, registered trademarks and other names, logos and slogans listed therein are owned by VON Canada and that any use of such trademarks, names, logos or slogans is under license from VON Canada.

C. Business Overview

17. The VON Group maintains and provides a network of services that support the health and wellbeing of Canadians outside of a formal institutional setting, allowing

Canadians to maintain their health and independence and providing family caregivers with much needed support.

18. A core program of VON Ontario and VON Nova Scotia is Home Care (consisting of visiting nursing and home support). Home Care is not a material part of the service offering of VON East or VON West.

19. Community Support Services are provided by all Regional Entities. These services are deployed from over 50 sites across Canada and include: (i) adult day/respite care; (ii) foot care; (iii) active lifestyle programs for seniors; (iv) independent living skill programs for seniors; and (v) elder abuse prevention.

VON Ontario

20. VON Ontario provides Home Care and Community Support Services through arrangements with Ontario's Community Care Access Centre ("CCACs"), Local Health Integration Networks ("LHINs") and other funders. The CCACs and LHINs are funded and mandated by the Ministry of Health and Long-Term Care (Ontario).

VON Nova Scotia

21. VON Nova Scotia provides Home Care through arrangements with the District Health Authority, which is funded and mandated by the Nova Scotia Department of Health and Wellness. It also has various contracts for Community Support Services.

VON East

22. VON East provides targeted services including: pre-travel clinics, flu clinics, fetal alcohol syndrome disorder programs, education and support to youth who are either

expecting a child or parenting an infant, adult day programs, foot care and certain limited services to Veterans Affairs Canada.

VON West

23. VON West provides a range of Community Care Services through arrangements with Alberta Health Services and other funders. VON West provides adult day programs, foot care and other services.

24. VON East and VON West operate at a significantly smaller scale than both VON Ontario and VON Nova Scotia.

D. Employees

25. The VON Group's services are delivered by unionized and non-unionized employees.

26. In aggregate, VON Canada and the Regional Entities have over 4200 full time equivalent employees. Because service arrangements must often be flexible, most employees are casual or part time employees of the VON Group. In total, VON Canada and the Regional Entities have over 6000 full time, casual and part time employees.

27. Most employees are employed by the Regional Entities as follows:

- (a) VON East: approximately 160 employees;
- (b) VON West: approximately 147 employees;
- (c) VON Ontario: approximately 3915 employees; and
- (d) VON Nova Scotia: approximately 1947 employees.

28. The employees of the Regional Entities do not receive, and have not received, any remuneration from VON Canada.

29. VON Canada has approximately 200 employees, primarily providing internal administrative support for the Regional Entities, such as financial services, information technology, human resources administration and payroll.

30. The VON Group is party to over 60 collective agreements with 14 unions and 67 bargaining units.¹ The Applicants have collective agreements with six unions.

31. The VON Group is also supported by approximately 7000 volunteers.

E. Pensions

32. The VON Canada Pension Plan (the "**Pension Plan**") was established on January 1, 1958. It is a defined benefit pension plan, registered in Ontario.

33. VON Canada is the sponsor and administrator of the Pension Plan. VON Canada has retained the services of various agents including: (i) Morneau Shepell, Ltd. pursuant to an Administrative Services Agreement effective as of June 1, 2015 in respect of certain administrative pension services; and (ii) Mercer (Canada) Limited pursuant to a letter of engagement dated July 29, 2009 with VON Canada in respect of certain actuarial, consulting, and administrative services.

34. The employees of VON Canada and the Regional Entities are members of the Pension Plan.

¹ The applicable unions include: Ontario Public Service Employees Union; Ontario Nurses Association; Service Employees International Union; Canadian Union of Public Employees; Ontario Federation of Health Care Workers; Unifor; Newfoundland and Labrador Association of Public and Private Employees; Registered Nurses' Union Newfoundland & Labrador; Nova Scotia Nurses Union; and certain affiliates of the Christian Labour Association of Canada.

35. Each entity in the VON Group is required to match its employee pension cash contributions on a 1:1 basis under the Pension Plan. All required monthly normal cost payments under the Pension Plan have been made to date. The Cash Flow Forecast (as defined below) contemplates that all normal cost payments and special payments will be made during the period of the Cash Flow Forecast.

36. Currently, the Pension Plan is in a solvency deficit position. Based upon a valuation as at June 1, 2015, the estimated wind-up deficiency for the Pension Plan was \$17 million.

F. Key Customer and Supplier Arrangements

37. Set out below is a summary of key contractual arrangements entered into by the entities in the VON Group.

Collective Bargaining Agreements

38. As mentioned above, the VON Group is party to over 60 collective agreements with 14 unions and 67 bargaining units.

IBM Agreements

(a) IBM MSA

39. IBM Canada Limited ("**IBM**") entered into a Master Services Agreement dated January 1, 2009, as amended on June 1, 2013 with VON Canada (as amended, the "**IBM MSA**"). Under the IBM MSA, IBM agreed to provide, either directly or through TELUS Communications Company, certain specified technology services in connection with certain business transformation initiatives undertaken by VON Canada.

40. The services to be provided under the IBM MSA were to be reflected in statements of work issued under the IBM MSA.

41. In connection with the IBM MSA, VON Canada and IBM entered into a loan agreement (as amended, the "**IBM Loan Agreement**"). Each statement of work set out amounts payable by VON Canada to IBM with respect to the goods and services provided under that statement of work. Upon receipt of invoices that complied with the terms of the IBM MSA, VON Canada would issue borrowing notices to IBM in accordance with the terms of the IBM Loan Agreement. The amounts set out in such borrowing notices would be added to the obligations under, and become payable in accordance with, the IBM Loan Agreement. At this time, material amounts remain payable by VON Canada under the IBM Loan Agreement, which has been amended as described below.

42. The obligations owing under the IBM Loan Agreement are unsecured obligations of VON Canada. A copy of the IBM Loan Agreement is attached hereto as Exhibit "B".

43. The obligations under the IBM Loan Agreement were the subject of a Restructuring Agreement dated March 25, 2013, a copy of which is attached hereto as Exhibit "C" (the "**Loan Restructuring Agreement**").

44. At this time, obligations under the IBM MSA, including those under the IBM Loan Agreement, as amended by the Loan Restructuring Agreement, are \$8,956,061.68. These amounts have not been repaid in accordance with the terms of the Loan Restructuring Agreement.

45. The IBM MSA was the subject of a Novation Agreement dated May 29, 2015, pursuant to which IBM's rights under its arrangements with TELUS Communications

Company were novated to VON Canada and subsequently the provisions of the IBM MSA with respect to the managed services were terminated.

(b) IBM Extended Payment Solution Agreement

46. IBM and VON Canada entered into an Extended Payment Solution Agreement on November 30, 2011 (the "**IBM EPSA**").

47. On March 25, 2013, IBM and VON Canada entered into a Restructuring Agreement (the "**EPSA Restructuring Agreement**") in respect of the IBM EPSA pursuant to which VON Canada acknowledged that it was in default of the IBM EPSA and that the amount due under the IBM EPSA was \$3,981,933.42. This amount remains outstanding at the current time.

48. A copy of the EPSA Restructuring Agreement is attached hereto as Exhibit "D".

(c) IBM Leases

49. IBM Canada and VON Canada entered into a Standing Order for Leased or Financed Items dated as of November 2, 2010 and various standing orders thereunder in connection with the lease of certain equipment (the "**IBM Leases**").

50. On March 25, 2013, IBM and VON Canada entered into a Restructuring Agreement (the "**Lease Restructuring Agreement**") in respect of the IBM Leases pursuant to which VON Canada acknowledged that it was in default of the IBM Leases and that the amount due under the IBM Leases was \$165,115.74. This amount remains outstanding at the current time.

51. A copy of the Lease Restructuring Agreement is attached hereto as Exhibit "E".

Additional Supplier Agreements

52. VON Canada entered into a Software End-User License Agreement on June 9, 2009 with SAP Canada Inc. for certain ERP and payroll software licensing and support services.

53. VON Canada entered into a Service Agreement effective October 8, 2013 with Celltrak Technologies, Inc. Pursuant to this Services Agreement, Celltrak Technologies, Inc. provides certain web-based administrative applications, mobile device applications and software designed for healthcare professionals. These IT services are utilized by a substantial portion of the VON Group's workforce on a day-to-day basis.

54. As previously noted VON Canada entered into a Novation Agreement with TELUS Communications Company which provides for TELUS Communications Company (directly, rather than through IBM) to deliver site support, service desk support, data centre facilities, server management and storage management services. In addition, TELUS Corporation and VON Canada have entered into a Master Services Agreement, dated May 1, 2013 (the "**TELUS MSA**"). Under the TELUS MSA, TELUS Corporation provides telecommunications services to ensure mobile connectivity for a high volume of VON Group users, web conferencing, long distance, call centre technology, and data communication linking VON sites.

55. VON Canada entered into a Master Services and Software Agreement dated June 22, 2010 with Blackbaud, Inc. Pursuant to this agreement, Blackbaud, Inc. provides software and services including email services and internet domain name and hosting services to VON Canada.

Funder Contracts

56. The VON Group has contractual arrangements for the provision of services with various government and non-government parties (such parties being "**Funders**").

57. VON East has material Funder contracts in connection with Fetal Alcohol Spectrum Disorder programs, the "Healthy Baby and Me" program, the Canada Prenatal Nutrition Program and various flu related service with the Province of New Brunswick, the Government of Canada, and certain non-government organizations.

58. VON West has material Funder arrangements through a Master Services Arrangement with Alberta Health Services pursuant to which VON West provides adult day programs, foot care and other services.

G. Cash Management

59. Net cash flows are not uniform across the VON Group entities:

- (a) VON Canada is a cost centre that has significant net negative cash flows attributable primarily to overhead expenditures that benefit the rest of the VON Group. These costs are offset partially by payments from the Regional Entities to allow VON Canada to recover a portion of its costs.
- (b) The Regional Entities generate revenue from community care and health care service contracts with Funders and incur costs associated with generating that revenue.

60. Cash inflows and outflows are also not uniform from day to day or week to week. Cash inflows and outflows generally occur in large lump sums, resulting in often

significant timing differences between inflows and outflows in any particular VON Group entity.

61. To assist in dealing with the lack of uniformity of cash flows across the VON Group entities and the timing issues faced by those entities, a mirror account arrangement was agreed to with The Bank of Nova Scotia whereby funds could be effectively pooled among the VON Group entities, outflows and inflows could be netted out and a net overall cash position for the VON Group would be determined and maintained (the "**Existing Mirror Netting Agreement**"). A copy of the Existing Mirror Netting Agreement between the VON Group and The Bank of Nova Scotia dated June 22, 2004, is attached hereto as Exhibit "F".

62. Under the Existing Mirror Netting Agreement all cash in the VON Group currently flows from each member of the VON Group into a consolidated account held by VON Canada. Bank balances for each of the Regional Entities are recorded, but this is a notional balance indicating what the status of each Regional Entity's bank account would be if the Existing Mirror Netting Agreement did not exist.

63. Under the Existing Mirror Netting Agreement, the revenues of VON Ontario and VON Nova Scotia would fund the liquidity needs of other entities in the VON Group.

64. At the date of commencement of these CCAA proceedings, the cash balance in the VON Canada pooled account is forecasted to be approximately \$1.8 million.

65. The Applicants propose that following the granting of the proposed Initial Order, the cash management system would be replaced by a new modified cash management arrangement (the "**Modified Cash Management System**"). Under the Modified Cash Management System:

- (a) Immediately prior to the effective date of the Initial Order, all cash in the VON Group would be pooled in the VON Canada bank account in accordance with usual practice under the Existing Mirror Netting Agreement.
- (b) VON Ontario and VON Nova Scotia would then establish a segregated mirror netting arrangement pursuant to which the consolidated cash position of VON Ontario and VON Nova Scotia would be maintained.
- (c) The Applicants would also establish an arrangement pursuant to which a consolidated cash position of the Applicants can be easily maintained and VON Canada, VON East and VON West could continue to utilize the consolidated cash balance held by those entities, collectively.

66. The VON Group has requested and The Bank of Nova Scotia has agreed to facilitate the Modified Cash Management System.

67. This cash management system must remain in place in respect of VON Canada, VON East and VON West in order to ensure that all such entities continue to have sufficient liquidity to cover their costs during these proceedings. This may result in funds that would otherwise be held by VON Canada being transferred to VON East and VON West to allow VON East and VON West offset negative cash flows. Without this arrangement, at various times during the proposed CCAA proceeding VON East and VON West would face periodic cash deficiencies, to the detriment of the VON Group as a whole and putting the orderly wind down of critical services at VON East and VON West at risk. The arrangements going forward provide a mechanism that maintains the notional individual balances of each of the VON Canada, VON East and VON West accounts.

H. Assets and Liabilities

68. Copies of the Applicants' non-consolidated financial statements prepared during the last year are attached hereto as Exhibit "G".

69. As at March 31, 2015, the assets of the Applicants were as follows:

	VON Consolidated ²	VON Canada	VON East	VON West
<u>Current Assets</u>				
Cash and Equivalents	4,759,388	2,401,441	0	2,510
Accounts Receivable	13,744,628	466,020	687,198	573,019
Prepaid Expenses and Other	848,679	3,878,662	129,081	43,244
Total Current Assets	19,352,695	6,746,123	816,279	618,773
 <u>Non-Current Assets</u>				
Property, Equipment, Leasehold Improvements	11,342,726	5,289,624	73,949	112,167
Total Non-Current Assets	11,342,726	5,289,624	73,949	112,167
Total Assets	30,695,421	12,035,747	890,228	730,940

² VON Consolidated represents consolidated financial information from VON East, VON West, VON Canada as well as non-Applicant entities VON Ontario, VON Nova Scotia, VON Nurse Practitioner-Led Clinic, VON 360 Degree Nurse Practitioner-Led Clinic.

70. As at March 31, 2015, the consolidated liabilities of the VON Group were as follows:

	VON Consolidated ³	VON Canada	VON East	VON West
Accounts payable and accrued liabilities	42,763,058	5,707,527	889,272	409,791
Deferred revenue	1,643,867	436,037	201,798	4,500
Loan Payable	1,089,360	1,089,360	978,852	4,407,878
Other	3,220,360	2,365,520	129,640	46,167
Total Current Liabilities	48,716,645	9,598,444	2,199,562	4,868,336
Long term debt	16,403,080	16,403,080	0	0
Other	4,250,799	1,170,879	5,551	35,333
Total Non-Current Liabilities	20,653,879	17,573,959	5,551	35,333
Total Liabilities	69,370,524	27,172,403	2,205,113	4,903,669

Assets

71. As a service provider, the VON Group's most significant assets are its accounts receivable. The largest components of the VON Group's revenue and accounts receivable are derived from Ontario CCACs and LHINs and the Department of Health and Wellness (Nova Scotia), which account for over 90% of total revenues and almost 90% of total accounts receivable.

72. Cash and Cash Equivalents at all VON Group entities other than VON Canada are minimal. This is the result of the cost recovery arrangements in favour of VON Canada and the arrangements under the Existing Mirror Netting Agreement that the VON Group maintains with The Bank of Nova Scotia, pursuant to which the VON Group's cash on hand is consolidated on an ongoing basis in a pooled account held by VON Canada.

³ VON Consolidated represents consolidated financial information from VON East, VON West, VON Canada as well as non-Applicant entities VON Ontario, VON Nova Scotia, VON Nurse Practitioner-Led Clinic, VON 360 Degree Nurse Practitioner-Led Clinic.

73. VON Ontario owns one condominium unit in London, Ontario.

74. The Applicants also own certain intangible assets, including brand-related intellectual property and contractual arrangements with customers. These assets are not recorded for financial statement purposes in accordance with generally accepted accounting principles in Canada. However, these assets do have material value to the Applicants. The Applicants' brand-related intellectual property is owned by VON Canada and licensed to the other members of the VON Group.

75. The Applicants hold certain endowment funds that are excluded from the above asset description. Those endowment funds totalled approximately \$605,000 as at March 31, 2015. These funds are not available to the Applicants for general operating purposes.

Loans Payable and Long Term Debt

The Bank of Nova Scotia

76. VON Canada currently has an operating facility with The Bank of Nova Scotia pursuant to an agreement dated September 9, 2015, as amended (the "**Existing BNS Facility**"). The Existing BNS Facility is limited to \$4,000,000. As at the date of this affidavit, the Existing BNS Facility is undrawn. The Existing BNS Facility is guaranteed by all entities in the VON Group and the obligations under the facility and those guarantees are secured by general security agreements on the assets of all entities in the VON Group.

77. A copy of the agreement governing the Existing BNS Facility is attached hereto as Exhibit "H".

78. In connection with these proposed proceedings under the CCAA, the VON Group has requested that The Bank of Nova Scotia enter into a new demand operating

facility and credit card facilities to replace the Existing BNS Facility (the "**New BNS Facility**").

The New BNS Facility would have the following elements:

- (a) VON Ontario and VON Nova Scotia would be the sole borrowers under the New BNS Facility;
- (b) The availability under the New BNS Facility would be substantially similar to the Existing BNS Facility and the total commitments under the New BNS Facility would be up to a maximum of \$4 million, subject to the availability criteria in the New BNS Facility;
- (c) VON Canada would provide a guarantee of the obligations under the New BNS Facility (the "**BNS Guarantee**");
- (d) The obligations of VON Ontario, VON Nova Scotia and VON Canada under the New BNS Facility would be secured by a general security interest over substantially all of the assets of the foregoing entities as well as a mortgage over certain real property owned by VON Ontario. The collateral securing the New BNS Facility would be substantially similar to the collateral securing the Existing BNS Facility; and
- (e) Each of VON Ontario, VON Canada and VON Nova Scotia will have credit card facilities that will be cross-guaranteed by each of the other.

79. In the circumstances, the Applicants believe it is appropriate for VON Canada to guarantee the New BNS Facility. VON Canada will benefit from the liquidity that the New BNS Facility provides to VON Ontario and VON Nova Scotia as that liquidity will permit VON Ontario and VON Nova Scotia to continue to operate in the ordinary course and generate revenues that will ensure that VON Ontario and VON Nova Scotia can continue to pay their

agreed upon share of the costs incurred by VON Canada for the benefit of the entire VON Group. The Bank of Nova Scotia currently has no outstanding debt under the Existing BNS Facility. Therefore, the new security granted in connection with the New BNS Facility would secure only new advances.

80. The New BNS Facility will become effective upon granting of the Initial Order sought in this Application.

81. Copies of the BNS Guarantee and the general security agreement pursuant to which VON Canada would grant security to The Bank of Nova Scotia for VON Canada's obligations under the BNS Guarantee are attached hereto as Exhibit "I".

82. VON West has also obtained a letter of credit issued by The Bank of Nova Scotia in the amount of \$40,000 for the purposes of providing security for certain licensing obligations of VON West. This letter of credit is secured by cash collateral held by The Bank of Nova Scotia (the "**LC Cash Collateral**"). The proposed form of Initial Order does not propose a stay of any enforcement rights of The Bank of Nova Scotia against the LC Cash Collateral.

83. The proposed form of Initial Order provides that The Bank of Nova Scotia will be treated as unaffected in any proposed CCAA Plan by the Applicants.

IBM

84. A material portion of the outstanding long term debt also relates to the IBM Loan Agreement, the IBM EPSA and the IBM Leases (each as amended), discussed in greater detail above.

III. FINANCIAL DIFFICULTIES AND THE NEED FOR CCAA PROTECTION

A. Financial Results

85. The financial results of the VON Group on a consolidated basis since 2012, indicate consistent liquidity issues:

- (a) Current liabilities have consistently exceeded current assets by a ratio of at least 1.78:1 and as high as 2.51:1;
- (b) Cumulative net losses from 2012 to 2015 total \$13,624,897; and
- (c) Cash flows from operations from 2012 to 2015 were similarly negative in the amount of \$8,203,266.

86. While the VON Group ultimately seeks to achieve neutral financial results on an annual basis and certain temporary limited deficits can be bridged either by short term financing or by third party funding, the consistent operating deficits and liquidity shortfalls which the VON Group has faced in recent years are not sustainable.

87. The VON Group's non-core operations (VON East and VON West) account for a disproportionately high share of the VON Group's overall losses and operating cash shortfalls relative to the revenues generated from these entities:

- (a) At VON West, cumulative net losses for 2012 to 2015 have been \$2,656,078 and cash from operating activities during that same period has been negative \$2,768,244. Revenues at VON West have averaged \$5,349,141.50 annually over this period; and
- (b) At VON East, cumulative net losses for 2012 to 2015 have been \$856,544 and cash from operating activities during that same period has been negative

\$3,074,752. Revenues at VON East have averaged \$6,179,643 annually over this period.

88. The financial difficulties faced by the VON Group are clear. It faces a significant working capital shortfall and has been accumulating significant operating losses over the past number of years. Current forecasts suggest that the VON Group will face a liquidity crisis in the near future if restructuring steps are not taken.

89. The key causes of these difficulties have been:

- (a) Significant investments and long-term operating arrangements were made in the 2006 Restructuring to achieve efficiencies and higher service levels, particularly in IT infrastructure. The VON Group sought to generate a substantial return on these investments that would more than offset the costs. However these returns did not materialize. As a result, the VON Group now bears significant ongoing legacy costs of the expansive platform developed in 2006, without the revenues necessary to make this sustainable. Most of these legacy costs are incurred at VON Canada.
- (b) The areas of the health care sector in which the VON Group operates have also changed significantly over the last several years. One primary change that has negatively impacted the VON Group's viability, particularly in regions where the VON Group's existing business is smaller, has been competition from private sector service providers. This resulted in many of the VON Group's material customers soliciting proposals from other private service providers, which has both placed price pressure on the VON Group and resulted in the loss of certain material revenue streams. Significant business development investment will be needed to preserve the VON Group's

remaining business in view of this pressure. That significant investment must be targeted at the core regions of Ontario and Nova Scotia.

- (c) The size of the VON East and VON West businesses are not sufficient to justify the fixed costs attributable to those businesses. VON East operates in regions where the population is not sufficient to support a larger VON East business. VON West does not face these population issues but there is insufficient funding to allow appropriate business development spending to grow this business to a sufficient size to make its operations economically viable.

B. Responses to Financial Difficulties

90. The VON Group has taken many steps to attempt to address its financial issues prior to resorting to a formal restructuring proceeding:

- (a) During 2013, the VON Group monetized material assets, including real property in Ottawa owned by VON Canada, utilizing proceeds to pay down its outstanding bank debt;
- (b) In 2013, the VON Group sought to obtain funding from the Community Corporations;
- (c) IT service contracts that were previously outsourced have been brought back in-house at VON Canada, which has reduced overhead costs and increased service levels. Cost savings from this change are estimated to be \$1,000,000 per year;
- (d) Wage freezes were implemented and staff levels were reduced this year; and

- (e) The size of the senior management team has been reduced under the guidance of a new Chief Executive Officer, resulting in further annual cost savings of over \$500,000 annually.

91. The above initiatives have had a material positive effect on the financial circumstances of the VON Group but, as its financial results and projections indicate, none have been sufficient to resolve the financial issues faced by the VON Group.

C. Current Restructuring Goals

92. Currently, the VON Group operations suffer as a result of excessive overhead cost and efforts to maintain a national network. The VON Group can have a sustainable future only if it modifies the scope of its operations and focuses efforts on its core businesses and regions. The Applicants' restructuring process will seek to achieve this.

VON East and VON West

93. The financial results of VON West and VON East have led the VON Group to conclude that these operations are not viable at their current limited scale and, further, the scale of these operations cannot reasonably be increased to a sufficient degree to make them viable. In the case of VON East, unfavourable regional market conditions and demographics make a larger operation impracticable. In the case of VON West, the amount of capital that would be required for a business development budget to achieve the growth necessary to make this business viable is not accessible.

94. As a result of the above factors, the VON Group has concluded that VON East and VON West cannot be a part of the VON Group's business strategy going forward.

95. Portions of the VON East and VON West businesses have been marketed but no resulting executable sale transactions have been identified. Consequently, non-essential programs will cease immediately if the proposed Initial Order is granted and essential programs will be wound down in an orderly manner.

96. This wind down will result in the immediate termination of employment of approximately 300 of the VON East and VON West employees.

97. Certain former employees will be re-engaged as independent contractors by VON East and VON West in the post-filing period to ensure the orderly wind down or transfer of certain essential health care programs.

VON Ontario and VON Nova Scotia

98. VON Ontario and VON Nova Scotia are the core operating entities of the VON Group. During the 2012 to 2015 period, revenues at VON Ontario and VON Nova Scotia have averaged \$100,397,549 and \$92,089,613, respectively. If overhead costs are properly managed and operations are restructured, it is believed that VON Ontario and VON Nova Scotia should be sustainable and the recent losses faced by these entities can be reduced or eliminated in the future.

99. Business will operate as usual at VON Ontario and VON Nova Scotia during the Applicants' CCAA proceedings.

VON Canada

100. VON Canada is the administrative cost centre for the VON Group and, as such, its earnings and cash flow from operations on a non-consolidated basis have been consistently negative. The functions performed by VON Canada are essential to the

continuing operation and service delivery of VON Ontario and VON Nova Scotia. VON Canada will seek to restructure its management services delivery model in order to have a more efficient and cost effective operating structure.

101. The restructuring is expected to result in the immediate termination of employment for certain non-unionized VON Canada employees.

IV. OVERVIEW OF THE CASH FLOW FORECAST

102. As set out in the 13 week cash flow projections (the "**Cash Flow Forecast**") that was prepared by the VON Group and reviewed by the Proposed Monitor (as defined below) for the period from November 25, 2015 to February 27, 2016, the VON Group's principal uses of cash during the next 13 weeks will consist of the payment of ongoing day-to-day operational expenses and professional fees and disbursements in connection with these CCAA proceedings. A copy of the Cash Flow Forecast is attached hereto as Exhibit "J".

103. As at the time of the commencement of these CCAA proceedings, the Applicants are forecasted to have approximately \$1.8 million in available cash on hand. The Cash Flow Forecast projects that, subject to obtaining the relief outlined herein, the Applicants, collectively, will have sufficient cash to fund their projected operating costs until the end of the stay period on the assumption that VON Canada funds are made available to offset negative cash flows at VON East and VON West.

V. PROPOSED INITIAL ORDER

A. The Applicants

104. The Applicants in this proceeding are VON Canada, VON East and VON West.

105. VON East and VON West are not, individually, subject to claims of over \$5,000,000. However, VON Canada and the Applicants collectively are subject to claims well in excess of \$5 million.

106. As a result of the unique corporate structure of the VON Group, which does not match the traditional vertical corporate structure that would exist in a for-profit setting, VON East, VON West and VON Canada are not controlled by a common shareholder or member.

107. The members of VON East and VON West are (i) VON Canada; and (ii) the directors of VON Canada. The directors of VON East and VON West are the same as the directors of VON Canada. For all practical purposes, VON East and VON West are under common control with VON Canada.

108. The restructuring of VON Canada cannot proceed if its arrangements with VON East and VON West are not resolved and VON East and VON West are not wound down in an orderly manner. As a result, I believe it is necessary to include VON East and VON West as applicants in this CCAA proceeding.

B. Stay of Proceedings Re. VON Ontario and VON Nova Scotia

109. A substantial majority of the operating activities of the VON Group are undertaken by VON Ontario and VON Nova Scotia.

110. Similar to the Applicants, the operations of VON Ontario and VON Nova Scotia are fully integrated with the overall business of the VON Group. VON Canada depends upon VON Ontario and VON Nova Scotia for cash flow through cost recovery amounts charged to these entities for costs incurred by VON Canada on their behalf. VON Ontario and VON Nova Scotia depend upon VON Canada for critical administrative support and access to intellectual property.

111. It is not intended at this time that VON Ontario or VON Nova Scotia will undertake any financial or operational restructuring in this proceeding and will continue operating in the ordinary course.

112. The commencement of CCAA proceedings by the Applicants may expose VON Ontario and VON Nova Scotia to risks that as a result of, among other things, these proceedings and the declarations of insolvency made, remedies or other detrimental steps may be taken by the material customers and Funders of VON Ontario and VON Nova Scotia.

113. Any such proceedings or remedies against VON Ontario or VON Nova Scotia would be detrimental to the Applicants' restructuring efforts and would undermine a process that would otherwise benefit the VON Group's stakeholders as a whole. As noted above, VON Canada depends upon cash flows from cost recovery charges payable by VON Ontario and VON Nova Scotia in the ordinary course and VON Ontario and VON Nova Scotia are by far the largest revenue generating branches of the VON Group.

114. The proposed Initial Order contains provisions staying the exercise of rights and remedies by Funders against VON Ontario and VON Nova Scotia to the extent that those rights or remedies arise due to the Applicants being parties to this proceeding or having made an Application to the Court pursuant to the CCAA or the *Courts of Justice Act* (Ontario), including any declarations of insolvency contained therein in respect of the VON Group entities or the appointment of a receiver in respect of the Applicants.

115. This limited and targeted stay is intended only to ensure that VON Ontario and VON Nova Scotia can continue operating as usual during the Applicants' CCAA proceedings. The VON Group is unaware of any party that may be prejudiced by this targeted stay of proceedings.

C. Payment of pre-filing amounts

116. The proposed Initial Order authorizes payment of the following amounts, whether incurred in the pre-filing or post-filing period:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses, and volunteer and director expense reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;
- (c) the fees and disbursements of the monitor, counsel to the monitor, the CRO (as defined below), the Applicants' counsel and counsel to the boards of directors of the Applicants; and
- (d) liabilities for charges incurred on credit cards issued to the Applicants.

D. Administration Charge

117. The Applicants seek a charge on their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**") in the maximum amount of \$250,000 to secure the fees and disbursements incurred in connection with services rendered to the Applicants both before and after the commencement of the CCAA proceedings by counsel to the Applicants, the Proposed Monitor and the Proposed Monitor's counsel, the Chief Restructuring Officer (as defined below) and counsel to the board of directors (the "**Administration Charge**").

118. The Proposed Monitor has reviewed the proposed quantum of the Administration Charge and believes it to be reasonable and appropriate in view of these CCAA proceedings and the services provided and to be provided by the beneficiaries of the Administration Charge.

E. Directors' Charge

119. To ensure the ongoing stability of the Applicants during the CCAA period, the Applicants require the continued participation of their directors and officers. These directors and officers have valuable experience and, in the case of VON East and VON West, the directors are all members of these entities as well.

120. The directors and officers of the Applicants have indicated that due to the potential for personal liability, they cannot continue their service in this restructuring unless the Initial Order grants the Directors' Charge (as defined below) to secure the Applicants' indemnity obligations to the directors and officers that arise post-filing.

121. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, counsel to the Applicants, and do verily believe, that in certain circumstances directors can be held liable for certain obligations of a company owing to employees and government entities. As at the date of this affidavit, the Applicants have over 500 employees. Wages and statutory employee deductions are accruing in the ordinary course with no arrears due and unpaid as at the date hereof.

122. The VON Group maintains directors' and officers' liability insurance (the "**D&O Insurance**") for the directors and officers of the VON Group entities. The current D&O Insurance policies provide a total of \$30 million in coverage plus \$10 million in excess coverage.

123. The proposed Initial Order contemplates the establishment of a charge on the Property in the amount of \$750,000 (the “**Directors’ Charge**”) to protect the directors and officers against obligations and liabilities they may incur as directors and officers of the Applicants after the commencement of the CCAA proceedings, except to the extent that the obligation or liability is incurred as a result of the director’s or officer’s gross negligence or wilful misconduct. The Directors’ Charge was calculated by reference to (a) the monthly payroll and withholding obligations of the Applicants; and (b) vacation pay.

124. The benefit of the Directors’ Charge will only be available to the extent that a liability is not covered by the D&O Insurance.

125. While the D&O Insurance is available, the directors and officers of the Applicants cannot be certain that the insurance providers will not seek to deny coverage on the basis that the D&O Insurance does not cover a particular claim or that coverage limits have been exhausted.

126. The Applicants do not currently have sufficient funds available to satisfy any contractual indemnities to the directors or officers should the directors or officers need to call upon those indemnities.

127. It is proposed that the CRO, as defined below, would have the benefit of the Directors’ Charge to secure any indemnity obligations the Applicants may have to the CRO in connection with that role.

128. The Proposed Monitor has reviewed the proposed quantum of the Directors’ Charge and believe the Directors’ Charge is reasonable in the circumstances.

F. Key Employee Retention Plan

129. The Applicants depend upon the continued employment of certain highly skilled and experienced employees who: (i) perform roles that are critical to accomplishing the Applicants' restructuring goals; and (ii) likely cannot be suitably replaced at a reasonable cost (the "**Key Employees**").

130. The Key Employees will be essential to the Applicants' restructuring. However, those Key Employees are also incentivized to seek alternative employment given the financial circumstances of the VON Group. Therefore, the Applicants have developed a retention plan for these Key Employees (the "**Key Employee Retention Plan**"), the details of which are described in a summary attached hereto as Confidential Exhibit "K". In order to prevent private and confidential information about individual employees from being publicly disclosed, the Applicants will request an order sealing this confidential exhibit. The aggregate maximum amount that could become payable under the Key Employee Retention Plan to all eligible employees during the 2016 year is approximately \$240,000.

131. In designing the terms of the Key Employee Retention Plan, the VON Group considered a variety of factors including: (i) the maximum cost of the Key Employee Retention Plan; and (ii) market competitiveness of resulting total compensation levels for employees.

G. Proposed Ranking of the Court-Ordered Charges

132. The proposed ranking of the Court-ordered charges (the "**Charges**") is as follows:

- (a) First, Administration Charge; and

(b) Second, the Directors' Charge.

133. The proposed Initial Order provides that the Charges shall, at this time, rank subordinate the security interests of all other secured creditors of the Applicants with the exception of The Bank of Nova Scotia. The Applicants will seek an order providing for the subordination of all other security interests to the Charges and the charge in favour of the Receiver, as described below, in the near future following notice to all potentially affected secured creditors.

H. Approval of the CRO Engagement

134. In order to assist in the implementation of this CCAA process, the Applicants seek the approval and confirmation of the Court of the retention by VON Canada of March Advisory Services Inc. as the Chief Restructuring Officer of VON Canada (in such capacity, the "**CRO**"), and approval of the terms of the CRO's engagement letter (the "**CRO Engagement Letter**"). A copy of the CRO Engagement Letter is attached hereto as Confidential Exhibit "L".

135. The approval of the engagement of the CRO is appropriate in the circumstances as the CRO has worked extensively with VON Canada to date in its pre-CCAA restructuring efforts and has extensive knowledge of the options reviewed and available to VON Canada. The CRO's background knowledge is particularly helpful in the ongoing review of strategic alternatives for VON Canada and the entire VON Group. The CRO will not take on any role in respect of, and is not engaged by, VON East and VON West.

136. The Applicants will be seeking an Order sealing the Confidential Exhibit to this Affidavit which contains the CRO's engagement letter. The CRO's engagement letter is

commercially sensitive. The disclosure of the commercial terms of the CRO's engagement letter would have a detrimental impact on the CRO's ability to negotiate compensation on any future engagements. Further, the sealing of this Confidential Exhibit would not appear to materially prejudice any third parties.

I. MONITOR

137. Collins Barrow Toronto Limited (the "**Proposed Monitor**") has consented to act as the Court-appointed Monitor of the Applicants, subject to Court approval.

138. Collins Barrow Toronto Limited is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

139. Collins Barrow Toronto Limited has consented to act as Monitor. A copy of the consent of Collins Barrow Toronto Limited is attached hereto as Exhibit "M".

VIII. PROPOSED RECEIVERSHIP ORDER

140. The Applicants seek, in conjunction with the Initial Order, an Order appointing Collins Barrow Toronto Limited as Receiver of certain of the assets, properties and undertakings of VON Canada, VON East and VON West pursuant to Section 101 of the *Courts of Justice Act* (Ontario) (the "**Receivership Order**").

141. The Receivership Order is requested in respect of the following assets:

- (a) VON Canada's right, title and interest in its goodwill and intellectual property;
- (b) VON East's right, title and interest in its goodwill and intellectual property; and

- (c) VON West's right, title and interest in its goodwill and intellectual property, (collectively, the "**Receivership Assets**").

142. As discussed above, VON East and VON West will be the subject of an orderly wind-down following the granting of the Initial Order. The Receivership Assets of VON East and VON West represent substantially all of the other assets (excluding inventory and receivables) of VON East and VON West.

143. As also discussed above, VON Canada will be the subject of substantial restructuring and downsizing. Again, the Receivership Assets represent substantially all of the other assets (excluding inventory and receivables) of VON Canada.

144. In aggregate, over 300 employees are expected to be terminated by the Applicants as part of this process. These employees will be paid their wages up to the date of their termination. However, the Applicants do not have sufficient liquidity to pay these employees amounts in respect of termination or severance pay at this time.

145. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, counsel to the Applicants, that individuals whose employment is terminated may be eligible to receive certain payments under the Wage Earner Protection Program on account of unpaid vacation pay and severance and termination pay that remain unpaid to them after their employer commences a bankruptcy or a receivership.

146. The Applicants have considered whether a bankruptcy of any of the Applicants would be possible at this time and have concluded that a bankruptcy of the Applicants would not be a practical option. VON East and VON West must remain under the control of existing management as certain critical health care and non-health care functions must continue to be provided during the period following commencement of insolvency proceedings in order to

ensure the orderly wind down of the VON East and VON West operations. VON Canada must remain under the control of existing management as it continues to provide administrative functions to the entire VON Group in the post-insolvency period. Therefore, a bankruptcy could not be engaged to trigger access to the Wage Earner Protection Program for terminated employees of the Applicants.

147. The appointment of a receiver over the Receivership Assets would allow the orderly wind down of VON East and VON West to continue, would not interfere with the administrative functions that VON Canada must continue to perform, and would allow terminated employees to seek access to the Wage Earner Protection Program.

148. The Applicants are of the view that it would be just and convenient to appoint the Receiver in this case. This relief would permit the over 300 terminated employees to seek to access the Wage Earner Protection Program and receive funds from that program on account of unpaid termination and severance pay up to the maximum amount permitted by statute. This is particularly important in the current case given the number of employees that will be terminated and whose termination and severance pay cannot be fully satisfied by the Applicants. The Applicants are unaware of any stakeholders that would be prejudiced by the Receivership Order.

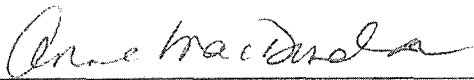
149. The Receiver would have the benefit of a charge over the assets of the Applicants, ranking behind the Administration Charge and the Directors' Charge, to secure amounts incurred in connection with its role as Receiver. The Receiver would also hold a cash retainer of \$15,000 as security for such amounts.

150. Collins Barrow Toronto Limited has consented to act as Receiver pursuant to the Receivership Order. A copy of the consent of Collins Barrow Toronto Limited is attached hereto as Exhibit "N".

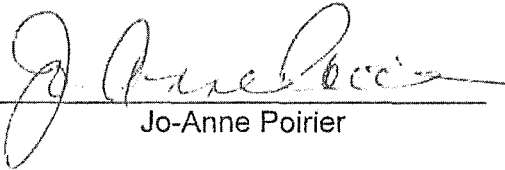
IX. PURPOSE OF AFFIDAVIT

151. This affidavit is sworn in support of VON Canada's application for protection pursuant to the CCAA and for the Receivership Order and for no improper purpose.

SWORN BEFORE ME at the City of
Ottawa, Province of Ontario, on
November 27, 2015.



Commissioner for Taking Affidavits
Barris & Solnick



Jo-Anne Poirier

Exhibit A

This is Exhibit A referred to in the affidavit of JOANNE POIRIER sworn before me, this 24th day of NOVEMBER, 2015
[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS
[Signature]

ASSOCIATION AGREEMENT

This Agreement is made as of the _____ day of _____, 200_.

BETWEEN

VICTORIAN ORDER OF NURSES FOR CANADA, a Corporation incorporated under the laws of Canada, ("VON Canada")

- and -

VON XX, a Corporation incorporated under the laws of the Province of _____, (the "Community Corporation")

RECITALS:

- A. VON Canada is a non-profit, charitable corporation, with a membership comprised of separately incorporated community organizations that are also non-profit, charitable corporations.
- B. VON Canada possesses an excellent reputation and substantial goodwill that it has developed across Canada since 1897 due to its high standards of quality and service.
- C. VON Canada is the registered owner or applicant or has rights at common law to the Trademarks for use in association with home and community based services and related products.
- D. VON Canada and the Community Corporation have similar charitable purposes and are both committed to the same vision, mission and core values.
- E. The Community Corporation wishes to be a member of VON Canada and to use the Trademarks and the Products.
- F. VON Canada and the Community Corporation are and wish to remain separate and distinct legal entities.
- G. The parties wish to set out their mutual agreement regarding their objectives, financial arrangements, governance structures, management and administration and to define and clarify their respective roles, responsibilities and relationships to ensure that each party's needs are met and that its obligations are carried out in a timely manner.

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 — DEFINITIONS

1.1 When used in this Agreement or in any amendment hereto, the following terms shall have the following meanings respectively:

- (1) *Agreement* means this agreement, including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time.
- (2) *Business Day* means on which banks are open for business in the Province of (_____) but does not include a Saturday, Sunday and any other day that is a legal holiday in the Province of (_____).
- (3) *Charitable Program* means, for the purposes of this Agreement, any program financially supported or subsidized by the Community Corporation.
- (4) *Community Board* means the Board of Directors of the Community Corporation.
- (5) *Community Corporation Activities* means the activities authorized by the Objects and aligned with VON Canada's vision and mission including advocacy, Local Community capacity development, promotion of awareness and education, advancing the VON agenda, partnership building and fundraising activities carried out by the Community Corporation in the Local Community, but does not include the operations carried out by VON Canada in the Local Community, even if they are at the same physical location as the Community Corporation.
- (6) *Community Corporation By-Laws* means the By-Laws of the Community Corporation, which shall be in the format prescribed and pre-approved by the membership of VON Canada, a copy of which is attached as Schedule "D", as amended from time to time.
- (7) *Community Corporation Revenue* means revenues from fundraising net of direct fundraising expenses.
- (8) *Confidential Information* means any and all material, data, information or any other information whatsoever, whether in verbal, written or any other form, including Policies and VON Canada's intellectual property rights, relating to any and all aspects of the business and activities of VON Canada and the Community Corporation, respectively.
- (9) *Effective Date* means the ___ day of _____, 2007.
- (10) *Local Community* means the geographic area served by the Community Corporation.
- (11) *Objects* has the meaning set out in Section 14 of this Agreement.
- (12) *Policies* means VON Canada's confidential and/or copyrighted resource materials from time to time provided to the Community Corporation or to which it is given access through VON Canada websites for the Community Corporation Activities including, without limitation,

policies, standards, regulations, rules, bulletins, directions, notices, or other materials whatsoever that the Community Corporation is entitled to receive, consistent with its Objects and with its membership in VON Canada.

(13) *Products* means the products described in the Trademark License and such other products as VON Canada may advise the Community Corporation by notice in writing from time to time.

(14) *Site* means the operations carried out by VON Canada in the Local Community, which may be in the same physical location as the Community Corporation.

(15) *Site Executive Director* means an employee of VON Canada who operates and manages the Site and who provides support to the Community Board in accordance with the provisions of Section 7 of this Agreement.

(16) *Term* means five (5) years commencing on the Effective Date and any renewal or extension thereof.

(17) *Trademarks* means the applications for trade-mark registrations, registered trade-marks and other names, logos and slogans listed in Schedule "B" to this Agreement, and such other marks as VON Canada may advise the Community Corporation by notice in writing from time to time.

(18) *Trademark License* means the Trademark License Agreement dated ___ between the Community Corporation and VON Canada that governs the use of the Trademarks by the Community Corporation, a copy of which is attached as Schedule "C".

(19) *VON Canada Foundation* means the VON Canada Foundation, which promotes and raises funds to support the activities of VON Canada.

(20) *VON Canada Services* means all services offered by VON Canada to the Community Corporation, as set out in Schedule "A" to this Agreement, and such other services as may be required or requested by the Community Corporation from time to time.

SECTION 2 — HEADINGS

2.1 The division of this Agreement into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

SECTION 3 — EXTENDED MEANINGS

3.1 Unless otherwise specified, words importing the singular number shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neutral genders, and references to persons shall include individuals, trusts, firms and corporations. The term "including" means "including without limitation".

SECTION 4 — PURPOSE OF THE AGREEMENT

4.1 The purpose of this Agreement is:

- (1) to establish and govern the relationship between the Community Corporation and VON Canada and to set out the respective responsibilities of the Community Corporation and VON Canada;
- (2) to enable the Community Corporation to fulfill its Objects and mandate; and
- (3) to enable the Community Corporation and VON Canada to work together effectively.

SECTION 5 — GRANT

5.1 Subject to the provisions of this Agreement and the Trademark License, VON Canada hereby grants to the Community Corporation:

- (1) the right to be a member of VON Canada;
- (2) the non-exclusive right to use the names "Victorian Order of Nurses" and/or "VON" or any variation thereof (the "VON Name") in its corporate name,
- (3) the non-exclusive right to use the Trademarks and Products;
- (4) the right to purchase the VON Canada Services; and
- (5) the right to have access to the Policies,

all of which are hereinafter collectively referred to as "the Rights".

5.2 Termination or expiration of this Agreement shall terminate the Rights.

SECTION 6 — OBLIGATIONS OF VON

6.1 VON Canada agrees to:

- (1) punctually observe and perform all of the terms, covenants and conditions to be observed and performed by it in accordance with the provisions of this Agreement;
- (2) maintain Errors and Omissions liability insurance for directors and officers and general liability insurance to include VON Canada and the Community Corporations;
- (3) work collaboratively with the Community Corporation to determine which services are required by the Community Corporation, as more fully described in Schedule "A" to this Agreement;
- (4) support and mobilize the Community Corporation agenda;

- (5) diligently provide the VON Canada Services in a professional and timely manner, in accordance with all applicable laws and regulations and in accordance with all of VON Canada's requirements and standards established from time to time for the provision of similar services;
- (6) deliver the Charitable Programs that are identified and to the extent they are funded by the Community Corporation;
- (7) through the Site Executive Director or delegate, ensure that the Community Board receives information about Charitable Programs that:
 - (a) is mutually agreed upon between the Community Board and VON Canada; and
 - (b) permits the Community Board to fulfill its fiduciary duties with respect to the charitable funds raised to support the Charitable Programs;
- (8) as the Community Corporation is a member of VON Canada, advise it of all VON Canada information and developments pertinent to the Community Corporation;
- (9) invite a representative of a Community Board from one site that will be managed by the individual being recruited to participate in the selection and evaluation of a Site Executive Director;
- (10) be the employer of any staff that may be required to support the Community Corporation's activities;
- (11) act consistently with its mission, vision and core values, which favour service to local communities, providing charitable services and meeting local needs;
- (12) supply such information with respect to the VON Canada Services and Community Corporation Activities as may be reasonably requested or required by the Community Corporation;
- (13) maintain proper books and records for the Community Corporation in accordance with generally accepted accounting principles;
- (14) submit all financial statements and other materials and reports pertaining to Community Corporation Activities to the Community Corporation in a timely fashion;
- (15) provide policy and strategic planning information that aligns with that of VON Canada to support the Community Corporation Activities;
- (16) provide tools and research for the Community Corporation's advocacy activities;
- (17) submit all notices and filings required to be submitted to any governmental or other authority in a timely fashion; and
- (18) comply with all applicable laws and regulations.

6.2 Other than as expressly set forth in this Agreement, VON Canada shall have no obligation, liability or responsibility to the Community Corporation or to any other persons or entities in respect of, arising from or related to the Community Corporation.

SECTION 7 — ROLE OF THE SITE EXECUTIVE DIRECTOR

7.1 The Site Executive Director is at all times employed by and accountable to VON Canada.

7.2 The Site Executive Director or delegate is responsible for facilitating that there are close ties and effective two-way communication between the Community Board and VON Canada including, without limitation:

- (1) liaising and maintaining close relations with the Community Board;
- (2) attending meetings of the Community Board;
- (3) collaborating with the Community Board to develop and seek funding for programs that will support the Community Corporation's work in the Local Community;
- (4) supplying such information with respect to the VON Canada Services and Community Corporation Activities as is reasonably requested or required by the Community Corporation;
- (5) ensuring that the Community Board receives the information about Charitable Programs that:
 - (a) is mutually agreed upon between the Community Board and VON Canada; and
 - (b) permits the Community Board to fulfill its fiduciary duties with respect to the charitable funds raised to support the Charitable Programs;
- (6) recruiting, hiring and supervising any staff that may be required to support the Community Corporation's activities; and
- (7) communicating reports, information, concerns or requests between the Community Board and VON Canada.

SECTION 8 — ROLE OF THE COMMUNITY CORPORATION

8.1 The Community Corporation agrees to:

- (1) be the VON Canada voice in the Local Community;
- (2) identify unmet health care and social support needs in the Local Community;
- (3) promote and support Charitable Programs to be delivered in the Local Community by VON Canada to meet these needs and fund them to the extent possible;

- (4) ensure that its Objects, as filed with the relevant governmental authority, are consistent with the format prescribed and pre-approved by VON Canada from time to time;
- (5) enact Community Corporation By-Laws consistent with the template for Community Corporation By-Laws prescribed by VON Canada from time to time, substantially in the form attached hereto as Schedule "D";
- (6) if it has not done so already, execute the Trademark License;
- (7) operate in accordance with statutory requirements, the Objects, the Community Corporation By-Laws, the Trademark License and this Agreement;
- (8) work collaboratively with VON Canada to buy the VON Services from VON Canada;
- (9) enter into a contract with VON Canada pursuant to which VON Canada delivers the Charitable Programs;
- (10) punctually observe and perform all of the terms, covenants and conditions to be observed and performed by it in accordance with the provisions of this Agreement;
- (11) maintain proper books and records in accordance with generally accepted accounting principles;
- (12) working with VON Canada and aligned with the VON Canada budget cycle, prepare and submit an annual budget to VON Canada that shall include, without limitation, funding commitments for each Charitable Program supported by the Community Corporation and compensation for the VON Canada Services, the funding levels which shall be determined annually;
- (13) working with VON Canada, ensure the sustainability of Charitable Programs to the best of its ability through multi-year financial funding commitments to VON Canada for the support of each Charitable Program;
- (14) submit all financial statements and other materials and reports required to be submitted to VON Canada in a timely fashion;
- (15) punctually make all payments due and payable to VON Canada;
- (16) maintain its corporate and charitable status and submit all notices and filings required to be submitted to any governmental or other authority in a timely fashion; and
- (17) comply with all applicable laws and regulations.

8.2 The Community Corporation shall not take any of the following actions without the prior written consent of VON Canada:

- (1) change its Objects, letters patent, Community Corporation By-laws or corporate name;

- (2) amalgamate or merge with another corporation;
- (3) wind-up, dissolve, reorganize or terminate the corporate existence of the Community Corporation;
- (4) sell, lease, exchange, encumber or dispose of the undertaking or all or substantially all of the property or assets of the Community Corporation;
- (5) make a general assignment for the benefit of creditors;
- (6) institute any proceedings under any statute or otherwise relating to insolvency or bankruptcy;

8.3 The Community Corporation shall not take any of the following actions:

- (1) acquire any employees; or
- (2) acquire the VON Services from any source other than VON Canada.

8.4 The Community Corporation may at any time give a notice to VON Canada of its intention to take any of the actions listed referred to in Section 8.2 and VON Canada shall respond within ten (10) Business Days after receiving such notice.

8.5 The Community Corporation shall consult with VON Canada prior to taking any major financial step that could affect its viability.

8.6 From time to time, the Community Corporation shall designate an individual who shall serve as the single point of contact in respect of the performance of its obligations under this Agreement.

SECTION 9 — ROLE OF THE COMMUNITY BOARD

9.1 The parties acknowledge and agree that VON Canada is a unique organization with a dual governance structure in which the VON Canada Board of Directors sets policy, strategic directions and oversees management and operational issues for all VON Canada and in which the Community Board advocates for and represents the Local Community within VON Canada.

9.2 The Community Board agrees to be responsible for:

- (1) ensuring that the mandate and obligations of the Community Corporation, as set out in this Agreement, are carried out;
- (2) ensuring that the Community Corporation is in compliance with the Objects, the Community Corporation By-Laws, the Trademark License, this Agreement and any relevant legislation and governmental policies;

- (3) ensuring that its messages are aligned with those of VON Canada and reporting back to VON Canada on the occurrence and outcome of any advocacy meetings with elected or unelected government officials, funders or donors;
- (4) exercising its role as local decision maker in:
 - (a) building alliances and partnerships including:
 - (i) building and maintaining relationships with members of the Local Community, Local Community agencies and other health and social advocates;
 - (ii) carrying out Local Community capacity development activities and building partnerships in the Local Community;
 - (iii) attending Local Community meetings on behalf of VON Canada, and fulfilling an important role in networking and carrying out communication and advocacy activities in the Local Community;
 - (b) meeting needs in the Local Community including:
 - (i) identifying Local Community needs and strengths;
 - (ii) identifying potential solutions to Local Community issues including, without limitation, developing new programs, advocacy, building on other initiatives already underway and partnering with other agencies;
 - (iii) advancing the development of new health care and social program initiatives to be provided by VON Canada in the Local Community;
 - (iv) selecting and funding the Charitable Programs to be delivered in the Local Community by VON Canada to meet unmet needs;
 - (v) funding research and needs assessments for the purposes of identifying unmet health care and social support needs in the Local Community;
 - (vi) funding health and support services to be provided by VON Canada in the Local Community to persons with debilitating diseases, illnesses and other health conditions for the purpose of preventing disease and promoting good health;
 - (vii) working with Local Community groups to determine strengths, needs and possible roles for VON Canada;
 - (c) promoting awareness and educating the public for the purposes of:
 - (i) encouraging changes and/or new developments in delivery of health and social services in the Local Community; and

- (ii) developing meaningful responses to health and social issues and unmet or emerging needs to be provided by VON Canada in the Local Community;
- (iii) ensuring that the Community Corporation effectively fulfills its role as the voice and representative of VON Canada in and for the Local Community;
- (d) governance of the Community Corporation including:
 - (i) supervising the affairs of the Community Corporation in accordance with the (provincial statute) as amended from time to time;
 - (ii) participating in the Community Board orientation and ongoing education programs provided by VON Canada;
 - (iii) undertaking Community Board strategic planning specific to the needs of the Local Community in concert with the overall VON Canada strategic plan;
 - (iv) participating in accreditation activities as necessary;
 - (v) ensuring Community Board development activities take place and that it provides a board development program that contributes to the assessment, development and ongoing agenda of the Community Board;
 - (vi) ensuring that a voting delegate is present at each Annual General Conference and Meeting of VON Canada; and
 - (vii) in accordance with the provisions of this Agreement, ensuring that the funds it has raised for charitable purposes are used properly.

9.3 The members of the Community Board are elected at the Annual General Meeting of the Community Corporation held at the place and at the time and day in each year fixed by the Community Board, in accordance with the Community Corporation By-Laws.

SECTION 10 — COMPENSATION

10.1 Compensation rates for the VON Canada Services shall be determined annually, according to the process described in Section 8.1(12) of this Agreement. It is understood and agreed that VON Canada shall provide the VON Canada Services to the Community Corporation on a non profit but fully costed basis.

10.2 The Community Corporation shall be responsible for payment of all taxes associated with the fees payable to VON Canada under this Agreement, so as to ensure that VON Canada receives the full amount of any payment made to it as contemplated by this Agreement. VON Canada shall be responsible for all payments and withholdings required by law in respect of its own employees.

SECTION 11 — REVENUE, BOOKS AND RECORDS, RIGHT TO AUDIT

11.1 It is understood and agreed by the parties that, in determining whether revenue ought be allocated to the Community Corporation or to VON Canada/VON Canada Foundation, the primary consideration shall be the wishes or designation of the donor or funder, as the case may be.

11.2 Any funding for the support of a particular program shall be credited to VON Canada unless otherwise designated by the funder or donor.

Notwithstanding any designation by a funder or donor, any funding for the support of a particular program shall be credited to VON Canada for use in the Local Community. If the grant received from the Community Corporation leads to a surplus in a particular program, this surplus shall be returned or credited to the Community Corporation to the extent of the original grant.

11.3 The parties shall keep accurate and systematic accounts in respect of the VON Canada Services, Community Corporation Revenue and every other matter provided for under this Agreement in accordance with generally accepted accounting principles.

11.4 VON Canada shall have the right at any time and from time to time to inspect, audit and make copies of all corporate, financial and other books and records of the Community Corporation relating to any of the provisions of this Agreement.

SECTION 12 — WARRANTIES AND REPRESENTATIONS

12.1 VON Canada warrants and represents to the Community Corporation that:

- (1) it has been duly incorporated and organized, is a valid and subsisting corporation under the laws of Canada and has full corporate power and authority to execute and deliver this Agreement;
- (2) this Agreement has been duly and validly executed and delivered by VON Canada and no other corporate proceedings on the part of VON Canada are necessary to authorize this Agreement; and
- (3) this Agreement is a valid and legally binding obligation of VON Canada enforceable against it in accordance with its terms.

12.2 The Community Corporation represents and warrants to VON Canada as follows:

- (1) it has been duly incorporated and organized, is a valid and subsisting corporation under the laws of (*Province*) and has full corporate power and authority to execute and deliver this Agreement;
- (2) this Agreement has been duly and validly executed and delivered by the Community Corporation and no other corporate proceedings on the part of the Community Corporation are necessary to authorize this Agreement; and

(3) this Agreement is a valid and legally binding obligation of the Community Corporation enforceable against it in accordance with its terms.

SECTION 13 — CONFLICT OF INTEREST, CONFIDENTIALITY

13.1 Each Community Board member shall sign the standard VON Canada Conflict of Interest and Confidentiality policies and agreements, as amended from time to time.

SECTION 14 — CONFIDENTIAL INFORMATION

14.1 Each of the parties covenants and agrees that:

- (1) It will not disclose or use any Confidential Information, or permit others to do so, at any time during or after the currency of this Agreement;
- (2) It will take all reasonable precautions in dealing with Confidential Information so as to prevent its unauthorized use or disclosure;
- (3) It will not reproduce, copy or duplicate any Confidential Information without the prior written consent of the other party except as required to fulfill its obligations under this Agreement; and
- (4) Upon termination, for any reason, of this Agreement, or at any time prior to the termination upon the request of the other party, it will return forthwith to the other party every copy of any Confidential Information (including all notes, records and documents pertaining thereto) in its possession or under its control at that time.

SECTION 15 — ESSENTIAL OBJECTS OF THE COMMUNITY CORPORATION

15.1 VON Canada and the Community Corporation will work together to ensure that, to the extent required or permitted by the governing provincial statute, the Community Corporation shall have the following corporate objectives and mandate, and the parties further agree to work collaboratively to ensure that the Community Corporation takes all steps necessary, including filing with the relevant governmental authorities, to amend its letters patent or other similar document of incorporation to reflect such objectives and mandate or such other objectives and mandate as may be established by the Board of Directors of VON Canada in writing from time to time (collectively, the "Objects"):

- (1) To receive and maintain a fund or funds and to apply all or part of the principal and income therefore, from time to time, to the Victorian Order of Nurses for Canada and/or the VON Canada Foundation, which are registered charities under the *Income Tax Act*, Canada;
- (2) To fund research and needs assessments for the purposes of identifying unmet health care and social support needs in the Local Community and select and fund the Charitable Programs to be delivered in the Local Community by VON Canada to meet these needs;

- (3) To fund health and support services to be provided by VON Canada to persons with debilitating diseases, illnesses and other health conditions for the purpose of preventing disease and promoting good health;
- (4) To carry out Local Community capacity development activities and to build partnerships in the Local Community;
- (5) To advance the development of new health care and social program initiatives to be provided by VON Canada in the Local Community;
- (6) To promote awareness and educate the public for the purposes of:
 - (a) encouraging changes and/or new developments in delivery of health and social services in the Local Community; and
 - (b) developing meaningful responses to health and social issues and unmet or emerging needs to be provided by VON Canada in the Local Community;
- (7) To solicit and receive donations, bequests, legacies and grants and to enter into agreements, contracts and undertakings incidental thereto;
- (8) To prudently invest the funds of the Community Corporation; and
- (9) To ensure that, upon dissolution of the Community Corporation and after payment of all debts and liabilities, its remaining property is distributed or disposed of to Victorian Order of Nurses for Canada or the VON Canada Foundation, to be used in the Local Community.

15.2 It is understood and agreed that the provisions of Section 15.1 shall not apply if the Community Corporation is in the Province of Nova Scotia and that, in such case, the Community Corporation shall at all times be incorporated pursuant to and shall comply with the provisions of the *Victorian Order of Nurses Act*, Nova Scotia, SNS 1996 c. 42, as amended.

SECTION 16 — TERM

16.1 This Agreement shall be in effect from the Effective Date until the expiration of the Term and shall be automatically extended for additional periods of two years each thereafter, unless terminated by written notice from either party to the other not less than six months prior to the end of the Term or any subsequent extension thereof.

SECTION 17 — TERMINATION

17.1 Either party may terminate this Agreement at any time on six months' prior written notice to the other.

17.2 Either party may terminate this Agreement in the event of a breach by the other, in accordance with the provisions of this Agreement.

17.3 The expiration or sooner termination of this Agreement shall not relieve or release either party from making payments that might be owing under this Agreement or otherwise.

SECTION 18 — EVENTS OF DEFAULT

18.1 VON Canada shall have the right to terminate this Agreement and the Rights without prejudice to the enforcement of any other legal or equitable right or remedy upon the happening of any of the events outlined in Schedule "E" to this Agreement.

18.2 The Community Corporation shall have the right to terminate this Agreement and the Rights without prejudice to the enforcement of any other legal or equitable right or remedy, if VON Canada materially breaches this Agreement and such breach shall continue for a period of 30 days after written notice has been given to VON Canada by the Community Corporation.

SECTION 19 —DISPUTE RESOLUTION

19.1 If at any time a dispute arises between the parties concerning the interpretation of this Agreement or any part thereof which cannot be resolved by agreement among the parties, the dispute shall be submitted to and shall follow the VON Canada Policy, "Communicating Concerns to the National Board". Current policy outlined in Schedule "F" of this Agreement..

SECTION 20 — EFFECT OF TERMINATION

20.1 Without prejudice to the enforcement by either party of any other legal or equitable right or remedy, effective immediately upon the expiration or sooner termination of this Agreement for any reason:

- (1) the Community Corporation's membership in VON Canada is terminated and the Community Corporation is not entitled to:
 - (a) attend VON Canada's annual conference; or
 - (b) receive the VON Canada Services, provided that VON Canada may permit the Community Corporation to continue to receive the VON Canada Services for a limited period of time for the purposes of transitioning or winding down Community Corporation operations;
- (2) the Rights are terminated;
- (3) the Trademark License is terminated; and
- (4) the Community Corporation shall follow the process outlined in Schedule "E" to this Agreement.

20.2 VON Canada shall be entitled to take such steps as it deems necessary to ensure that the Community Corporation complies with the requirements of this Section.

20.3 The expiration or sooner termination of this Agreement shall not relieve or release either party from making payments that might be owing to the other under this Agreement or otherwise.

SECTION 21 — MISCELLANEOUS

21.1 Nothing contained in this Agreement shall be deemed to constitute VON Canada or the Community Corporation as agents, joint venturers or partners of one another for any purpose. The Community Corporation and VON Canada are independent contractors. The Community Corporation acknowledges and confirms that it may not make agreements or representations on behalf of or binding upon VON Canada and that it does not have the authority to commit VON Canada in any manner without specific written authorization from VON.

21.2 Each party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the provisions of this Agreement.

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

- (1) Schedule "A", VON Canada Services
- (2) Schedule "B", Trademarks
- (3) Schedule "C", Trademark License
- (4) Schedule "D", Template For Community Corporation By Laws
- (5) Schedule "E", Events Of Default And Process To Be Followed In The Event Of Termination Of This Agreement.
- (6) Schedule "F", Policy – "Communicating Concerns to the National Board"

21.4 The representations and warranties contained in this Agreement and the provisions of Sections 8.1(13), 13,14 and 20 of this Agreement shall survive the expiration or sooner termination of this Agreement.

21.5 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario for all matters arising herein.

21.6 Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions, the denial or cancellation of any other necessary license, wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected.

21.7 Subject to the terms of this Agreement, the provisions of this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

21.8 Any provision of this Agreement that is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable.

21.9 No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by each party.

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

21.11 Time shall be of the essence of this Agreement.

21.12 This Agreement constitutes the entire agreement between the parties with respect to the Transaction and supersedes all prior negotiations and understandings.

21.13 Unless otherwise specified, each notice to a party must be given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by fax to the party as follows:

To VON Canada:

To the Community Corporation:

or to any other address, fax number or person that the party designates. Any notice, if delivered personally or by courier, will be deemed to have been given when actually received, if transmitted by fax before 3:00 p.m. on a Business Day, will be deemed to have been given on that Business Day, and if transmitted by fax after 3:00 p.m. on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the date first written above.

[Signatures on next page]

Executed on behalf of the parties by their duly authorized representatives.

**VICTORIAN ORDER OF NURSES FOR
CANADA**

Per: _____

Per: _____

We have authority to bind the Corporation.

**VON XX COMMUNITY
CORPORATION**

Per: _____

Per: _____

We have authority to bind the Corporation.

SCHEDULE "A"
VON CANADA SERVICES

The Community Corporation shall receive the following VON Canada Services pertaining to the Community Corporation Activities:

- (1) Charitable Programs, including:
 - (a) Support and/or carry out Local Community needs assessments
 - (b) Budgeting, Planning, Staffing and Delivery of Charitable Programs
 - (c) Financial reporting on Charitable Programs
 - (d) Report on all Charitable Programs to Community Board

- (2) Banking, including:
 - (a) Deposits
 - (b) Maintenance of approved signing officer lists and authorizations
 - (c) Account management
 - (d) Access to VON Canada's favourable interest rate (using Scotiabank Mirror Netting Service only)
 - (e) Process donations, bequests and tax receipts designated for Community Corporation
 - (f) Process on-line donations designated for Community Corporation

- (3) Finance, including:
 - (a) Community Corporation Budget
 - (b) Coordinate audits as appropriate
 - (c) Finance policies, updates and business processes
 - (d) Financial Statements
 - (e) Regulatory Compliance
 - (f) Financial Reporting including, without limitation:
 - (i) Community Corporation Charitable receipts

- (ii) Community Corporation T3010
 - (iii) Reporting to Community Corporation funders
- (4) Fund Development, including:
- (a) Assist with Fund Development initiatives
 - (b) Provide Support for Fund Development and Fundraising.
- (5) Community Board Development, including:
- (a) Community Board and volunteer development
 - (b) Education of staff and volunteers (service and governance)
 - (c) Community Board administration and support
 - (d) Liaison with VON Canada management and Board
- (6) Community Corporation Communications, including:
- (a) Access to VON Canada Intranet and publications
 - (b) Expertise and Counsel re: communications, media relations, public affairs, community engagement
 - (c) Access to VON Canada research and policy development
 - (d) Assist local events with advertising, preparation, communications, community engagement, planning and execution
 - (e) Develop press, news releases (local) and media advisories
 - (f) Develop and provide access to promotional materials for profile building and business development purposes (local)
 - (g) Development of and engagement in Government relations at local level including meetings with elected and unelected officials
 - (h) Local media monitoring where feasible using national tools
 - (i) Engagement in the development of advocacy and policy making at the national level
 - (j) Involvement in any national events where appropriate
 - (k) Media training for interviews

- (1) Supporting, promoting and facilitating formation of partnerships and collaborations in the Local Community.

OPTIONAL:

Treasury/Investment, including:

- (1) Expertise and Counsel re: financial systems, investment and management;
- (2) Investment management
- (3) Develop and maintain investment strategies

SCHEDULE "B"
TRADEMARKS

Victorian Order of Nurses

VON

VON Canada (Canadian Trade-mark Application # 1242125)

VON Canada Touching Lives Since 1897 Au Coeur de la Vie Depuis 1897 + design (Canadian Trade-mark Application # 1287079 filed 2006-01-23) (the New Trade-mark)

VON Caring for Life (Canadian Trade-mark Registration: TMA 597474)

VON Canada and V Design (Canadian Trade-mark Registration: TMA 358162)

Health Care for All Ages (Canadian Trade-mark Registration: TMA 548561)

Where's Bob (Canadian Trade-mark Registration: TMA 498382)

Caring for Life (Canadian Trade-mark Registration: TMA 435708)

SMART (SENIORS MAINTAINING ACTIVE ROLES TOGETHER) (Canadian Trade-mark Application # 1,335,667 filed February 15, 2007).

SCHEDULE "C"
TRADEMARK LICENSE

Copy of the signed license attached.

SCHEDULE "D"
TEMPLATE FOR COMMUNITY CORPORATION BY LAWS

Copy attached.

SCHEDULE "E"EVENTS OF DEFAULT AND PROCESS TO BE FOLLOWED IN THE EVENT OF
TERMINATION OF THIS AGREEMENTA. Events of Default:

- (4) VON Canada shall have the right to terminate this Agreement and the Rights without prejudice to the enforcement of any other legal or equitable right or remedy upon the happening of any of the following events:
- (a) If the Community Corporation breaches any term of this Agreement, the Trademark License, the Asset Transfer Agreement between the parties dated _____ (*to be inserted*), the Objects or the Community Corporation's By-Laws and such breach shall continue for a period of 30 days after written notice has been given to the Community Corporation by VON Canada;
 - (b) if the Community Corporation loses its charter or its charitable status by expiration, forfeiture or otherwise;
 - (c) if the Community Corporation ceases to operate or takes or threatens to take any action to cease to carry on business or takes or threatens to take any action to disburse or transfer its assets other than in accordance with this Agreement;
 - (d) if an order is made or a resolution passed for the winding up, dissolution or liquidation of the Community Corporation; or
 - (e) if any steps are taken to institute any proceedings under any statute or otherwise relating to insolvency or bankruptcy or should any proceeding under any such statute or otherwise be instituted against the Community Corporation.

2. The Community Corporation shall have the right to terminate this Agreement and the Rights without prejudice to the enforcement of any other legal or equitable right or remedy, if VON Canada materially breaches this Agreement and such breach shall continue for a period of 30 days after written notice has been given to VON Canada by the Community Corporation.

B. Process to Follow in the Event of Termination of this Agreement:

- (1) In the event of termination of this Agreement for any reason, the Community Corporation shall forthwith:
- (a) completely cease and discontinue all use of the VON Canada Name, Trademarks, Products and Policies;
 - (b) return to VON Canada all electronic and hard copies of all Policies and shall not copy or distribute the Policies;

- (c) change its corporate name and/or trading style to a name not including the VON Canada Name or a word or words confusingly similar thereto;
- (d) change its corporate objects;
- (e) at its expense, make such modifications to the interior and exterior of the Community Corporation's premises as VON Canada may require to remove all VON Canada signage and identification;
- (f) cease operating or doing business under any name or in any manner that might tend to give the general public the impression that it is or has ever been associated with VON Canada; and
- (g) at its expense, place notices with local media, including its local daily newspapers, advising that the Community Corporation is no longer affiliated with VON Canada.

#4

SCHEDULE "F"

Policy – "COMMUNICATING CONCERNS TO THE NATIONAL BOARD" attached



Manual: Governance Standards

Document #:

Document developed by:

Page #: 1 of 2

Section: Standard 4

Authorized by: VON Canada Board of Directors

Title: **COMMUNICATING CONCERNS TO THE NATIONAL BOARD**

STANDARD: 4 – GOVERNANCE PRINCIPLES

Policy:

The VON Canada Board is committed to working in good faith with the Community Boards and/or Foundations towards the benefit of the organization as a whole taking into consideration the diversity of viewpoints, and to obtain strategic direction from the communities it serves. To this end, the National Board agree to make a good faith effort to:

1. communicate with each other in a forthright and professional manner;
2. maintain open and honest communication;
3. resolve issues and concerns between the Community Board and National level; and
4. make decisions at the lowest, most appropriate level

Rationale:

The VON Canada Board and VON Canada office adhere to a philosophy of open, two-way communication and consultation with Community Boards and/or Foundations - particularly in the areas of policy, direction and decision making that may have impact on VON's conduct of charitable programs in the community. This policy establishes a framework for the Community /Foundation Board Chair to bring a matter of concern to the National Board Chair should the communication process fail to resolve a

gap in goals, direction, funding/fiscal responsibility or understanding.

Definitions:

Procedure: There are two primary areas where concerns or conflict may arise between the National organization and the Community/Foundation Board:

- Program delivery matters that affect the branch or national organization's ability to deliver programs (charitable, not-for profit and profit)
- Strategic Direction, Risk Management or Policy decisions made by VON Canada

Program delivery matters

In the event of there being an issue where there are differing views, the following process shall be followed by all parties:

- a) The issue shall be defined and a resolution attempted at the level at which it originated;
- b) If the issue is not resolved by step (a), then it shall be taken to senior individuals with decision-making authority for resolution (typically VP level).
- c) If, within thirty (30) days after this meeting the parties have failed to resolve the issue it shall be brought forward to the President and CEO for resolution.
- d) If, within thirty (30) days after step (c) the issue remains unresolved, it shall be brought forward to the Chair of the National Board or his/her delegate for closure.

Strategic Direction, Risk Management or Policy Matters

The Chair of the National Board shall:

- 1. Investigate, manage, mediate and where possible, resolve conflicts. In investigating the conflict, the chair will determine if the conflict is

arising from facts, methods, goals or values. The following questions will be asked:

- o Is there a disagreement about the facts, methods, values or goals?
 - o Are there different definitions of the issue?
 - o Do the parties have different pieces of relevant information?
 - o Are there conflicting ideas about the strategies or tactics for doing the task?
 - o Are there different views about what is to be accomplished?
 - o Is there a conflict about the objectives of a policy?
 - o Are the parties disagreeing about the way power should be exercised?
 - o Is there a conflict about what is good for the organization or ethical?
2. As part of the investigation process, the Community/Foundation Board will have the opportunity to submit materials or make a verbal presentation to the Chair for consideration.
 3. Following a review of the information, if the issue is related to communications and/or understanding, the chair will obtain and issue the necessary historical documentation/policy/bylaws to clarify the issue
 4. Following the investigation, if in the judgment of the chair or his/her delegate, an issue warranting further discussion exists or there is a need to compromise goals to meet community needs, the chair shall refer the conflict to the Executive Committee. The chair shall provide a report on the investigation. The Executive Committee shall determine if an additional presentation by the Community/Foundation Board is warranted.
 5. The Executive Committee shall receive and consider the information and take such action as it deems appropriate and in accordance with the Bylaws, Policies and Strategic Plan for VON Canada. As necessary, the Executive Committee may bring a briefing note to the National Board, requesting a final decision.

Guidelines,

Tools:

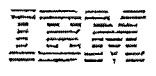
References:

VON POLICIESEXTERNAL TO AGREEMENT

1. Each Foundation, working with VON Canada, must prepare and, where appropriate, submit a multi-year funding commitment to VON Canada. This commitment would describe the funding level, as well as any conditions under which the funding is made available. Funding can be described in terms of dollars per units of service, or in terms of dollars per annum, or in whatever form is acceptable to both parties. The commitment may also consider contingency planning – *e.g.* if third party funding became available in future years, or alternatively, if current third party funding should cease in the future. This commitment should be reviewed and updated at least once per year by both parties.

Exhibit B

This is Exhibit B referred to in the affidavit of Je-ANNE POIRIER sworn before me, this 24th day of NOVEMBER, 2015



LOAN AGREEMENT

Barbara H. [Signature]
A COMMISSIONER IN CHIEF TAKING AN LEAVES

This LOAN AGREEMENT (as amended, supplemented or otherwise modified from time to time) is made as of the 31st day of December, 2008 between IBM Canada Limited, a corporation duly organized under the federal laws of Canada with a place of business at 3600 Steeles Ave. East, F4, Markham, Ontario L3R 9Z7 ("IBM") and Victorian Order of Nurses for Canada, a not-for-profit corporation duly organized under the laws of Canada with a place of business at 110 Argyle Ave., Ottawa, Ontario K2P 1B4 (The "Borrower").

RECITALS:

- A. The Borrower has requested the Term Facility for the purpose of financing the Borrower's obligations under the master services agreement for a business transformation initiative with IBM (as may be replaced, amended, supplemented or otherwise modified from time to time, the "Services Agreement"); and
- B. IBM has agreed to provide the Term Facility to the Borrower on the terms and conditions set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

For the purposes of this Agreement:

1.1 Definitions

- 1.1.1 "Advance" means the principal amount of any utilization of the Term Facility by the Borrower;
- 1.1.2 "Applicable Margin" means, subject to Section 3.2, 7.28%;
- 1.1.3 "Agreement" means this loan agreement and all schedules attached to this agreement, in each case as they may be amended or supplemented from time to time; the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement as a whole and not to any particular article, section, schedule or other portion hereof, and the expression "article" and "section" followed by a number, and "schedule" followed by a number, mean and refer to the specified article or section of or schedule to this Agreement, except as otherwise specifically provided herein;
- 1.1.4 "Applicable Law" means all applicable laws, statutes, rules, by-laws and regulations, regulatory policies and all applicable official directives, orders, judgments and decrees of Governmental Bodies;
- 1.1.5 "Availability Period" means the 24 month period from April 1, 2009 to March 31, 2011 or an earlier date as a result of a declaration by IBM pursuant to Section 2.4.3, unless otherwise renewed or extended at IBM's sole discretion;

1.1.6 "Base Reference Week" means the 7 calendar days immediately preceding the date of this Agreement;

1.1.7 "Borrowing Notice" means a notice substantially in the form as set out in Schedule 1.1.7 to this Agreement;

1.1.8 "Business Day" means any day other than Saturday or Sunday or any statutory holiday in the Province of Ontario;

1.1.9 "Canadian Dollars", "Cdn. \$", "dollars" or "\$" means lawful currency of Canada;

1.1.10 "Cash" means any cash, cash equivalents, marketable long term investments as indicated on the Borrower's Financial Statements, monies or deposits held by the Borrower including deposits or certificates held at any financial institutions, marketable securities or any other investments that are easily converted to cash or of a type that are traded on recognized securities exchanges or securities markets;

1.1.11 "CDS Index" means the Dow Jones 5-year CDS High Yield Index (DJ CDX.NA.HY 5YR) in the Bloomberg information system under ticker CDXHY511 Curncy using data source provider CMA New York and having Bloomberg provider code CMAN;

1.1.12 "Conditions Precedent" means those conditions precedent set out in Article 7;

1.1.13 "Default" means an Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both;

1.1.14 "Drawdown Date" means any Business Day on which an Advance is made under the Term Facility;

1.1.15 "Event of Default" means any of the events set out in Article 8;

1.1.16 "Financial Statements" means the consolidated balance sheets, statements of operations, statements of cash flows and statements of changes in net assets of the Borrower for the period specified, prepared in accordance with generally accepted accounting principles and consistent with prior practices;

1.1.17 "Financing Documents" means this Agreement and any other related agreements, instruments and financial documents (including without limitation, any Borrowing Notices, officer's certificates and transaction documents issued in connection with each Advance) delivered by the Borrower, from time to time, to IBM;

1.1.18 "Governmental Body" means any government, parliament, legislature, or any regulatory authority, agency, commission, board or rulemaking entity of any government, parliament or legislature, or any court or (without limitation to the foregoing) any other law, regulation or rulemaking entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks), having or purporting to have jurisdiction in the relevant circumstances, or any Person acting under the authority of any of the foregoing (including, without limitation, any arbitrator);

1.1.19 "Governmental Charges" means all taxes, levies, assessments, reassessments and other charges together with all related penalties, interest and fines, due and payable to any Governmental Body;

- 1.1.20 **"Interest Rate"** means, subject to Section 3.2, the fixed annual rate of interest for each Advance under the Term Facility which shall be the sum of the Swap Rate Index for the Review Week plus the Applicable Margin;
- 1.1.21 **"Late Repayment Interest"** means interest on overdue Repayments and all other overdue amounts owing or deemed to be owing hereunder calculated at the rate specified in Section 3.3;
- 1.1.22 **"Material Adverse Change"** means any adverse change in the financial condition or prospects of the Borrower which, in the sole opinion of IBM, acting reasonably, is likely to impair to a material extent the ability of the Borrower to repay the Obligations;
- 1.1.23 **"Material Authorization"** means the Borrower's accreditation by Accreditation Canada required to carry on its activities as presently carried on by it;
- 1.1.24 **"Maturity Date"** means, unless otherwise extended pursuant to Section 2.5.2, March 31, 2014;
- 1.1.25 **"Net Revenue"** for any period means the Borrower's net revenue as indicated and titled "Net Revenue for the Year" on the consolidated statement of operations of the Borrower's Financial Statements;
- 1.1.26 **"Obligations"** means all indebtedness, liabilities and other obligations of the Borrower to IBM hereunder or under any other Financing Document, whether actual or contingent, direct or indirect, matured or not, now existing or arising hereafter;
- 1.1.27 **"Person"** means an individual, partnership, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, limited liability company or other entity, or a governmental or any political subdivision or agency;
- 1.1.28 **"Proceedings"** has the meaning attributed to such term in Section 5.1.8;
- 1.1.29 **"Repayments"** means, subject to Section 2.5.1, for each Advance, the repayment schedule of principal and interest payments due and payable by the Borrower to IBM over the Term as mutually agreed upon by the parties;
- 1.1.30 **"Review Week"** means the 7 calendar days immediately preceding the Drawdown Date;
- 1.1.31 **"Services Agreement"** has the meaning set out in the Recitals;
- 1.1.32 **"Swap Rate Index"** means, subject to Section 3.2, the average of the interest rate swaps of CDSW2 (2-year CAD 'ask' swap rate) and CDSW3 (3-year CAD 'ask' swap rate), as published in the Bloomberg L.P.;
- 1.1.33 **"Term"** means, subject to Section 2.3.2, for each Advance under the Term Facility a period commencing on the Drawdown Date (which shall be no earlier than April 1, 2009) and ending on the date of the last scheduled Repayment for that Advance (which shall be no later than the Maturity Date);
- 1.1.34 **"Term Facility"** means the term facility in the amount of the Term Facility Commitment made available to the Borrower by IBM pursuant to Section 2.1; and
- 1.1.35 **"Term Facility Commitment"** means up to the maximum aggregate amount of \$10,500,000.

1.2 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders or the neuter, and words importing the neuter include all genders.

1.3 Invalidity, etc.

Each of the provisions contained in any Financing Document is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of such Financing Document or of any other Financing Document. To the extent permitted by Applicable Law, the Parties waive any provision of Applicable Law which renders any provision of any Financing Document invalid or unenforceable in any respect.

1.4 Headings, etc.

The division of a Financing Document into articles and sections, the inclusion of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of such Financing Document.

1.5 Governing Law and Attornment

Except as otherwise specifically provided, the Financing Documents shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and the parties irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement and the other Financing Documents.

1.6 References

Except as otherwise specifically provided, reference in any Financing Document to any contract, agreement or any other instrument shall be deemed to include references to the same as varied, amended, supplemented or replaced from time to time and reference in any Financing Document to any enactment, including without limitation, any statute, law, by-law, regulation, ordinance or order, shall be deemed to include references to such enactment as re-enacted, amended or extended from time to time.

1.7 Currency

Except as otherwise specifically provided herein, all monetary amounts in any Financing Document are stated in Canadian Dollars.

1.8 This Agreement to Govern

If there is any inconsistency between the terms of this Agreement and the terms of any other Financing Document, the provisions hereof shall prevail to the extent of the inconsistency. Notwithstanding anything contained in this Agreement and for greater certainty, this Agreement and the Services Agreement (and the terms contained in them) are completely separate and independent obligations of the Borrower and IBM, and the Services Agreement (and the terms contained in it) shall in no way whatsoever impact, affect or govern the subject matter of this Agreement and in particular the Advances or the Term Facility provided to the Borrower for the purpose of financing the Borrower's obligations under the Services Agreement

1.9 Generally Accepted Accounting Principles

Except as otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with generally accepted accounting principles consistently applied. References herein to "generally accepted accounting principles" mean, the principles recommended from time to time in the Handbook of the Canadian Institute of Chartered Accountants.

1.10 Incorporation of Schedules

The following schedules annexed hereto shall, for all purposes hereof, form part of this Agreement:

Schedule 1.1.7 - Borrowing Notice

**ARTICLE 2
TERM FACILITY**

2.1 Establishment of the Term Facility

Subject to the terms and conditions of this Agreement, IBM hereby establishes the Term Facility in favour of the Borrower in the amount of the Term Facility Commitment. The Term Facility shall be available by way of Canadian dollar Advances during the Availability Period.

2.2 Purpose of the Term Facility

The Term Facility shall solely be used to finance the Borrower's obligations (including any invoices or payments becoming due and owing under any final statements of work) under and pursuant to the Services Agreement.

2.3 Advances Under the Term Facility

2.3.1 Provided that on each Drawdown Date the Conditions Precedent specified in sections 7.1 or 7.2, as the case may be, hereof have been satisfied or waived by IBM in writing, Advances under the Term Facility shall only be available in the following manner:

2.3.1.1 The Borrower shall, at its sole discretion, deliver a duly completed and executed Borrowing Notice to IBM not later than 10:00 a.m. (Toronto time) on the fifteenth (15th) calendar day prior to the proposed Drawdown Date, and such Borrowing Notice shall be irrevocable and binding on the Borrower,

and for greater certainty, IBM shall not make any Advances whatsoever to the Borrower unless the Borrower has delivered such a duly completed and executed Borrowing Notice to IBM.

2.3.2 The Term for all Advances shall be coterminous and all Advances shall be repaid by no later than the Maturity Date (unless otherwise extended pursuant to Section 2.5.2).

2.3.3 IBM may, at its sole option, issue a transaction document confirming the details of each Advance.

2.4 Unutilized Portion of Term Facility Commitment

2.4.1 Notwithstanding any other provision contained in this Agreement, following delivery of the Borrower's Financial Statements or other financial information pursuant to Sections 6.1.9

and 6.1.10, the terms, conditions and availability of the Term Facility shall be reviewable by IBM annually;

2.4.2 If, following a review by IBM pursuant to Section 2.4.1, IBM determines that the Borrower's financial position, creditworthiness or ability to perform the Obligations or make the Repayments may be impaired then IBM shall provide the Borrower with 20 Business Days' notice of such determination and proposed amendments to the Term Facility, and the parties, acting reasonably, shall mutually agree to such amendments, modifications or changes to the terms, conditions or availability under the Term Facility;

2.4.3 Notwithstanding any other provision contained in this Agreement, it is agreed that IBM shall not have the right to declare the unutilized portion (if any) of the Term Facility Commitment to be terminated (whereupon IBM shall not be required under any circumstances to make any further Advances under the Term Facility) or, as the case may be, change the terms and conditions of the Term Facility, except in the following circumstances:

- 2.4.3.1 Pursuant to Section 8.2.1.1;
- 2.4.3.2 Upon the expiry of the Availability Period;
- 2.4.3.3 Upon the expiry of the Services Agreement; or
- 2.4.3.4 Upon the termination of the Services Agreement;

2.4.4 If IBM is entitled to terminate the unutilized portion (if any) of the Term Facility Commitment pursuant to Section 2.4.3, it shall give written notice thereof to the Borrower. The termination of the unutilized portion (if any) of the Term Facility Commitment as specified in such notice shall be effective as at the date of such notice unless otherwise provided in such notice.

2.5 Repayment of the Term Facility

2.5.1 The Repayments (and the repayment schedule) in respect of each proposed Advance under the Term Facility shall be established prior to the proposed Drawdown Date by good faith negotiations and mutual agreement of the parties, and shall, to the extent possible, be consistent with the structure and benefits contained in and to be derived from the Services Agreement (and the transaction contemplated by the Services Agreement) and shall abide by the Borrower's requirement that lower Repayments shall be payable by the Borrower in the beginning portion of the Term of each proposed Advance and higher Repayments shall be payable by the Borrower in the latter portion of the Term of each proposed Advance, provided that, in all cases, the following requirements shall, at all times, be met:

- 2.5.1.1 A minimum of 10% of any proposed Advance shall be repayable by the Borrower to IBM in the first year of the Term of the proposed Advance;
- 2.5.1.2 A minimum of 40% of the proposed Advance shall be repayable by the Borrower to IBM in the first half of the Term of the proposed Advance;
- 2.5.1.3 the proposed Advance shall be completely repaid by the Borrower over the Term of the proposed Advance; and
- 2.5.1.4 Subject to Section 2.5.2, all outstanding Advances shall be repaid by the Borrower to IBM by no later than the Maturity Date;

2.5.2 Upon delivery of a written notice to IBM from time to time at any time prior to the Maturity Date, the Borrower shall be entitled to request an extension of the Maturity Date for such additional period or periods, and on such terms and conditions as the parties may agree, acting reasonably;

2.5.3 The Borrower agrees to make Repayments to IBM no later than 12:00 p.m. (Toronto time) on the due date thereof by direct debit;

2.5.4 For any Repayment not made on the due date, the Borrower agrees to pay Late Repayment Interest in accordance with section 3.3;

2.5.5 The Borrower agrees (a) to make all Repayments when due in full without set-off, counterclaim, or deduction of any kind (and for greater certainty, all Obligations with respect to each Advance are due and payable at the end of the Term), and (b) the obligations of the Borrower to make all Repayments and to observe and perform the other covenants and agreements herein shall be absolute and unconditional in all events, irrespective of the performance, loss or quality of the services or products provided or supplied by, or the performance by, IBM or any other affiliate of IBM under any other agreement whatsoever with the Borrower (including without limitation, the Services Agreement);

2.5.6 Repayments received by IBM will be applied against Late Repayment Interest, overdue Repayments and then other Repayments, in that order; and

2.5.7 Any payment made by the Borrower which falls due on a day which is not a Business Day shall be made on the Business Day immediately following such day.

2.6 Permanent Prepayment of the Term Facility

Subject to the terms and conditions of this Agreement, upon 30 days' prior written notice to IBM, which notice, once given, shall be irrevocable and binding on the Borrower, the Borrower shall have the privilege of permanently prepaying, in whole or in part, the outstanding Obligations in respect of the Advances under the Term Facility. The outstanding Obligations in respect of the prepaid Advances on the date of prepayment shall be determined by discounting the then remaining monthly principal payments for all Advances at a discount rate equal to the lesser of (i) the Interest Rate less 2.5% at the time of the original Advance or (ii) the Interest Rate less 2.5% 30 days prior to the proposed date of prepayment, without any additional fees or charges payable by the Borrower as a result of such prepayment. The Borrower shall not be entitled to re-borrow the amount so prepaid.

**ARTICLE 3
INTEREST AND FEES**

3.1 Calculation and Payment of Interest

3.1.1 Subject to Section 3.2, interest on each Advance under the Term Facility shall bear interest at the Interest Rate. Interest shall accrue from day to day, both before and after default, demand, maturity and judgment, shall be calculated on the basis of the actual number of days elapsed and on the basis of a year of 365 days and shall be compounded and payable to IBM in Canadian Dollars in arrears on the first day of each calendar month (or, if not on a Business Day, on the immediately following Business Day).

3.2 Interest Rate Protection

3.2.1 Notwithstanding anything contrary in this Agreement, the Interest Rate and the methodology used in establishing the Interest Rate (including without limitation, the definition or use of the

Applicable Margin or the Swap Rate Index) for each proposed Advance shall be reviewable by IBM as of the date of each Borrowing Notice for a proposed Advance. IBM shall compare the CDS Index as of the Base Reference Week and the Review Week, and if there has been a difference of more than 50 basis points (or 0.5%) (either up or down) in the CDS Index, the parties may:

3.2.1.1 By mutual consent, agree to adjust, amend, revise or modify the Interest Rate, or the methodology and the establishment of the Interest Rate, with respect to the proposed or any future Advances (including without limitation, a change in the Swap Rate Index or the Applicable Margin) which may result in an adjustment, up or down, in the Interest Rate on such proposed Advance or any future Advances; or

3.2.1.2 Failing any agreement by the parties as provided in Section 3.2.1.1, the Borrower may elect not to proceed with such proposed Advance or any future Advances under the Term Facility.

3.3 Interest on Overdue Amounts

3.3.1 All overdue amounts owing or deemed to be owing hereunder, whether in respect of principal, interest, fees or otherwise, both before and after judgment, shall bear interest at an interest rate of 14% *per annum* (or such lesser amount as may be required by law). Such Late Repayment Interest shall accrue from day to day, be payable in arrears on demand and shall be compounded monthly on the last Business Day of each calendar month;

3.3.2 To the extent there is an inconsistency between the late repayment or default interest rate included or indicated in an invoice or document provided by IBM to the Borrower, from time to time, and the Late Repayment Interest Rate then the Late Repayment Interest Rate shall prevail.

3.4 Payment of Costs and Expenses

Whether or not the Borrower takes advantage of the Term Facility, the Borrower shall pay to IBM on demand all reasonable costs and expenses of IBM, its agents, officers and employees and any receiver or receiver-manager appointed by it or by a court in connection with this Agreement or the Term Facility, including without limitation:

3.4.1 the preparation, execution, filing and registration of any of the Financing Documents, any actual or proposed amendment or modification hereof or thereof or any waiver hereunder or thereunder and all instruments supplemental or ancillary thereto; and

3.4.2 the defence, establishment, protection or enforcement of any of the rights or remedies of IBM under any of the Financing Documents including, without limitation, all reasonable costs and expenses of establishing the validity and enforceability of, or of collection of amounts owing under, any of the Financing Documents;

and including without limitation, all of the reasonable fees, expenses and disbursements of IBM's counsel, on a solicitor and his own client basis, incurred in connection therewith, and including all sales or value-added taxes payable by IBM (if not refundable) on all such costs and expenses.

**ARTICLE 4
INSURANCE**

4.1 Insurance

The Borrower shall maintain public liability insurance in such amounts and against such risks as is normally carried by comparable charitable corporations or institutions engaged in comparable businesses and charitable activities.

**ARTICLE 5
REPRESENTATIONS AND WARRANTIES**

5.1 Representations and Warranties

The Borrower represents and warrants to IBM as follows:

5.1.1 Incorporation and Status. The Borrower is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the corporate power and capacity to own its properties and assets and to carry on its business as presently carried on by it;

5.1.2 Power and Capacity. The Borrower has the corporate power and capacity to enter into each of the Financing Documents and to do all acts and things as are required or contemplated hereunder or thereunder to be done, observed and performed by it;

5.1.3 Due Authorization. The Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of each of the Financing Documents;

5.1.4 No Contravention. The execution and delivery of this Agreement and the other Financing Documents and the performance by the Borrower of its obligations thereunder (i) does not and will not materially contravene, breach or result in any default under the articles, by-laws, constating documents or other organizational documents of the Borrower or under any mortgage, lease, agreement or other legally binding instrument, Material Authorization or Applicable Law to which the Borrower is a party or by which the Borrower or any of their respective properties or assets may be bound, (ii) will not oblige the Borrower to grant any Lien to any Person and (iii) will not result in or permit the acceleration of the maturity of any indebtedness, liability or obligation of the Borrower under any mortgage, lease, agreement or other legally binding instrument of or affecting the Borrower;

5.1.5 No Consents Required. No authorization, consent or approval of, or filing with or notice to, any Person (including any Governmental Body) is required in connection with the execution, delivery or performance of this Agreement or any of the other Financing Documents by the Borrower;

5.1.6 Enforceability. Each of the Financing Documents constitutes, or upon execution and delivery will constitute, a valid and binding obligation of the Borrower enforceable against it in accordance with its terms;

5.1.7 Financial Statements. The audited Financial Statements of the Borrower dated as of and for the period ending March 31, 2008, have been prepared in accordance with generally accepted accounting principles and fairly present in all material respects the financial condition of the Borrower for the period and as at the date thereof;

5.1.8 Litigation and Other Proceedings. To the best of the Borrower's knowledge, after reasonable inquiry, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal, or criminal); arbitration or other dispute settlement procedure; investigation or enquiry

by any Governmental Body; or any similar matter or proceeding (collectively, the "Proceedings") against or involving the Borrower (whether in progress or threatened) which, if determined adversely to the Borrower would constitute a material adverse effect on its business, financial condition or prospects and there is no judgment, decree, injunction, rule, award or order of any Governmental Body outstanding against the Borrower which would or may constitute a material adverse effect on its business, financial condition or prospects;

5.1.9 **No Default.** The Borrower is not in default or breach under any material commitment or obligation and there exists no state of facts which, after notice or the passage of time or both, would constitute such a default or breach;

5.1.10 **Compliance with Laws.** The Borrower is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws and ordinances of each jurisdiction in which its business is carried on;

5.1.11 **Governmental Charges.** The Borrower has filed all tax returns required to be filed by it in all applicable jurisdictions and has paid all Governmental Charges. Adequate provision has been made in the audited consolidated financial statements of the Borrower for all Governmental Charges payable by the Borrower for all periods up to the date of the balance sheet comprising part of the audited consolidated financial statements; and

5.1.12 **All Material Information Supplied.** The Borrower has, to the best of its knowledge after reasonable inquiry, provided to IBM all material information relating to the financial condition, business and prospects of the Borrower and all such information is true, accurate and complete in all material respects and omits no material fact necessary to make such information not misleading.

5.2 Survival of Representations and Warranties

The Borrower covenants that the representations and warranties made by it in Section 5.1 shall be true and correct on each Drawdown Date with the same effect as if such representations and warranties had been made and given on and as of such day, notwithstanding any investigation made at any time by or on behalf of IBM; except that if any such representation and warranty is specifically given in respect of a particular date or particular period of time and relates only to such date or period of time, then such representation and warranty shall continue to be given as at such date or for such period of time.

ARTICLE 6 COVENANTS

6.1 Affirmative Covenants

So long as any Obligations remain outstanding, and unless IBM otherwise consents in writing, the Borrower covenants and agrees that:

6.1.1 **Punctual Repayment.** The Borrower shall pay or cause to be paid all Obligations falling due hereunder on the dates and in the manner specified herein;

6.1.2 **Corporate Existence.** The Borrower shall do or cause to be done all things necessary or desirable to maintain its corporate existence in its present jurisdiction of incorporation, and to maintain its corporate power and capacity to own its properties and assets;

6.1.3 **Conduct of Business.** The Borrower shall carry on its business in a commercially reasonable manner for a charitable corporation or institution engaged in charitable activities in accordance with normal industry standards;

6.1.4 **Preservation of Material Authorizations.** The Borrower shall preserve and maintain all Material Authorizations;

6.1.5 **Compliance with Applicable Law and Contracts.** The Borrower shall comply with the requirements of all Applicable Laws and all contracts to which it is a party, non-compliance with which would, singly or in the aggregate, have a material adverse effect on the business, financial condition or prospects of the Borrower;

6.1.6 **Accounting Methods and Financial Records.** The Borrower shall maintain a system of accounting which is established and administered in accordance with generally accepted accounting principles, keep adequate records and books of account in which accurate and complete entries shall be made in accordance with such accounting principles reflecting all transactions required to be reflected by such accounting principles and keep accurate and complete records of any property owned by it;

6.1.7 **Payment of Governmental Charges and Claims.** The Borrower shall:

6.1.7.1 pay and discharge all lawful claims for labour, material and supplies;

6.1.7.2 pay and discharge all Governmental Charges payable by it; and

6.1.7.3 withhold and collect all Governmental Charges required to be withheld and collected by it and remit such Governmental Charges to the appropriate Governmental Body at the time and in the manner required.

6.1.8 **Notice of Litigation and Other Matters.** The Borrower shall, as soon as practicable after it shall become aware of the same, give notice to IBM of the following events:

6.1.8.1 the commencement of any action, Proceeding or investigation against or in any other way relating adversely to the Borrower or any of its properties, assets or businesses which, if adversely determined, could singly or when aggregated with all other such actions, proceedings, arbitrations and investigations reasonably be expected to have a material adverse effect on the business, financial condition or prospects of the Borrower or on the Borrower's ability to perform its obligations under the Financing Documents;

6.1.8.2 any amendment of its articles, by-laws, constating documents or other organizational documents;

6.1.8.3 any development which has had or will have a material adverse effect upon its business, financial condition or prospects, or its ability to perform its obligations under the Financing Documents; or

6.1.8.4 any Default or Event of Default, or the occurrence or non-occurrence of any event which constitutes, or which with the passage of time or giving of notice or both would constitute, a material default under any other agreement to which the Borrower is a party, giving in each case the details thereof and specifying the action proposed to be taken with respect thereto;

6.1.9 **Annual Financial Statements.** The Borrower shall, as soon as practicable and in any event 120 days after the end of each fiscal year, deliver to IBM the annual audited consolidated Financial Statements of the Borrower;

6.1.10 **Other Financial Information.** As soon as practicable following a request therefor from IBM, the Borrower shall furnish to IBM such other financial information and projections as IBM may

reasonably request, including copies of any income tax returns, sales or value-added tax returns and other tax returns and any other elections, remittance forms or other documents filed by the Borrower pursuant to any legislation which requires the Borrower to pay, withhold, collect or remit Governmental Charges; and

6.1.11 **Use of Proceeds.** The Borrower shall use the proceeds from the Term Facility solely as described in section 2.2.

6.2 Financial Covenants

6.2.1 **Minimum Cash.** The Borrower shall maintain, at the end of each fiscal year throughout the term of this Agreement, a minimum Cash balance of at least \$4 million.

6.2.2 **Net Revenue.** The Borrower shall maintain, at the end of each fiscal year throughout the term of this Agreement, positive Net Revenue.

6.3 IBM Entitled to Perform Covenants

If the Borrower fails to perform any covenant contained in Section 6.1, or in any other provision of any Financing Document, IBM may, in its discretion, perform any such covenant capable of being performed by it and if any such covenant requires the payment of money IBM may make such payments. All sums so expended by IBM shall be deemed to be a loan payable by the Borrower on demand and such loan shall bear interest at the Late Repayment Interest as calculated in Section 3.3.1.

6.4 Negative Covenants

So long as any Obligations remain outstanding, and unless IBM otherwise consents in writing, the Borrower covenants and agrees that it shall not enter into any transaction (including by way of reorganization, consolidation, amalgamation, liquidation, transfer, sale or otherwise) whereby all or any material portion or significant operating division of the undertaking, property and assets of the Borrower would become the property of any other Person or, in the case of any such amalgamation, of the continuing corporation resulting therefrom.

**ARTICLE 7
CONDITIONS PRECEDENT**

7.1 Conditions Precedent to the Initial Advance under the Term Facility

The obligations of IBM to make available the Term Facility to the Borrower are subject to compliance, on or before the initial Drawdown Date, with each of the following conditions precedent, which conditions precedent are for the sole and exclusive benefit of IBM and may be waived in writing by IBM in its sole discretion:

7.1.1 the representations and warranties set out in section 5.1 shall be true and correct on the initial Drawdown Date as if made on and as of such date;

7.1.2 no Default or Event of Default shall have occurred and be continuing nor shall there be any Default or Event of Default after giving effect to the proposed Term Facility;

7.1.3 IBM shall have received the following in a form and substance satisfactory to IBM:

7.1.3.1 a Borrowing Notice;

7.1.3.2 a certificate of a representative of the Borrower dated the date of this Agreement certifying that attached thereto are true and correct copies of the following documents, and that such documents are in full force and effect, unamended:

7.1.3.2.1 the articles or constating documents of the Borrower;

7.1.3.2.2 the by-laws or other organizational documents of the Borrower;

7.1.3.2.3 a certificate of incumbency including sample signatures of representatives of the Borrower who have executed any of the Financing Documents or any other document delivered to IBM under this Article 7; and

7.1.3.2.4 the resolutions or other documentation evidencing that all necessary action, corporate or otherwise, has been taken by the Borrower to authorize the execution, delivery and performance of the Financing Documents to which it is a party;

7.1.3.3 a certificate of status, certificate of good standing or similar certificate with respect to the jurisdiction of incorporation of the Borrower dated the date of this Agreement; and

7.1.3.4 such other documentation or information as IBM shall have reasonably requested.

7.2 Conditions Precedent to Subsequent Advances under the Term Facility

The obligation of IBM to make any subsequent Advances under the Term Facility is subject to compliance, on or before the relevant Drawdown Date, with each of the following conditions precedent, which conditions precedent are for the sole and exclusive benefit of IBM and may be waived in writing by IBM in its sole discretion:

7.2.1 the representations and warranties set out in Section 5.1 shall be true and correct on the relevant Drawdown Date as if made on and as of such date;

7.2.2 no Default or Event of Default shall have occurred and be continuing nor shall there be any Default or Event of Default after giving effect to the proposed Advance under the Term Facility; and

7.2.2.1 IBM shall have received a Borrowing Notice and such other documentation or information as IBM shall have reasonably requested.

**ARTICLE 8
EVENTS OF DEFAULT**

8.1 Events of Default

If any of the following events occur, it shall be an Event of Default by the Borrower:

8.1.1 default in payment when due any Repayment or any other liability or obligation owed to IBM when due hereunder or under any Financing Documents unless such default is remedied within 5 Business Days after notice thereof by IBM to the Borrower;

8.1.2 default in the performance or observance of any covenant, condition or obligation in any Financing Document that does not require the payment of money to IBM unless such default is remedied within 15 Business Days after notice thereof by IBM to the Borrower;

8.1.3 any statement, representation, or warranty made by the Borrower herein or in any officer's certificate or other documents delivered to IBM pursuant to this Agreement or in connection with any Financing Document which induced IBM to enter into this Agreement or Financing Documents shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made;

8.1.4 use of the Term Facility for anything other than the agreed purpose set out in Section 2.2;

8.1.5 the Borrower admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;

8.1.6 the occurrence of a Material Adverse Change;

8.1.7 the Borrower institutes any proceeding or takes any corporate action or executes any agreement to authorize its participation in or commencement of any proceeding:

8.1.7.1 seeking to adjudicate it a bankrupt or insolvent, or

8.1.7.2 seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the *Companies' Creditors Arrangement Act* (Canada) or any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation);

8.1.8 any proceeding is commenced against or affecting the Borrower:

8.1.8.1 seeking to adjudicate it a bankrupt or insolvent;

8.1.8.2 seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation); or

8.1.8.3 seeking appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its properties and assets;

and such proceeding is not being contested in good faith by appropriate proceedings or, if so contested remains outstanding, undismissed and unstayed more than 30 days from the institution of such first mentioned proceeding;

8.1.9 any creditor of the Borrower or any other Person shall privately appoint a receiver, trustee or similar official for any substantial part of the Borrower's properties and assets; or

8.1.10 if any material execution, distress or other enforcement process (including pursuant to personal property security legislation), whether by court or otherwise, becomes enforceable against any property of the Borrower.

8.2 Remedies

8.2.1 If the Event of Default has not been remedied, IBM may:

8.2.1.1 declare the unutilized portion (if any) of the Term Facility Commitment to be terminated (whereupon IBM shall not be required to make any further Advances);

8.2.1.2 declare all Obligations to be immediately due and payable;

8.2.1.3 take such actions and commence such proceedings as may be permitted at law or the equity at such times and in such manner as IBM in its sole discretion may consider expedient; and

8.2.1.4 recover reasonable legal fees, costs and expenses incurred in exercising the above remedies,

all without, except as may be required by Applicable Law, any additional notice, presentment, demand, protest, notice of protest, dishonour or any other action. The rights and remedies of IBM hereunder are cumulative and are in addition to and not in substitution for any other rights or remedies provided by Applicable Law.

**ARTICLE 9
GENERAL**

9.1 Reliance and Non-Merger

All covenants, agreements, representations and warranties of the Borrower made herein or in any other Financing Document or in any certificate or other document signed by any of its directors or officers and delivered by or on behalf of the Borrower that are material, shall be deemed to have been relied upon by IBM notwithstanding any investigation heretofore or hereafter made by IBM and shall survive the execution and delivery of this Agreement and the other Financing Documents until the Borrower shall have satisfied and performed all of its obligations hereunder.

9.2 Reliance by IBM

IBM shall be entitled to rely upon any schedule, certificate, statement, report, notice or other document or written communication (including any telecopy, telex or other means of electronic communication) believed by it to be genuine and correct, and upon the advice and statements of agents, legal counsel, accountants, appraisers, consultants and other experts selected by it.

9.3 Amendment and Waiver

Any amendment, waiver or variation of this Agreement will not be binding on the parties unless agreed in writing. Any failure to exercise or any delay in exercising a right or remedy at law or in equity shall not constitute a waiver of that right or remedy nor a waiver of any other rights or remedies in the Agreement or any other Financing Document at any time. IBM shall be at liberty to impose a reasonable fee for any amendment, waiver, variation or extension of or in connection with this Agreement or any other Financing Document.

9.4 No Set-Off by the Borrower

The amounts payable by the Borrower hereunder shall not be subject to any deduction, withholding, set-off or counterclaim by the Borrower for any reason whatsoever.

9.5 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by prepaid mail, by telecopier or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice, if mailed by prepaid mail at any time other than during or within three Business Days prior to a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by telecopier or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to a senior employee of the addressee at such address with responsibility for matters to which the information relates. Notice of change of address shall also be governed by this Section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with this Section. Notices and other communications shall be addressed as follows:

(i) if to the Borrower:

Victorian Order of Nurses for Canada
110 Argyle Ave.
Ottawa, Ontario
K2P 1B4

Attention: Vice President, Finance
Telecopier number: (613) 230-4376

(ii) if to IBM:

IBM Canada Limited
3600 Steeles Ave. East, F4
Markham, Ontario
L3R 9Z7

Attention: General Manager, IBM Global Financing
Telecopier number: (905) 316-3031

9.6 Time

Time is of the essence of the Financing Documents.

9.7 Further Assurances

Whether before or after the happening of an Event of Default, the Borrower shall at its own expense do, make, execute or deliver, or cause to be done, made, executed or delivered by other Persons, all such further acts, documents and things in connection with the Term Facility and the Financing Documents as IBM may reasonably require from time to time for the purpose of giving effect to the Financing Documents all immediately upon the request of IBM.

9.8 Assignment

9.8.1 The Borrower may not assign or transfer this Agreement or any Financing Document without IBM's prior written consent;

9.8.2 IBM may assign or otherwise transfer, in whole or in part, this Agreement or any Financing Document without having to notify the Borrower and without the consent of the Borrower, including the right to receive payments, provided that any such assignment or transfer shall be on the same terms and conditions as contained in this Agreement including, without limitation, those relating to the Applicable Margin, Interest Rate and the Repayments;

9.8.3 If IBM assigns or otherwise transfers, in whole or in part, this Agreement or any Financing Document, the Borrower shall not be required to pay any amounts to an assignee or any other Person in excess of amounts that it would have been required to pay had no such assignment been made; and

9.8.4 If IBM does so assign the right to receive payment, the Borrower agrees to make Repayments to the assignee directly on receiving written instruction from IBM to do so.

9.9 Announcements and Publicity

Neither party will make any public announcement or disclosure relating to this Agreement or any subject matter relating thereto, nor use the trade marks or copyright materials of the other, without the prior written approval of the other party, except as required by law or by any legal or regulatory authority, in which case it shall notify the other party of the announcement as soon as is reasonably practicable.

9.10 Accounting

Neither IBM nor any of its affiliated or related entities make any representation whatsoever regarding the Borrower's accounting treatment for the Term Facility, the Advances or the Repayments. IBM Corporation accounts for the Advances under the Term Facility as loans to the Borrower under US GAAP for US reporting purposes. Summary details will be made available to the Borrower upon request to IBM.

9.11 Indemnity

The Borrower shall indemnify IBM for all losses (including lost profits), costs, expenses, damages and liabilities (including, without limitation, any loss, cost, expense, damage or liability sustained by IBM in connection with the liquidation or re-employment in whole or in part of funds borrowed or acquired by it to make any Advance), which IBM may sustain or incur: (i) if the Borrower fails to give any notice required to be given by it hereunder, in the manner and at the time specified herein, or (ii) as a consequence of any other default by the Borrower to repay any Obligations when required by the terms of this Agreement (which, for greater certainty, shall not include losses caused by the negligent or wilful acts or omissions of IBM). A certificate of IBM setting forth the amounts necessary to indemnify IBM in respect of such losses, costs, expenses, damages or liabilities shall be *prima facie* evidence of the amounts owing under this section 9.11.

9.12 Limitation of Liability

IBM shall not have any liability with respect to any special, indirect or consequential damages suffered by the Borrower in connection with this Agreement, any Financing Document, any delay, omission or error in the electronic transmission or receipt of any document, or any claims in any manner related thereto. Nor shall IBM have any liability to the Borrower or any other Person for any action taken or omitted to be taken by it hereunder, except for its negligent or wilful acts or omissions.

9.13 Survival of the Outstanding Advances

Subject to Sections 8.1 and 8.2, the Borrower's right to repay the outstanding Advances plus any accrued interest in accordance with the repayment schedules agreed upon pursuant to Section 2.5.1, as such repayment schedules may be amended or extended from time to time pursuant to Section 2.5.2, shall survive the termination of the Services Agreement, for any reason, by the Borrower.

9.14 Counterparts and Electronic Transmission

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.


9.15 Entire Agreement

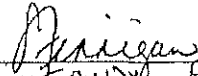
The Financing Documents constitute the entire agreement between the parties pertaining to the subject matter of the Financing Documents and supersede and replace any prior understandings or arrangements pertaining to the Term Facility. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter except as specifically set forth or referred to in the Financing Documents. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into the Financing Documents, or any amendment or supplement thereto, by any party to the Financing Documents or its directors, officers, employees or agents, to any other party to the Financing Documents or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of the Financing Documents, and none of the parties to the Financing Documents has been induced to enter into the Financing Documents or any amendment or supplement by reason of any such warranty, representation, opinion, advice or assertion of fact. Accordingly, there shall be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

[Signatures on Next Page]


above. IN WITNESS WHEREOF this Agreement has been executed as of the date first written

VICTORIAN ORDER OF NURSES FOR CANADA

By: 
Name: Francois Covillard
Title: CEO

By: 
Name: KANDY FINNIGAN
Title: VP FINANCE

IBM CANADA LIMITED

By: 
Name: Sophie DOUGAL
Title: Financial Sales Executive

SCHEDULE 1.1.7

BORROWING NOTICE

TO: IBM CANADA LIMITED ("IBM")

RE: Term Facility provided to Victorian Order of Nurses for Canada (the "Borrower")

Reference is made to a loan agreement (the "Loan Agreement") dated as of December 31, 2008 between the Borrower and IBM. This Borrowing Notice incorporates the terms of the Loan Agreement. All terms used in this Borrowing Notice which are defined in the Loan Agreement have the meanings attributed thereto in the Loan Agreement.

The Borrower hereby requests an Advance as follows:

- 1. Amount of Advance under the Term Facility: •
- 2. Proposed Drawdown Date: •
- 3. Details of IBM invoices (the "Invoices") to be paid with the Advance: •

The Borrower certifies that the services itemized and described in the Invoices have been rendered and accepted. In the event the services set out in the Invoices are not to the Borrower's satisfaction or expectation, this shall in no way whatsoever affect the Borrower's obligations (including without limitation, the Borrower's obligation to make the Repayments) under the Loan Agreement or the Term Facility.

Accordingly, the Borrower hereby irrevocably requests and directs IBM to use the Advance to pay the Invoices and this Borrowing Notice shall be IBM's good and sufficient authority to do so.

All of the representations and warranties of the Borrower in Section 5.1 of the Loan Agreement are true and correct on the date hereof as if made on and as of the date of hereof and will remain true and correct from the date hereof to the Drawdown Date.

No Default or Event of Default has occurred and is continuing nor will any Default or Event of Default occur after giving effect to the aforementioned Advance.

DATED this ■ day of ■, 200■.

VICTORIAN ORDER OF NURSES FOR CANADA

By:

Name:

Title:

Exhibit C

100

This is Exhibit C referred to in the
affidavit of Jean-Marie Poirier
sworn before me, this 24th
day of SEPTEMBER, 2013

RESTRUCTURING AGREEMENT

Angie Macdonald
Notary Public
A COMMISSIONER IN CHIEF TAKING ALL LEAVES

This RESTRUCTURING AGREEMENT ("Restructuring Agreement"), dated as March 25, 2013, is entered into by and between IBM Global Financing, a division of IBM Canada Limited, with a place of business at 3600 Steeles Avenue East, Markham, Ontario ("IBM Canada") and Victorian Order of Nurses for Canada with a place of business at 110 Argyle Avenue, Ottawa, Ontario K2P 1B4 ("Client"). IBM Canada and Client are collectively referred to as the "Parties" and each is referred to individually as a "Party".

RECITALS

- A. IBM Canada and Client are party to that certain Loan Agreement, dated as of December 31, 2008 (as amended, modified or otherwise supplemented, the "Loan Agreement");
- B. Client has advised IBM Canada that Client acknowledges that it is in default under the Loan Agreement and the Parties desire to enter into this Restructuring Agreement to restructure certain of Client's outstanding obligations to IBM Canada under the Loan Agreement on the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual agreements herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, hereby agree as follows:

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

1. Defined Terms:

"Obligations" means Client's outstanding obligations under this Restructuring Agreement and the Loan Agreement.

2. Amendment to Loan Agreement. The Loan Agreement is hereby amended as follows:

2.1 Acknowledgement of Amounts Due. The Parties agree that the amount due under the Loan Agreement is Eight Million Three Hundred Fifty Seven Thousand Thirty Five Dollars and Fifty-Two Cents (\$8,357,035.52) ("Total Outstandings"). Customer hereby agrees to pay the Total Outstandings in accordance with the terms of this Restructuring Agreement as set forth in Annex A attached hereto.

2.2 The Parties acknowledge and agree that the scheduled repayment set forth in Annex A only goes to April 1, 2014, and the remainder of the repayment term is to be determined by mutual agreement of the parties by or prior to September 30, 2013.

2.3 Failure of the Parties to determine the repayment term by or prior to September 30, 2013, shall result in a default by the Client under this Restructuring Agreement and the Lease Agreement, and IBM Canada shall have the right to demand the remainder of the unpaid Total Outstandings to be due and payable by Client in full.

2.4 Financial Reporting. Client shall provide IBM Canada with Financial Statements no later than forty-five (45) days after each quarter end, together with a comparison to the Financial Statements for the same periods in the prior year, and aged Account Payable and Account Receivable listings, all having been prepared in accordance with GAAP. Account Receivable listing is to be a detailed listing for all amounts \$50,000 and over and a single cumulative total for amounts under \$50,000

3. Reaffirmation and Grant of Security; Affirmation of Obligations.

3.1 Reaffirmation and Grant of Security. Client hereby ratifies and affirms its grant of any and all security interests in the Loan Agreement, to secure the due and punctual payment of all of the Obligations at maturity, whether by acceleration or otherwise, and at all times thereafter, as such Obligations are amended and modified by the terms of this Restructuring Agreement.

3.2 Affirmation of Obligations. Client hereby affirms and admits the indebtedness evidenced by the Loan Agreement, as modified by this Restructuring Agreement. Client acknowledges that it has no claims, offsets or defenses with respect to the payments of sums due under the Loan Agreement, as amended by this Restructuring Agreement. Client ratifies and confirms each and all of the terms, conditions and covenants of the Loan Agreement as amended or modified by this Restructuring Agreement and those provisions not so amended or modified and, except as specifically amended or modified hereby, the Loan Agreement remains unmodified and in full force and effect.

4. Miscellaneous.

4.1 Release. In exchange for the rights and benefits arising under this Restructuring Agreement, Client, on behalf of itself and each of its present and former directors, officers, employees, agents, representatives, advisors, and affiliates, releases and discharges IBM Canada and each of its present and former stockholders, directors, officers, employees, agents, representatives, advisors, and affiliates from any and all claims, causes of action, liabilities, and obligations, arising under the Loan Agreement.

4.2 Further Assurances. From and after the date hereof, without further consideration, the Parties will cooperate with each other and will execute and deliver such documents and instruments and do such other commercially reasonable acts and things as may be reasonably necessary for the purposes of carrying out the intent of this Restructuring Agreement.

4.3 Successors and Assigns. This Restructuring Agreement will be binding upon the Parties and their respective successors and assigns and will inure to the benefit of the Parties and their respective successors and assigns.

4.4 Amendment. This Restructuring Agreement may not be amended except by a written instrument signed by the Parties.

4.5 Entire Agreement. This Restructuring Agreement contains the entire agreement among the Parties hereto with respect to the subject matter hereof, and supersedes all prior agreements among the Parties with respect to those matters. In the event of any conflict between the terms of the Loan Agreement and this Restructuring Agreement, the terms of this Restructuring Agreement shall govern.

4.6 Governing Law/Attornment. This Restructuring Agreement, and the rights and liabilities of the Parties hereunder, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Restructuring Agreement.

4.7 Counterparts. This Restructuring Agreement may be executed in any number of counterparts, each of which will be deemed to be an original but all of which together will constitute one agreement. Any signature pages transmitted by telecopier or electronically will have the same legal effect as an original executed signature page.

4.8 Captions. Captions contained or cited herein are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Restructuring Agreement or the intent of any provision hereof.

4.9 Severability. Every provision of this Restructuring Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the terms or provisions of this Restructuring Agreement.

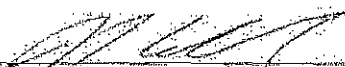
5.0 English Language. The parties hereby confirm their express wish that this agreement and all documents related thereto be drawn up in English. Les Parties reconnaissent leur volonté expresse que la présente convention de location ainsi que tous les documents qui s'y attachent soient rédigés en langue anglaise.

IN WITNESS WHEREOF, the Parties have caused this Restructuring Agreement to be duly executed as of the date first above written.

IBM GLOBAL FINANCING, a division of
IBM CANADA LIMITED

VICTORIAN ORDER OF NURSES FOR
CANADA

By: _____

By:  _____

Print: _____

Print: John Gallager

Title: _____

Title: President / CEO

ANNEX A

PAYMENT MONTH / YEAR	AMOUNT
2013	
February	
March	
April	5,569.69
May	5,569.69
June	5,569.69
July	5,569.69
August	5,569.69
September	5,569.69
October	27,848.86
November	27,848.86
December	27,848.86
2014	
January	55,696.92
Feb	55,696.92
March	55,696.92
The Repayment of this amount needs to be resolved prior to September 30, 2013	8,226,311.04

Exhibit D

This is Exhibit D referred to in the affidavit of JO-ANNE BOIRIER sworn before me, this 24th day of NOVEMBER, 2015
Jo-Anne Boirier
A COMMISSIONER IN CHIEF IN THE PROVINCE OF ONTARIO

RESTRUCTURING AGREEMENT

This RESTRUCTURING AGREEMENT ("Restructuring Agreement"), dated as of March 25 2013, is entered into by and between IBM Global Financing, a division of IBM Canada Limited, with a place of business at 3600 Steeles Avenue East, Markham, Ontario ("IBM Canada") and Victorian Order of Nurses for Canada with a place of business at 110 Argyle Avenue, Ottawa, Ontario K2P 1B4 ("Client"). IBM Canada and Client are collectively referred to as the "Parties" and each is referred to individually as a "Party".

RECITALS

- A. IBM Canada and Client are party to that certain Extended Payment Solution Agreement, dated as of November 30, 2011 (as amended, modified or otherwise supplemented, the "EPS Agreement");
- B. Client has advised IBM Canada that Client acknowledges that it is in default under the EPS Agreement to IBM Canada and the Parties desire to enter into this Restructuring Agreement to restructure certain of Client's outstanding obligations to IBM Canada under the EPS Agreement on the terms and conditions set forth herein.

EPS AGREEMENT

In consideration of the mutual agreements herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, hereby agree as follows:

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the EPS Agreement.

1. Defined Terms:

"Obligations" means Client's outstanding obligations under this Restructuring Agreement and the EPS Agreement.

2. Amendment to EPS Agreement. The EPS Agreement is hereby amended as follows:

2.1 Acknowledgement of Amounts Due. The Parties agree that the amount due under the EPS Agreement is Four Million Five Hundred Fifty Nine Thousand Seven Hundred Forty Five Dollars and Ninety Eight Cents (\$4,559,745.98) ("Total Outstandings"). Customer hereby agrees to pay the Total Outstandings in accordance with the terms of this Restructuring Agreement as set forth in Annex A attached hereto.

2.2 The Parties acknowledge and agree that the scheduled repayment set forth in Annex A only goes to April 1, 2014, and the remainder of the repayment term is to be determined by mutual agreement of the parties by or prior to September 30, 2013.

2.3 Failure of the Parties to determine the repayment term by or prior to September 30, 2013, shall result in a default by the Client under this Restructuring Agreement and the Lease Agreement, and IBM Canada shall have the right to demand the remainder of the unpaid Total Outstandings to be due and payable by Client in full.

2.4 Financial Reporting. Client shall provide IBM Canada with Financial Statements no later than forty-five (45) days after each quarter end, together with a comparison to the Financial Statements for the same periods in the prior year, including aged Account Payable and Account Receivable listings, all having been prepared in accordance with GAAP. Account Receivable listing is to be a detailed listing for all amounts \$50,000 and over and a single cumulative total for amounts under \$50,000.

3. Reaffirmation and Grant of Security; Affirmation of Obligations:

3.1 Reaffirmation and Grant of Security. Client hereby ratifies and affirms its grant of any and all security interests in the EPS Agreement, to secure the due and punctual payment of all of the Obligations at maturity, whether by acceleration or otherwise, and at all times thereafter, as such Obligations are amended and modified by the terms of this Restructuring Agreement.

3.2 Affirmation of Obligations. Client hereby affirms and admits the indebtedness evidenced by the EPS Agreement, as modified by this Restructuring Agreement. Client acknowledges that it has no claims, offsets or defenses with respect to the payments of sums due under the EPS Agreement, as amended by this Restructuring Agreement. Client ratifies and confirms each and all of the terms, conditions and covenants of the EPS Agreement as amended or modified by this Restructuring Agreement and those provisions not so amended or modified and, except as specifically amended or modified hereby, the EPS Agreement remains unmodified and in full force and effect.

4. Miscellaneous.

4.1 Release. In exchange for the rights and benefits arising under this Restructuring Agreement, Client, on behalf of itself and each of its present and former directors, officers, employees, agents, representatives, advisors, and affiliates, releases and discharges IBM Canada and each of its present and former stockholders, directors, officers, employees, agents, representatives, advisors, and affiliates from any and all claims, causes of action, liabilities, and obligations, arising under the EPS Agreement.

4.2 Further Assurances. From and after the date hereof, without further consideration, the Parties will cooperate with each other and will execute and deliver such documents and instruments and do such other commercially reasonable acts and things as may be reasonably necessary for the purposes of carrying out the intent of this Restructuring Agreement.

4.3 Successors and Assigns. This Restructuring Agreement will be binding upon the Parties and their respective successors and assigns and will inure to the benefit of the Parties and their respective successors and assigns.

4.4 Amendment. This Restructuring Agreement may not be amended except by a written instrument signed by the Parties.

4.5 Entire Agreement. This Restructuring Agreement contains the entire agreement among the Parties hereto with respect to the subject matter hereof, and supersedes all prior agreements among the Parties with respect to those matters. In the event of any conflict between the terms of the EPS Agreement and this Restructuring Agreement, the terms of this Restructuring Agreement shall govern.

4.6 Governing Law/Attornment. This Restructuring Agreement, and the rights and liabilities of the Parties hereunder, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Restructuring Agreement.

4.7 Counterparts. This Restructuring Agreement may be executed in any number of counterparts, each of which will be deemed to be an original but all of which together will constitute one agreement. Any signature pages transmitted by telecopier or electronically will have the same legal effect as an original executed signature page.

4.8 Captions. Captions contained or cited herein are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Restructuring Agreement or the intent of any provision hereof.

4.9 Severability. Every provision of this Restructuring Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the terms or provisions of this Restructuring Agreement.

5.0 English Language. The parties hereby confirm their express wish that this agreement and all documents related thereto be drawn up in English. Les Parties reconnaissent leur volonté expresse que la présente convention de location ainsi que tous les documents qui s'y attachent soient rédigés en langue anglaise.

IN WITNESS WHEREOF, the Parties have caused this Restructuring Agreement to be duly executed as of the date first above written.

IBM GLOBAL FINANCING, a division of
IBM CANADA LIMITED

VICTORIAN ORDER OF NURSES FOR
CANADA

By: _____

By: [Signature]

Print: _____

Print: John Gallinger

Title: _____

Title: President & CEO

ANNEX A

PAYMENT MONTH / YEAR	AMOUNT
2013	
February	
March	
April	3,038.92
May	3,038.92
June	3,038.92
July	3,038.92
August	3,038.92
September	3,038.92
October	15,194.61
November	15,194.61
December	15,194.61
2014	
January	30,389.22
Feb	30,389.22
March	30,389.22
The Repayment of this amount needs to be resolved prior to September 30 2013	4,488,420.40

Exhibit E

RESTRUCTURING AGREEMENT

This RESTRUCTURING AGREEMENT ("Restructuring Agreement"), dated as of March 25 2013, is entered into by and between IBM Global Financing, a division of IBM Canada Limited, with a place of business at 3600 Steeles Avenue East, Markham, Ontario ("IBM Canada") and Victorian Order of Nurses for Canada with a place of business at 110 Argyle Avenue, Ottawa, Ontario K2P 1B4 ("Client"). IBM Canada and Client are collectively referred to as the "Parties" and each is referred to individually as a "Party".

RECITALS

A. IBM Canada and Client are party to that certain Standing Order for Leased or Financed Items dated as of November 2, 2010 and the Standing Order Attachment No. 0115412SA, pursuant to which IBM Canada has provided leasing to Client under the following Supplement Numbers: 613158-01, 613158-02, 613158-03, 613158-04, and 613158-05 (together, the Standing Order Attachment and the listed Supplements, as amended, modified or otherwise supplemented, are referred to herein as the "Lease Agreement");

B. Client has advised IBM Canada that Client acknowledges it is in default under the Lease Agreement and the Parties desire to enter into this Restructuring Agreement to restructure certain of Client's outstanding obligations to IBM Canada under the Lease Agreement on the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual agreements herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, hereby agree as follows:

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Lease Agreement.

1. Defined Terms:

"Obligations" means Client's outstanding obligations under this Restructuring Agreement and the Lease Agreement.

2. Amendment to Lease Agreement. The Lease Agreement is hereby amended as follows:

2.1 Acknowledgement of Amounts Due. The Parties agree that the amount due under the Lease Agreement is One Hundred Eighty Nine Thousand Seventy Five Dollars and Thirty Four Cents (\$189,075.34) ("Total Outstandings"). Client hereby agrees to pay the Total Outstandings in accordance with the terms of this Restructuring Agreement as set forth in Annex A attached hereto.

2.2 The Parties acknowledge and agree that the scheduled repayment set forth in Annex A only goes to April 1, 2014, and the remainder of the repayment term is to be determined by mutual agreement of the parties by or prior to September 30, 2013.

2.3 Failure of the Parties to determine the repayment term by or prior to September 30, 2013, shall result in a default by the Client under this Restructuring Agreement and the Lease Agreement, and IBM Canada shall have the right to demand the remainder of the unpaid Total Outstandings to be due and payable by Client in full

This is Exhibit E referred to in the affidavit of JEANNE POIRIER sworn before me, this 24th day of September, 2013. [Signature] [Signature]

2.4 Notwithstanding anything to the contrary in this Restructure Agreement, any payments forthcoming from IBM Canada in connection with PC credits, are to be applied in addition to the PC monthly payments.

2.5 Financial Reporting. Client shall provide IBM Canada with Financial Statements no later than forty-five (45) days after each each quarter end, together with a comparison to the Financial Statements for the same periods in the prior year, including aged Account Payable and Account Receivable listings, all having been prepared in accordance with GAAP. Account Receivable listing is to be a detailed listing for all amounts \$50,000 and over and a single cumulative total for amounts under \$50,000.

3. Reaffirmation and Grant of Security; Affirmation of Obligations.

3.1 Reaffirmation and Grant of Security. Client hereby ratifies and affirms its grant of any and all security interests in the Lease Agreement, to secure the due and punctual payment of all of the Obligations at maturity, whether by acceleration or otherwise, and at all times thereafter, as such Obligations are amended and modified by the terms of this Restructuring Agreement.

3.2 Affirmation of Obligations. Client hereby affirms and admits the indebtedness evidenced by the Lease Agreement, as modified by this Restructuring Agreement. Client acknowledges that it has no claims, offsets or defenses with respect to the payments of sums due under the Lease Agreement, as amended by this Restructuring Agreement. Client ratifies and confirms each and all of the terms, conditions and covenants of the Lease Agreement as amended or modified by this Restructuring Agreement and those provisions not so amended or modified and, except as specifically amended or modified hereby, the Lease Agreement remains unmodified and in full force and effect.

4. Miscellaneous.

4.1 Release. In exchange for the rights and benefits arising under this Restructuring Agreement, Client, on behalf of itself and each of its present and former directors, officers, employees, agents, representatives, advisors, and affiliates, releases and discharges IBM Canada and each of its present and former stockholders, directors, officers, employees, agents, representatives, advisors, and affiliates from any and all claims, causes of action, liabilities, and obligations, arising under the Lease Agreement.

4.2 Further Assurances. From and after the date hereof, without further consideration, the Parties will cooperate with each other and will execute and deliver such documents and instruments and do such other commercially reasonable acts and things as may be reasonably necessary for the purposes of carrying out the intent of this Restructuring Agreement.

4.3 Successors and Assigns. This Restructuring Agreement will be binding upon the Parties and their respective successors and assigns and will inure to the benefit of the Parties and their respective successors and assigns.

4.4 Amendment. This Restructuring Agreement may not be amended except by a written instrument signed by the Parties.

4.5 Entire Agreement. This Restructuring Agreement contains the entire agreement among the Parties hereto with respect to the subject matter hereof, and supersedes all prior agreements among the Parties with respect to those matters. In the event of any conflict between the terms of the Lease Agreement and this Restructuring Agreement, the terms of this Restructuring Agreement shall govern.

4.6 Governing Law/Attornment. This Restructuring Agreement, and the rights and liabilities of the Parties hereunder, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Restructuring Agreement.

4.7 Counterparts. This Restructuring Agreement may be executed in any number of counterparts, each of which will be deemed to be an original but all of which together will constitute one agreement. Any signature pages transmitted by telecopier or electronically will have the same legal effect as an original executed signature page.

4.8 Captions. Captions contained or cited herein are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Restructuring Agreement or the intent of any provision hereof.

4.9 Severability. Every provision of this Restructuring Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the terms or provisions of this Restructuring Agreement.

5.0 English Language. The parties hereby confirm their express wish that this agreement and all documents related thereto be drawn up in English. Les Parties reconnaissent leur volonté expresse que la présente convention de location ainsi que tous les documents qui s'y attachment soient rédigés en langue anglaise.

IN WITNESS WHEREOF, the Parties have caused this Restructuring Agreement to be duly executed as of the date first above written.

IBM GLOBAL FINANCING, a division of
IBM CANADA LIMITED

VICTORIAN ORDER OF NURSES FOR
CANADA

By: _____

By: [Signature]

Print: _____

Print: John Galligan

Title: _____

Title: President & CEO

ANNEX A

PAYMENT MONTH / YEAR	AMOUNT
2013	
February	
March	
April	126.01
May	126.01
June	126.01
July	126.01
August	126.01
September	126.01
October	630.06
November	630.06
December	630.06
2014	
January	1260.13
Feb	1260.13
March	1260.13
The Repayment of this amount needs to be resolved prior to September 30 2013	186,117.74

Exhibit F

AGREEMENT (Rev 05/01)

SERVICE AGREEMENT NUMBER

SCOTIABANK
THE BANK OF NOVA SCOTIA

MONEY MANAGEMENT SERVICES
MIRROR NETTING SERVICE AGREEMENT

This Mirror Netting Service Agreement is made between:

CUSTOMERS:

name

- | | |
|--|--|
| Victorian Order of Nurses for Canada-Ontario Branch | Victorian Order of Nurses for Canada-National Office |
| Victorian Order of Nurses for Canada - Ontario Branch Centre | Victorian Order of Nurses for Canada-Ontario Branch South |
| Victorian Order of Nurses for Canada-Ontario Branch Centre | Victorian Order of Nurses for Manitoba Inc. |
| Victorian Order of Nurses Eastern Lake-Ontario Branch | Victorian Order of Nurses for Canada Nova Scotia Branch In |
| Victorian Order of Nurses for Canada - Western Region | Victorian Order of Nurses for Canada - Sudbury |

This is Exhibit F referred to in the
 affidavit of JO-ANNE FOULDR
 sworn before me, this 24th
 day of NOVEMBER, 2015

Carne MacDermid

A COMMISSIONER IN CHIEF (NOTARY PUBLIC)
Barbara S. Savelle

(each a "Customer")

and

THE BANK OF NOVA SCOTIA (the "Bank")

Ottawa Main Branch
 BRANCH OF POOL ACCOUNT

118 Sparks Street, Ottawa, Ontario K1P 5T2
 ADDRESS

In consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

1. DESIGNATED ACCOUNTS:

The Customers and the Bank agree that those accounts denominated in CAD¹ dollars, which the Customers have with the Bank and which are set out on Schedule A hereto (as supplemented and amended from time to time), shall for the purposes of this Agreement be "Designated Accounts" as of the "Effective Date". The term "Effective Date" means the date this Agreement becomes effective or, for accounts added to this Agreement by any addendum or by any amendment to Schedule "A" hereto, the date any such addendum or amendment becomes effective.

¹ Choose Canadian or US - use a separate agreement for each currency.

509
 3-30-07
 Page 1

2. POOL ACCOUNT:

For purposes of this Agreement the Bank shall designate an account held in the name of Victorian Order of Nurses for Canada - Ontario Branch² (the "Primary Customer") as a Pool Account (the "Pool Account"). No Customer, including the Primary Customer, shall be permitted to draw cheques, bills of exchange, promissory notes, or other instruments or orders for payment of money on the Pool Account.

3. PRIMARY DESIGNATED ACCOUNT:

The Primary Customer shall specify one of the Designated Accounts as the Primary Designated Account in Schedule "A" hereto, to which the Bank shall also make credit entries recording any amounts due to the Primary Customer by the Bank hereunder and make debit entries recording any amounts due to the Bank by the Primary Customer hereunder, other than net credit or debit balances in the Pool Account.

4. TRANSFER OF EXISTING DEBIT AND CREDIT BALANCES:

Each customer hereby transfers to the Pool Account all credit or debit balances existing in its Designated Account(s) as of the Effective Date. The Primary Customer hereby assumes liability for all debit balances in the Designated Accounts as of the Effective Date. Notwithstanding the foregoing, entries showing all existing credit and debit balances shall continue to be recorded in the Designated Accounts for record purposes.

5. DEBIT TRANSACTIONS:

On or after the Effective Date all cheques, bills of exchange, promissory notes, or other instruments or orders for payment of money, drawn on any Designated Account, and all debit entries made to any Designated Account, other than entries made for record purposes pursuant to paragraph 7, shall be debited to the Pool Account and the Primary Customer expressly consents to the debiting of the Pool Account as herein provided; however, the foregoing shall not constitute an obligation on the part of the Bank to honour any cheques, bills of exchange, promissory notes, or other instruments or orders for payment of money which may be drawn on any Designated Account or to make any debit entries to any Designated Account.

6. CREDIT TRANSACTIONS:

On or after the Effective Date each deposit or transfer of money authorized to be made to a Designated Account shall be credited to the Pool Account.

7. PURPOSE OF DESIGNATED ACCOUNTS:

The Bank shall record in each Customer's Designated Account all debit and credit entries which that Customer causes to be made to the Pool Account. Each Designated account shall exist for the sole purpose of recording the particulars of all debit and credit entries to the Pool Account which arise out of transactions by or dealings with each Customer. AMOUNTS WHICH APPEAR AS CREDIT ENTRIES ON THE ACCOUNT STATEMENT ISSUED TO A CUSTOMER FOR SUCH CUSTOMER'S DESIGNATED ACCOUNT ARE ACKNOWLEDGED TO BE A STATEMENT OF FUNDS WHICH THE CUSTOMER HAS CAUSED TO BE DEPOSITED TO THE POOL ACCOUNT. ANY AMOUNT WHICH APPEARS AS A DEBIT ENTRY ON SUCH ACCOUNT STATEMENT IS ACKNOWLEDGED TO BE A STATEMENT OF FUNDS WHICH THE CUSTOMER HAS CAUSED TO BE WITHDRAWN FROM THE POOL ACCOUNT. SUCH CREDIT AND DEBIT ENTRIES APPEAR ON THE ACCOUNT STATEMENT SOLELY FOR THE PURPOSE OF ASSISTING SUCH CUSTOMER WITH ITS RECORD-KEEPING.

² Indicate which of the Customers above is designated as the Primary Customer

8. NO LEGAL RELATIONSHIP CREATED BY DESIGNATED ACCOUNTS

(a) Notwithstanding any other provision of this Agreement or of any other agreement between any Customer and the Bank, the encoding of any cheque or other document with an account number of any Designated Account, the preparation or use of statements of account or other documents in respect of any Designated Account, the recording of any debit or credit entries in any Designated Account whether recorded prior to or after the recording of the correlating debit or credit entries in the Pool Account, and any other statement, practice or evidence to the contrary, no Designated Account, and no debit or credit entries now or hereafter recorded in any Designated Account, shall evidence or constitute:

- i) any present or future debt, liability or obligation of the Bank to any Customer or of any Customer to the Bank, as the case may be, except for debts or liabilities of the Bank to the Primary Customer or of the Primary Customer to the Bank, as the case may be, under the Pool Account;
- ii) any trust relationship between the Bank and any Customer; or
- iii) any waiver of any provision of this Agreement.

(b) No Customer, other than the Primary Customer, shall have any right to receive from the Bank any present or future credit balances in the Pool Account nor shall be liable for any present or future debit balances in the Pool Account.

(c) Each Customer acknowledges that for purposes of this Agreement it shall not be entitled to any amount which now or hereafter appears as a credit balance on the account statement or in the Bank's records for the applicable Designated Account nor is any Customer liable for any amount which now or hereafter appears as a debit balance on the account statement or in the Bank's records for any Designated Account. No honour by the Bank of any cheques, bills of exchange, promissory notes, or other instruments or orders for the payment of money, now or hereafter drawn on any Designated Account and no debit entries now or hereafter made to any Designated Account and no acceptance by the Bank of a deposit or transfer of money to a Designated Account shall evidence, or constitute an acknowledgement by the Bank of any right of any Customer to receive any credit balance now or hereafter in any Designated Account except for the right of the Primary Customer to receive credit balances now or hereafter in the Pool Account and the liability of the Primary Customer for debit balances now or hereafter in the Pool Account.

(d) No Customer shall be entitled to make any claim against the Bank in respect of any Designated Account or the Pool Account or otherwise contrary to this Agreement.

9. CREDIT LIMITS:

(a) The Bank may refuse to honour any drawing which in the opinion of the Bank would result in:

- i) a net debit balance in the Pool Account after the transfer of available funds provided for in paragraph 10, if applicable; or
- ii) the net debit balance in the applicable Designated Account exceeding the control limit set out in Schedule "A" hereto for that Designated Account.

(b) Notwithstanding sub-paragraph 19(a), the Bank may from time to time in its sole discretion increase or decrease any control limit for a Designated Account set out in Schedule "A" hereto without the consent of any Customer by giving notice of such increase or decrease to the Customer in whose name such Designated Account is maintained. Any such increase or decrease shall take effect immediately following receipt of such notice by the Customer in whose name such Designated Account is maintained.

10. DEBIT BALANCES:

If at any time the Pool Account reflects a net debit balance, the applicable amount shall constitute a liability of the Primary Customer payable on demand and³

- the Primary Customer shall pay the Bank interest thereon at the interest rate and on the terms established by the Bank for overdrafts in the name of the Primary Customer.
- the Bank will transfer from the Investment Account, if any, and/or advance through the Loan Account, if any, under the Primary Customer's credit facilities with the Bank, if any, (which account(s) may be set out on Schedule A hereto) as the Bank may see fit, such funds as may be available to place the Pool Account in the minimum balance position as set out on Schedule A hereto. The Bank will make such transfers in transfer multiples as may be set out on Schedule A hereto and the Bank is hereby authorized to make such entries in the said accounts as may be required to effect the transfers. The Primary Customer shall pay the Bank interest on any net debit balance remaining in the Pool Account at the interest rate and on the terms established by the Bank for overdrafts in the name of the Primary Customer.

11. CREDIT BALANCES:

If at any time the Pool Account reflects a net credit balance,⁴

- the Bank shall pay the Primary Customer interest thereon at the interest rate and on the terms established by the Bank for deposits in the name of the Primary Customer.
- the Bank will apply such amount of the net credit balance that exceeds the minimum balance position required for the Pool Account (as set out on Schedule A hereto) as a repayment of advances made through the Loan Account, if any, and/or as a credit to the Investment Account, if any, (which account(s) may be set out on Schedule A hereto) as the Bank may see fit. The Bank will make such transfers in transfer multiples as may be set out on Schedule A hereto and the Bank is hereby authorized to make such entries in the said accounts as may be required to effect the transfers. The Bank shall pay the Primary Customer interest on any net credit balance remaining in the Pool Account at the interest rate and on the terms established by the Bank for deposits in the name of the Primary Customer.

12. POSTPONEMENT:

The Customers agree that any debts or liabilities between themselves or any of them shall be deferred and postponed to any debts or liabilities of the Customers to the Bank.

13. CHARGES:

Unless otherwise agreed in writing between the Bank and the Customers, the Primary Customer shall pay the Bank charges for this service as set out or computed in accordance with the Money Management Services Notice of Rates attached hereto. The charges set out in the Money Management Services Notice of Rates are subject to change by the Bank without the consent of the Customers upon 60 days' prior written notice to the Primary Customer.

³ Choose one of the following paragraphs.

⁴ Choose one of the following paragraphs. For both options, a compensation arrangement must be in place with the Primary Customer.

14. TERMINATION:

This Agreement shall continue in effect and be binding on all parties, their successors and assigns (provided that no party may assign its rights hereunder without the consent of all other parties) unless terminated by the Bank or the Primary Customer upon at least 30 days' prior written notice to the other or unless terminated by the Bank immediately without prior notice upon default in payment of any present or future indebtedness or liability of any Customer or guarantor of any Customer to the Bank, upon service on the Bank of attachment, garnishment or other process with respect to any account of any Customer, upon the failure of any Customer to observe or perform any term, condition or provision of this Agreement or of any other agreement to which any Customer and the Bank are parties, or if any representation or warranty made by any Customer herein or in any document or certificate furnished by any Customer in connection herewith proves to be incorrect in any material respect, or if any Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an unauthorized assignment or bulk sale of its assets, or proposes a compromise or arrangement to its creditors, if any proceeding is taken with respect to a compromise or arrangement, to have any Customer declared bankrupt or wound up, or to have a receiver appointed of any part of the property and assets of any Customer or if any encumbrancer takes possession of any part thereof or any adverse change occurs in the financial or environmental condition of any Customer or any guarantor of Customer indebtedness or liability to the Bank; provided however, paragraphs 8b and 8d, all debts and liabilities of the Primary Customer under paragraphs 4, 10, 13, the representations, warranties and liabilities of all Customers under paragraphs 17 and 18 respectively, and all debts and liabilities of the Bank under paragraph 11, shall survive the termination of this Agreement.

15. CONSOLIDATION OF ACCOUNTS:

The Bank may at any time without notice to the Primary Customer or any other customer combine or consolidate all or any of the Pool Account, the Loan Account, if any, and the Investment Account, if any, and the Bank may apply all or part of any net credit balance remaining in all or any of such Accounts in or toward payment of such parts of the indebtedness and liability, present or future, of the Primary Customer to the Bank as the Bank may see fit irrespective of whether or not the Bank has made any demand for payment or such indebtedness or liability is due.

16. SEVERABILITY:

This Agreement shall remain enforceable against each of the parties notwithstanding that it has not been executed by, or is in whole or in part unenforceable against, one or more Customers. Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

17. REPRESENTATIONS:

Each Customer hereby represents and warrants to the Bank that none of the execution, delivery or performance by any Customer, nor any transaction by any Customer resulting in any debit or credit entries being made to the Pool Account, is in contravention of or in conflict with the constating documents, by-laws or resolutions of directors or shareholders of any Customer, nor contravenes or results in any contravention of any law, rule, ordinance, decree, regulation or other enactment of application to any Customer or its respective properties and assets. Each Customer further represents and warrants to the Bank that each deposit or transfer of money authorized to be made to a Designated Account and the transfer of existing credit balances referred to in paragraph 4 shall not include trust funds or funds beneficially belonging to any party other than the Customer.

18. LIABILITY :

The Customers jointly and severally agree to indemnify the Bank against all loss, liability and expenses (including without limitation legal fees on a solicitor and client basis), other than loss, liability or expenses arising from the Bank's gross negligence or wilful misconduct, which the Bank may incur or be under arising from the provisions of this Agreement, the operation of the various accounts in accordance therewith or the enforcement or preservation of the Bank's rights under this Agreement. In addition, the Bank shall not be liable for any loss, liability or expense of any Customer unless it results from the Bank's gross negligence or wilful misconduct.

19. MODIFICATION :

(a) Subject to sub-paragraph 9(b), the Bank shall have the right on 30 days' prior written notice to the Customers to make additions, deletions or changes to the service provided by it under this Agreement that it may deem necessary or advisable.

(b) Any of the Customers, other than the Primary Customer, may cease to be a party to this Agreement and the accounts of such Customers may be removed from the list of Designated Accounts in Schedule "A" upon at least 30 days' prior written notice to the Bank from the Primary Customer and the applicable Customer or Customers and upon the written acceptance thereof by the Bank.

(c) An additional customer or customers may become a party to this Agreement and the accounts of such customers may be added to the list of Designated Accounts in Schedule "A" upon the execution of an addendum to this Agreement by the Customers and the additional customer(s) and upon the written acceptance thereof by the Bank. Upon acceptance thereof by the Bank, the provisions of this Agreement including without limitation the term "Customer" shall extend to and be binding upon such additional customer or customers.

(d) The reference in this Agreement to Schedule "A" shall include amendments to Schedule "A" so that the document referred to as Schedule "A" in this Agreement shall at all times be the most current version thereof signed by the authorized representatives of the Bank and the Primary Customer.

20. EFFECT ON OTHER AGREEMENTS:

Except as specifically modified by this Agreement, other arrangements and agreements between the Customers and the Bank or other rights which the Bank may have under law respecting loans, deposit or other banking matters shall continue to apply.

21. NOTICES

Except as otherwise provided in this Agreement, all notices required to be given pursuant to this Agreement shall be in writing and shall be delivered to the address of the other party or parties as indicated in this Agreement or to such other address as may be notified to the other party or parties during the currency of this Agreement.

22. GOVERNING LAW:

This Agreement shall be governed by and construed in accordance with the laws in force in the Province where the branch at which the Pool Account is maintained, is located.

23. LANGUAGE:

The parties require that this Agreement and all related documents be drawn in English. Les parties exigent que cette convention et tous documents qui s'y rattachant soient rédigés en anglais.

24. This Agreement may be executed counterparts and shall be binding upon the parties executing in such a fashion as if the Agreement had been originally signed by all parties at one time.

25. The Mirror Netting Service Agreement shall replace any existing Mirror Netting Service Agreement bearing the same agreement number previously entered into between the Customers and the Bank and shall be effective when implemented by the Bank.

THE BANK OF NOVA SCOTIA

By: _____
Manager

Date _____

Victorian Order of Nurses for Canada-Ontario Branch *
Customer Name

Victorian Order of Nurses for Canada-National Office *
Customer Name

By: _____
Title

By: _____
Title

By: _____
Title

By: _____
Title

Date _____

Date _____

Victorian Order of Nurses for Canada - Ontario Branch Central East *
Customer Name

Victorian Order of Nurses for Canada-Ontario Branch SouthWest Planning Centre *
Customer Name

By: _____
Title

By: _____
Title

By: _____
Title

By: _____
Title

Date _____

Date _____

*This Agreement must be executed on behalf of each Customer by its properly authorized officers.

Victorian Order of Nurses for Canada-Ontario Branch Central Planning Centre *
Customer Name

By: _____
Title

By: _____
Title

Date _____

Victorian Order of Nurses for Manitoba Inc.
Customer Name

By: _____
Title

By: _____
Title

Date _____

Victorian Order of Nurses Eastern Lake-Ontario Branch*
Customer Name

By: _____
Title

By: _____
Title

Date _____

Victorian Order of Nurses for Canada Nova Scotia Branch Inc.*
Customer Name

By: _____
Title

By: _____
Title

Date _____

Victorian Order of Nurses for Canada - Western Region *
Customer Name

By: _____
Title

By: _____
Title

Date _____

Victorian Order of Nurses for Canada - Sudbury*
Customer Name

By: _____
Title

By: _____
Title

Date _____

Customer Name

By: _____
Title

By: _____
Title

Date _____

Customer Name

By: _____
Title

By: _____
Title

Date _____

*This Agreement must be executed on behalf of each Customer by its properly authorized officers.

SCHEDULE A TO MIRROR NETTING SERVICE AGREEMENT

Primary Designated Account:

Branch of Account - 40006 Ottawa Main Branch
Account Number - 400060366218

Pool Account:

Branch of Account - 40006 Ottawa Main Branch
Account Number - 40006 00174 18
Minimum Balance - \$1,000
Transfer in multiples of - \$ 10,000 (for transfers to and from Pool Account)

- *Loan Account: Branch of Account - 40006 Ottawa Main Branch, Account Number - 40006 0010775 01
*Investment Account: Branch of Account -, Account Number -
*Positioning Type Debit Balances (select one only) - From Investment Account to Pool Account, From Loan Account to Pool Account, From Investment Account and/or Loan Account to Pool Account
*Positioning Type Credit Balances (select one only) - From Pool Account to Loan Account, From Pool Account to Investment Account, From Pool Account to Loan Account and/or Investment Account

* Select if applicable.

Designated Accounts:

Table with 4 columns: NAME OF CUSTOMER (and branch or division of the Customer if applicable), BRANCH OF ACCOUNT, ACCOUNT NUMBER, CONTROL LIMIT. Rows include Victorian Order of Nurses Eastern Lake Ontario Branch, Victorian Order of Nurses for Canada-Ontario Branch Central East Corporate Centre, Victorian Order of Nurses for Canada-National Office, Victorian Order of Nurses for Canada-Ontario Branch South West Planning Centre, Victorian Order of Nurses for Canada-Ontario Branch, and Victorian Order of Nurses for Canada-Ontario Branch Central Planning Centre.

Exhibit G

This is Exhibit 6 referred to in the
affidavit of JO-ANNE POIRIER
sworn before me, this 24th
day of NOVEMBER, 2015

Gene Macdonald

COMMISSIONER IN CHIEF
Barbara Smith

**Victorian Order of Nurses
for Canada - Eastern Region**

Financial Statements
March 31, 2015



June 20, 2015

Independent Auditor's Report

**To the Board of Directors of
Victorian Order of Nurses for Canada - Eastern Region**

We have audited the accompanying financial statements of Victorian Order of Nurses for Canada - Eastern Region ("VON Eastern Region"), which comprise the balance sheet as at March 31, 2015 and the statements of changes in net liabilities, operations and cash flows for the year then ended, and related notes, which comprise a summary of significant accounting policies and explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

*PricewaterhouseCoopers LLP
99 Bank Street, Suite 800, Ottawa, Ontario, Canada K1P 1E4
T: +1 613 237 3702, F: +1 613 237 3963*

*PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of VON Eastern Region as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

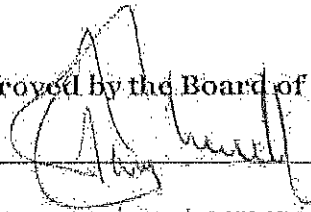
Victorian Order of Nurses for Canada Eastern Region

Balance Sheet

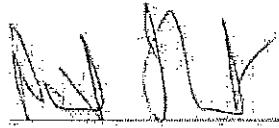
As at March 31, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Accounts receivable (note 3)	682,141	635,364
Receivable from related parties (note 9)	5,057	1,138,622
Prepaid expenses and other assets	129,081	187,549
	<u>816,279</u>	<u>1,961,535</u>
Capital assets (note 4)	<u>73,949</u>	<u>58,164</u>
	<u>890,228</u>	<u>2,019,699</u>
Liabilities and Net Liabilities		
Current liabilities		
Bank indebtedness	978,862	1,955,985
Accounts payable and accrued liabilities (note 6)	889,272	894,585
Payable to related parties (note 9)	129,640	126,229
Deferred revenue	201,798	51,708
	<u>2,199,562</u>	<u>3,028,507</u>
Deferred contributions for capital assets (note 7)	<u>5,551</u>	
	2,205,113	3,028,507
Net liabilities		
Unrestricted	<u>(1,314,885)</u>	<u>(1,008,808)</u>
	<u>890,228</u>	<u>2,019,699</u>

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

Victorian Order of Nurses for Canada - Eastern Region
Statement of Changes in Net Liabilities
For the year ended March 31, 2015

	Balance – Beginning of year \$	Net expense for the year \$	Balance – End of year \$
Unrestricted	(1,008,808)	(306,077)	(1,314,885)

The accompanying notes are an integral part of these financial statements.

Victorian Order of Nurses for Canada - Eastern Region

Statement of Operations

For the year ended March 31, 2015

	2015	2014
	\$	\$
Revenue		
Fees for service	4,937,622	5,740,860
Donations and fundraising	5,229	18,398
Program grants	1,696,040	1,305,963
Miscellaneous	55,829	33,593
Amortization of deferred contributions for capital assets	191	108
	<u>6,694,711</u>	<u>7,098,922</u>
Expense		
Salaries and benefits	4,430,513	4,880,209
Mileage and travel	273,562	281,643
Direct program costs	784,008	822,036
Occupancy costs	376,057	330,964
Administrative, office and general expenses	268,857	274,636
Bad debts	14,621	96,204
Telecommunication costs	94,954	101,487
Information technology services	7,607	9,643
Corporate allocation fees (note 9)	729,594	829,007
Amortization of capital assets	21,015	18,056
	<u>7,000,788</u>	<u>7,623,885</u>
Net expense for the year	<u>(306,077)</u>	<u>(524,963)</u>

The accompanying notes are an integral part of these financial statements.

Victorian Order of Nurses for Canada - Eastern Region

Statement of Cash Flows

For the year ended March 31, 2015

	2015 \$	2014 \$
Cash flows provided by (used in)		
Operating activities		
Net expense for the year	(306,077)	(524,963)
Items not affecting cash –		
Amortization of capital assets	21,015	18,056
Amortization of deferred contributions for capital assets	(191)	(108)
Net change in non-cash working capital items	<u>1,293,444</u>	<u>(64,991)</u>
	1,008,191	(572,006)
Investing activity		
Purchases of capital assets	(36,800)	(39,716)
Financing activity		
Deferred contributions for capital assets received	<u>5,742</u>	<u>—</u>
Net change in cash (bank indebtedness) for the year	977,133	(611,722)
Bank indebtedness – Beginning of year	<u>(1,955,985)</u>	<u>(1,344,263)</u>
Bank indebtedness – End of year	<u>(978,852)</u>	<u>(1,955,985)</u>

The accompanying notes are an integral part of these financial statements.

Victorian Order of Nurses for Canada - Eastern Region

Notes to Financial Statements

March 31, 2015

1 Description of activities and status

Victorian Order of Nurses for Canada Eastern Region ("VON Eastern Region") is incorporated without share capital under the *Canada Not-for-Profit Corporations Act*. Victorian Order of Nurses for Canada Eastern Region provides nursing and home support services for the preservation and strengthening of family life throughout the province on behalf of funders and clients. VON Eastern Region's statement of purpose is to provide an enhanced quality of life for Canadians through cost-effective, community-based health care and social service. VON Eastern Region is guided by the principles of primary healthcare and works in partnership with Canadians for a healthier society through leadership in community-based care, delivery of innovative, comprehensive health and social services, and influence in the development of health and social policy. VON Eastern Region is a registered charitable organization exempt from income taxes.

2 Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

Capital assets

Capital assets are initially recorded at cost and are then amortized over their estimated useful service lives, on a straight-line basis, as follows:

Furniture, equipment and fixtures	2 to 7 years
Computer hardware and software	2 to 3 years

Revenue recognition

Fees for service received are recognized in the period in which the service is delivered.

VON Eastern Region follows the deferral method of accounting for donations and program grants. Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted donations and program grants are deferred and recognized as revenue in the year the related expenses are incurred.

Externally restricted contributions for capital assets are deferred and amortized on the same basis as the capital assets purchased.

Victorian Order of Nurses for Canada - Eastern Region

Notes to Financial Statements

March 31, 2015

Contributed services

Volunteers contribute numerous hours to assist VON Eastern Region in carrying out certain charitable aspects of its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not reflected in the financial statements.

Pension plan

VON Eastern Region is a participating sponsor of the VON Canada Pension Plan ("the Plan"), which provides benefits to employees through participation in a contributory, defined benefit pension plan for all eligible employees of VON Canada and of the former branches of VON. Pension benefits are based on years of service and final average earnings. Annual funding requirements are determined in consultation with actuaries to provide long-term stability to the Plan.

VON Eastern Region accounts for the Plan, which meets the definition of a multiemployer plan, using standards for defined contribution plans as VON Eastern Region is not able to identify its share of underlying assets and liabilities. Contributions for the plan are expensed as incurred.

3 Financial instruments

Accounts receivable is comprised of:

	2015	2014
	\$	\$
Veterans Affairs	165,158	242,139
HST rebates	47,906	43,671
Other	489,821	417,952
Allowance for doubtful accounts	(20,744)	(68,398)
	682,141	635,364

4 Capital assets

	2015		2014	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Furniture, equipment and fixtures	119,900	55,634	64,266	50,885
Computer hardware and software	13,421	3,738	9,683	7,279
	133,321	59,372	73,949	58,164

Cost and accumulated amortization amounted to \$96,522 and \$38,358 at March 31, 2014 respectively.

Victorian Order of Nurses for Canada - Eastern Region

Notes to Financial Statements

March 31, 2015

5 Bank indebtedness

VON Canada has an operating line of credit of \$4,000,000, bearing interest at prime plus 1.50% with a standby fee of 0.125% on any unused portion. A general security agreement over all present and future personal property with insurance coverage has been pledged.

6 Government remittances

Government remittances (CPP, EI and income taxes) in the amount of \$74,582 (2014 - \$85,604) are included in accounts payable and accrued liabilities.

7 Deferred contributions for capital assets

	Balance -- Beginning of the year \$	Contributions received \$	Amortization of contributions \$	Balance -- End of the year \$
Deferred contributions for capital assets	-	5,742	(191)	5,551

8 Employee future benefits

VON Eastern Region participates in a multiemployer defined benefit pension plan providing pension benefits to various participating entities. Assets contributed by one participating entity are not segregated in a separate account or restricted to provide benefits only to employees of such entity and, thus, may be used to provide benefits to employees of other participating entities. The Board of Directors of VON Canada administers the plan and its investments. This multiemployer defined benefit pension plan is accounted for by VON Eastern Region using the accounting standards for defined contribution plans as there is insufficient information to apply defined benefit pension plan accounting. Accordingly, VON Eastern Region's pension expense in respect to this plan of \$190,916 (2014 - \$203,324) is their annual funding contribution and VON Eastern Region does not recognize its share of the plan deficit.

This registered pension plan is funded by participating entities in the amount required by governing legislation and determined by the plan's actuary. The most recent actuarial valuation of the Plan for funding and accounting purposes was completed on January 1, 2014 and indicated required annual employer funding contributions by all participating entities to be \$9,872,904. The next valuation will be completed with an effective date no later than of January 1, 2017.

Victorian Order of Nurses for Canada - Eastern Region

Notes to Financial Statements

March 31, 2015

The funding deficit for the Plan in its entirety for all participating VON Canada related entities is as follows (000's):

	2015	2014
	\$	\$
Plan assets at fair value	375,968	301,125
Present value of future pension obligation	(358,370)	(316,981)
Valuation allowance	(18,769)	-
	<u>(1,171)</u>	<u>(15,856)</u>
Funding deficit	(1,171)	(15,856)

9 Related party balances and transactions

During the year, corporate allocation fees of \$729,594 (2014 - \$829,007) were charged by VON Canada. VON Canada controls VON Eastern Region as it shares the same management team and Board of Directors.

These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties involved.

The balances due to related parties are non-interest bearing with no fixed repayment date.

Receivable from related parties includes:

	2015	2014
	\$	\$
VON Ontario	5,057	11,099
VON Nova Scotia	-	1,127,523
	<u>5,057</u>	<u>1,138,622</u>

Payable to related parties includes:

	2015	2014
	\$	\$
VON Canada	109,622	128,229
VON Nova Scotia	20,018	-
	<u>129,640</u>	<u>128,229</u>

Victorian Order of Nurses for Canada - Eastern Region
Notes to Financial Statements
March 31, 2015

10 Commitments

VON Eastern Region is committed to minimum annual payments under operating leases for equipment and premises over the next five years and beyond as follows:

	\$
Year ending March 31, 2016	170,774
2017	141,883
2018	129,951
2019	110,917
2020	63,500
2021 and beyond	21,920

**Victorian Order of Nurses
for Canada**

Non-Consolidated Financial Statements
March 31, 2015
(Unaudited)

Victorian Order of Nurses for Canada

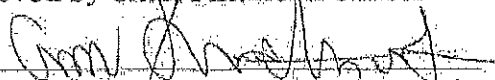
Non-Consolidated Balance Sheet

As at March 31, 2015

(Unaudited)

	2015 \$	2014 \$
Assets		
Current assets		
Cash	2,401,441	2,059,187
Accounts receivable	466,020	587,827
Receivable from related parties (note 10)	3,346,056	4,359,467
Prepaid expenses and other assets	532,606	894,618
	<u>6,746,123</u>	<u>7,901,099</u>
Capital assets (note 3)	<u>5,289,624</u>	<u>6,146,036</u>
	<u>12,035,747</u>	<u>14,047,135</u>
Liabilities and Net Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	5,707,527	6,829,915
Payable from related parties (note 10)	146,935	85,030
Deferred revenue	436,037	310,361
Deferred contributions (note 6)	2,218,585	1,195,813
Current portion long-term debt (note 7)	1,089,360	1,470,507
	<u>9,598,444</u>	<u>9,891,626</u>
Long-term debt (note 7)	<u>16,403,080</u>	<u>17,263,429</u>
Employee future benefits (note 8)	<u>1,170,879</u>	<u>15,856,000</u>
	<u>27,172,403</u>	<u>43,011,055</u>
Net liabilities		
Unrestricted	(15,742,591)	(29,557,309)
Endowments (note 9)	605,935	593,389
	<u>(15,136,656)</u>	<u>(28,963,920)</u>
	<u>12,035,747</u>	<u>14,047,135</u>

Approved by Chief Financial Officer



The accompanying notes are an integral part of these non-consolidated financial statements.

Victorian Order of Nurses for Canada

Non-Consolidated Statement of Changes in Net Liabilities

For the year ended March 31, 2015

(Unaudited)

	Balance -- Beginning of year \$	Net revenue for the year \$	Re- measurements and other items \$	Transfers-in \$	Endowment contributions \$	Balance -- End of year \$
Unrestricted	(29,557,309)	2,795,294	11,207,000	(187,576)	-	(15,742,591)
Endowments (note 9)	593,389				12,546	605,935
	<u>(28,963,920)</u>	<u>2,795,294</u>	<u>11,207,000</u>	<u>(187,576)</u>	<u>12,546</u>	<u>(15,136,656)</u>

The accompanying notes are an integral part of these non-consolidated financial statements.

Victorian Order of Nurses for Canada

Non-Consolidated Statement of Operations

For the year ended March 31, 2015

(Unaudited)

	2015 \$	2014 \$
Revenue		
Fees for service	810,266	435,009
Corporate allocation fees (note 10)	26,454,217	24,612,593
Donations and fundraising	1,158,160	630,196
Program grants	411,229	289,935
Investment income and miscellaneous	401,857	673,196
	<u>29,235,729</u>	<u>26,640,929</u>
Expense		
Salaries and benefits	13,246,356	13,535,054
Mileage and travel	467,699	476,062
Direct program costs	49,065	7,825
Occupancy costs	1,007,906	959,120
Bad debts	50,000	
Administrative, office, and general expenses	3,454,025	3,145,435
Telecommunications costs	421,421	202,394
Information technology services	5,271,941	7,245,258
Interest on long-term debt	377,242	341,755
Amortization of capital assets	2,094,780	2,043,009
	<u>26,440,435</u>	<u>27,955,912</u>
Net revenue (expense) before the under noted	2,795,294	(1,314,983)
Gain on disposal of capital assets	-	847,092
Net revenue (expense) for the year	<u>2,795,294</u>	<u>(467,891)</u>

The accompanying notes are an integral part of these non-consolidated financial statements.

Victorian Order of Nurses for Canada

Non-Consolidated Statement of Cash Flows

For the year ended March 31, 2015

(Unaudited)

	2015 \$	2014 \$
Cash flows from (used in)		
Operating activities		
Net revenue (expense) for the year	2,795,294	(467,891)
Items not affecting cash –		
Amortization of capital assets	2,094,780	2,043,009
Pension expense	(1,924,976)	(1,396,357)
Fair value change in investments	(12,447)	
Gain on disposal of capital assets		(847,092)
Cash paid for pension benefits	(1,553,145)	(636,843)
Net change in non-cash working capital items	1,393,118	1,672,867
	<u>2,792,624</u>	<u>367,893</u>
Investing activities		
Sale (purchases) of investments, net	16,948	(4,046)
Proceeds on sale of capital assets		3,698,590
Purchases of capital assets	(1,238,368)	(725,911)
	<u>(1,221,420)</u>	<u>2,968,633</u>
Financing activities		
Advances from long-term debt	104,011	3,242,009
Repayments of long-term debt	(1,345,507)	(140,609)
Endowment contributions	12,546	1,075
	<u>(1,228,950)</u>	<u>3,102,475</u>
Net change in cash for the year	342,254	6,439,001
Cash (Bank indebtedness) – Beginning of year	2,059,187	(4,379,814)
Cash – End of year	2,401,441	2,059,187

The accompanying notes are an integral part of these non-consolidated financial statements.

Victorian Order of Nurses for Canada

Notes to Non-Consolidated Financial Statements

March 31, 2015

1 Description of activities and status

Victorian Order of Nurses for Canada ("VON Canada") is incorporated without share capital under the *Canada Not-for-Profit Corporations Act*. VON Canada's statement of purpose is to provide an enhanced quality of life for Canadians through cost-effective, community-based health care and social service. VON Canada is guided by the principles of primary healthcare and works in partnership with Canadians for a healthier society through leadership in community-based care, delivery of innovative, comprehensive health and social services, and influence in the development of health and social policy. VON Canada is a registered charitable organization exempt from income taxes.

2 Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

Investments

Investments are measured at fair value using quoted market close prices. Dividends, interest and changes in fair value are included in investment income and miscellaneous income in the statement of operations.

Capital assets

Capital assets are initially recorded at cost and are then amortized over their estimated useful service lives, on a straight-line basis, as follows:

Buildings	25 to 40 years
Furniture, equipment and fixtures	2 to 7 years
Computer hardware and software	2 to 10 years
Leasehold improvements	Term of the lease

Revenue recognition

Fees for service received are defined and recognized in the period in which the service is delivered.

VON Canada follows the deferral method of accounting for contributions. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and

Victorian Order of Nurses for Canada

Notes to Non-Consolidated Financial Statements

March 31, 2015

collection is reasonably assured. Externally restricted donations and program grants are deferred and recognized as revenue in the year the related expenses are incurred.

Endowment contributions are recorded as direct increases in net assets. No encroachment on capital is permitted. Income that may be used for general purpose is recognized as revenue when earned. Income earned on the Helen Mussallem Education and Dr. Judith Shamlian funds is deferred (note 9) and recognized as revenue in the year the related expenses are incurred for leadership and staff education.

Contributed services

Volunteers contribute numerous hours to assist VON Canada in carrying out certain charitable aspects of its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not reflected in these financial statements.

Employee future benefits

VON Canada and its related entities are participating sponsors of the VON Canada Pension Plan ("the Plan"), which provides benefits to employees through participation in a contributory, defined benefit pension plan for all eligible employees of VON Canada and of the former branches of VON that have left the organization, based on years of service and final average earnings. Annual funding requirements are determined in consultation with actuaries.

Because VON Canada is not able to identify the shares of underlying assets and liabilities belonging to its related entities the related entities account for the Plan using the standards for defined contribution plans. The related entities expense employer contributions as incurred. VON Canada accounts for the plan using the standards for defined benefit plans, as it accrues the obligations for all related entities under the Plan and related costs, net of plan assets.

The accrued benefit obligations are actuarially determined based on the most recent actuarial valuation report prepared for accounting purposes.

Under the immediate recognition approach, actuarial gains and losses (and past service costs) are included in the cost of employee future benefits for the year. Re-measurements and other items are recognized directly in net liabilities.

When the fair value of the plan assets exceeds the defined benefit obligation, the plan surplus is recognized as a defined benefit asset only to the extent it is expected to be realized by VON Canada. VON Canada recognizes a valuation allowance for any excess of the plan surplus over the expected future benefit. Changes in the valuation allowance are recognized in net liabilities in the period in which the change occurs.

In addition, VON Canada's Supplemental Executive Retirement Plan (SERP) provides supplement pension benefits to certain employees. These benefits are unfunded but are guaranteed through the issuance of a one-year renewable letter of credit, issued to the trustee of this plan.

Victorian Order of Nurses for Canada

Notes to Non-Consolidated Financial Statements

March 31, 2015

3 Capital assets

			2015	2014
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Land	175,000	--	175,000	-
Buildings	635,000	76,200	558,800	-
Furniture, equipment and fixtures	38,578	8,122	30,456	51,467
Computer hardware and software	16,158,651	11,868,541	4,290,110	5,831,280
Leasehold improvements	267,231	31,973	235,258	263,289
	17,274,460	11,984,836	5,289,624	6,146,036

Cost and accumulated amortization were \$15,985,292 and \$9,839,256 at March 31, 2014 respectively.

4 Bank indebtedness

VON Canada has an operating line of credit of \$4,000,000 bearing interest at prime plus 1.5% with a standby fee of 0.125% on any unused portion. A general security agreement over all present and future personal property with insurance coverage has been pledged.

The line of credit was unused as at March 31, 2015.

5 Government remittances

Government remittances (CPP, EI, income taxes, employer health tax, WSIB) \$296,848 (2014 - \$278,182) are included in accounts payable and accrued liabilities.

6 Deferred contributions

Deferred contributions represent funds that have been donated or received with a special purpose identified by donor or funder. VON Canada does not have authority over the use of these funds.

	Balance – Beginning of the year	Contributions received	Contributions spent	Balance – End of the year
	\$	\$	\$	\$
Deferred contributions	1,195,813	1,985,146	(962,374)	2,218,585

Victorian Order of Nurses for Canada

Notes to Non-Consolidated Financial Statements

March 31, 2015

7 Long-term debt

	2015	2014
	\$	\$
IBM	13,769,777	14,769,777
Community Corporations	3,722,663	3,964,159
	<u>17,492,440</u>	<u>18,733,936</u>
Less: current portion of long-term debt	(1,089,360)	(1,470,507)
	<u>16,403,080</u>	<u>17,263,429</u>

VON Canada entered into an unsecured agreement with IBM Canada Limited to finance its obligation under the master services agreement for its business transformation initiative.

The indebtedness bears interest at 2.00% per annum. Annual minimum repayments of \$1,000,000 are required together with additional quarterly payments in arrears of 50% of free cash flow as calculated in accordance with the agreement. No additional payments were made during the year.

VON Community Corporations are legally incorporated entities with their own Boards of Directors and have fundraising, advocacy and community development roles. These entities are voting members of VON Canada.

The amounts due to the Community Corporations represent contingent notes are unsecured and bear interest at rates ranging from 0% to 5% per annum and a short-term unsecured loan of \$255,000 bearing interest at 1.6%. During the year repayments of \$345,507 (2014 \$10,000) and advances of \$14,651 (2014 -\$3,242,009) were made during the year. Interest on the notes for the year amounted to \$ 89,360 (2014 - \$70,698) which remains unpaid as at March 31, 2015. The parties have agreed that the interest will be repayable commencing April 2015. There will be no repayments under the contingent notes for the year ending March 31, 2016. There are no minimum annual repayments under the contingent notes availability of free cash flow as calculated in accordance with the agreement and the approval of the bank.

Victorian Order of Nurses for Canada

Notes to Non-Consolidated Financial Statements

March 31, 2015

8 Employee future benefits

Extrapolations of actuarial valuations prepared as at January 1, 2014 for the VON Canada Pension Plan and September 30, 2014 for the Aberdeen Pension Plan (2014 – January 1, 2013 and September 30, 2013) indicated the following information about the VON Canada Pension Plan, SERP and Aberdeen Pension Plan, respectively, and the measurement date of March 31 each year (\$ 000).

	2015				2014			
	VON Canada Pension Plan \$	SERP \$	Aberdeen Pension Plan \$	Total \$	VON Canada Pension Plan \$	SERP \$	Aberdeen Pension Plan \$	Total \$
Fair value of plan assets	373,524	24	2,420	375,968	299,242	20	1,863	301,125
Defined benefit obligation	(354,904)	(313)	(3,153)	(358,370)	(313,822)	(281)	(2,878)	(316,981)
Valuation allowance	(18,769)	-	-	(18,769)	-	-	-	-
Deficit	(149)	(289)	(733)	(1,171)	(14,580)	(281)	(1,015)	(15,856)

During the year, VON Canada charged the VON Pension Plan \$365,726 (2014 – \$350,207) for administrative services rendered and other costs incurred on behalf of the Plan.

These transactions were recorded at the exchange amount, which is the amount of consideration established and agreed to by the parties involved.

VON Canada is the administrator of the VON Canada Pension Plan. VON Canada has declared partial pension plan wind-ups on behalf of four former VON branches. The effect of these declarations is that the solvency deficiency related to those branches is crystallized. The financial condition of those branches is such that they cannot be expected to fund their deficits; three of the four have declared bankruptcy. The Financial Services Tribunal has determined that those branches are solely responsible for funding the deficits associated with their employees.

An application with the Pension Benefit Guarantee Fund (PBGF) was filed and in April 2013 the VON Canada Pension Plan received \$2,268,819 from the PBGF for three of the branches and has an application with PBGF to receive funds for one other branch. VON Canada plans to fund the difference between the amounts paid by PBGF and the total deficit up to \$400,000. During the fiscal year 2015 VON Canada paid \$251,121 of this deficit. The remaining \$148,879 has been accrued and is included in the pension obligation disclosed above.

Effective January 1, 2013, active members of the Aberdeen Pension Plan stopped accruing service under that plan and started instead to accrue service under the VON Canada Pension Plan. VON Canada is working with the Financial Services Commission of Ontario to have the Aberdeen Pension Plan rolled into the VON Canada Pension Plan.

Victorian Order of Nurses for Canada

Notes to Non-Consolidated Financial Statements

March 31, 2015

9 Endowments

	2014	2013
	\$	\$
Duchess of Connaught Fund	222,401	222,401
Countess of Minto Fund	112,364	112,364
The Wayne and Joan Myles Fund	73,629	68,000
Dr Helen Mussallem Education Fund	91,580	89,624
Dr. Judith Shamian Fund	105,961	101,000
	<u>605,935</u>	<u>593,389</u>

10 Related party balances and transactions

During the year, corporate allocation fees of \$26,454,217 (2014 – \$24,612,593) were paid to VON Canada by entities related to VON Canada.

These transactions are recorded at the exchange amount which is the amount established and agreed to by the related parties involved.

The balances due to related parties are non-interest bearing with no fixed repayment date.

Receivable from related parties includes:

	2015	2014
	\$	\$
VON Nova Scotia	1,734,048	1,874,356
VON Ontario	1,458,368	2,273,445
VON Eastern Region	109,622	126,229
VON Western Region	44,018	85,437
	<u>3,346,056</u>	<u>4,359,467</u>

Payable to related parties includes:

	2015	2014
	\$	\$
VON NP-Led Clinic	114,850	85,030
VON 360 Degree NP-Led Clinic	32,085	-
	<u>146,935</u>	<u>85,030</u>

Victorian Order of Nurses for Canada
Notes to Non-Consolidated Financial Statements
March 31, 2015

11 Commitments

VON Canada is committed to minimum annual payments under operating leases for equipment, premises and services over the next five years as follows:

		\$
Year ending March 31,	2016	7,161,354
	2017	5,342,690
	2018	4,191,526
	2019	1,051,338
	2020	148,698

**Victorian Order of Nurses
for Canada - Western
Region**

Financial Statements
March 31, 2015



June 20, 2015

Independent Auditor's Report

**To the Board of Directors of
Victorian Order of Nurses for Canada - Western Region**

We have audited the accompanying financial statements of Victorian Order of Nurses for Canada - Western Region ("VON Western Region"), which comprise the balance sheet as at March 31, 2015 and the statements of changes in net liabilities, operations and cash flows for the year then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accepted accounting principles for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PricewaterhouseCoopers LLP
99 Bank Street, Suite 800, Ottawa, Ontario, Canada K1P 1E4
T: +1 613 237 3702, F: +1 613 237 3963

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of VON Western Region as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

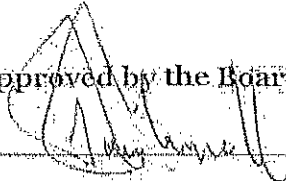
Victorian Order of Nurses for Canada - Western Region

Balance Sheet

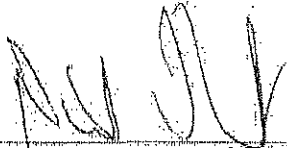
As at March 31, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Cash	2,510	2,510
Accounts receivable (note 3)	556,638	346,652
Receivable from related party (note 9)	16,381	50,789
Prepaid expenses and other assets	43,244	25,784
	<u>618,773</u>	<u>425,735</u>
Capital assets (note 4)	112,167	14,280
	<u>730,940</u>	<u>440,015</u>
Liabilities and Net Liabilities		
Current liabilities		
Bank indebtedness	4,407,878	3,641,242
Accounts payable and accrued liabilities (note 6)	409,791	283,661
Payable to related parties (note 9)	46,167	85,437
Deferred revenue	4,500	-
	<u>4,868,336</u>	<u>4,010,340</u>
Deferred contributions for capital assets (note 7)	35,333	-
	<u>4,903,669</u>	<u>4,010,340</u>
Net liabilities		
Unrestricted	<u>(4,172,729)</u>	<u>(3,570,325)</u>
	<u>730,940</u>	<u>440,015</u>

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

Victorian Order of Nurses for Canada - Western Region
Statement of Changes in Net Liabilities
For the year ended March 31, 2015

	Balance – Beginning of year \$	Net (expense) for the year \$	Balance – End of year \$
Unrestricted	(3,570,325)	(602,404)	(4,172,729)

The accompanying notes are an integral part of these financial statements.

Victorian Order of Nurses for Canada - Western Region

Statement of Operations

For the year ended March 31, 2015

	2015 \$	2014 \$
Revenue		
Fees for service	4,492,963	4,863,581
Donations and fundraising	12,749	46,474
Program grants	229,899	610,687
Amortization of deferred contributions for capital assets	4,667	1,255
	<u>4,740,278</u>	<u>5,521,997</u>
Expense		
Salaries and benefits	3,697,285	4,114,770
Mileage and travel	228,928	192,445
Direct program costs	256,877	217,733
Occupancy costs	396,651	347,845
Administration, office and general expenses	149,679	108,437
Telecommunication costs	81,582	87,304
Information technology services	6,246	7,277
Bad debts	-	101,907
Corporate allocation expense (note 9)	504,316	730,010
Amortization of capital assets	21,118	7,108
	<u>5,342,682</u>	<u>5,914,836</u>
Net (expense) for the year	<u>(602,404)</u>	<u>(392,839)</u>

The accompanying notes are an integral part of these financial statements.

Victorian Order of Nurses for Canada - Western Region

Statement of Cash Flows

For the year ended March 31, 2015

	2015 \$	2014 \$
Cash flows provided by (used in)		
Operating activities		
Net (expense) for the year	(602,404)	(392,839)
Items not affecting cash		
Amortization of deferred contributions for capital assets	(4,667)	(1,255)
Amortization of capital assets	21,118	7,108
Net change in non-cash working capital items	(101,878)	(164,679)
	<u>(687,831)</u>	<u>(551,665)</u>
Investing activity		
Purchases of capital assets	(119,005)	(6,863)
Financing activity		
Deferred contributions for capital assets received	40,000	-
Net change in bank indebtedness for the year	(766,636)	(558,528)
Bank indebtedness – Beginning of year	(3,638,732)	(3,080,204)
Bank indebtedness – End of year	<u>(4,405,368)</u>	<u>(3,638,732)</u>
Bank indebtedness consists of:		
Cash	2,510	2,510
Bank indebtedness	(4,407,878)	(3,641,242)
	<u>(4,405,368)</u>	<u>(3,638,732)</u>

The accompanying notes are an integral part of these financial statements.

Victorian Order of Nurses for Canada - Western Region

Notes to Financial Statements

March 31, 2015

1 Description of activities and status

Victorian Order of Nurses for Canada - Western Region ("VON Western Region") is incorporated without share capital under the *Canada Not-for-Profit Corporations Act*. VON Western Region's statement of purpose is to provide an enhanced quality of life for Canadians through cost-effective, community-based health care and social service. VON Western Region is guided by the principles of primary healthcare and works in partnership with Canadians for a healthier society through leadership in community-based care, delivery of innovative, comprehensive health and social services and influence in the development of health and social policy. VON Western Region is a registered charitable organization exempt from income taxes.

2 Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

Capital assets

Capital assets are initially recorded at cost and are then amortized over their estimated useful service lives, on a straight-line basis, as follows:

Furniture, equipment and fixtures	2 to 7 years
Computer hardware and software	2 to 3 years
Leasehold improvements	Term of the lease

Revenue recognition

Fees for service received are recognized in the period in which the service is delivered.

VON Western Region follows the deferral method of accounting for donations and program grants. Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted donations and program grants are deferred and recognized as revenue in the year the related expenses are incurred.

Externally restricted contributions for capital assets are deferred and amortized on the same basis as the capital assets purchased.

Victorian Order of Nurses for Canada - Western Region

Notes to Financial Statements

March 31, 2015

Contributed services

Volunteers contribute numerous hours to assist VON Western Region in carrying out certain charitable aspects of its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not reflected in these financial statements.

Pension plan

VON Western Region is a participating sponsor of the VON Canada Pension Plan ("the Plan"), which provides benefits to employees through participation in a contributory, defined benefit pension plan for all eligible employees of VON Canada and of the former branches of VON. Pension benefits are based on years of service and final average earnings. Annual funding requirements are determined in consultation with actuaries to provide long-term stability to the Plan.

VON Western Region accounts for the Plan, which meets the definition of a multiemployer plan, using standards for defined contribution plans as VON Western Region is not able to identify its share of underlying assets and liabilities. Contributions for the plan are expensed as incurred.

3 Financial instruments

Accounts receivable is comprised of:

	2015	2014
	\$	\$
GST rebates	15,609	33,968
VON Community Corporations and foundations	13,238	13,238
Other	540,065	320,073
Allowance for doubtful accounts	(12,274)	(20,627)
	556,638	346,652

4 Capital assets

	2015		2014	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Furniture, equipment and fixtures	400,783	390,383	10,400	8,169
Computer hardware and software	365,584	337,281	28,303	6,111
Leasehold improvements	166,205	92,741	73,464	
	932,572	820,405	112,167	14,280

Cost and accumulated amortization amounted to \$813,567 and \$799,287 at March 31, 2014 respectively.

Victorian Order of Nurses for Canada - Western Region

Notes to Financial Statements

March 31, 2015

5 Bank indebtedness

VON Canada has an operating line of credit of \$4,000,000, bearing interest at prime plus 1.50% with a standby fee of 0.125% on any unused portion. A general security agreement over all present and future personal property with insurance coverage has been pledged.

6 Government remittances

Government remittances (CPP, EI and income taxes) in the amount of \$36,321 (2014 - \$42,994) are included in accounts payable and accrued liabilities.

7 Deferred contributions for capital assets

	Balance – Beginning of the year \$	Contributions received \$	Amortization of contributions \$	Balance – End of the year \$
Deferred contributions for capital assets	—	40,000	(4,667)	35,333

8 Employee future benefits

VON Western Region participates in a multiemployer defined benefit pension plan providing pension benefits to various participating entities. Assets contributed by one participating entity are not segregated in a separate account or restricted to provide benefits only to employees of such entity and, thus, may be used to provide benefits to employees of other participating entities. The Board of Directors of VON Canada administers the plan and its investments. This multiemployer defined benefit pension plan is accounted for by VON Western Region using the accounting standards for defined contribution plans as there is insufficient information to apply defined benefit pension plan accounting. Accordingly, VON Western Region's pension expense in respect to this plan of \$89,652 (2014 - \$95,624) is their annual funding contribution and VON Western Region does not recognize its share of the plan deficit.

This registered pension plan is funded by participating entities in the amount required by governing legislation and determined by the plan's actuary. The most recent actuarial valuation of the Plan for funding and accounting purposes was completed on January 1, 2014 and indicated required annual employer funding contributions by all participating entities to be \$9,872,904. The next valuation will be completed with an effective date no later than January 1, 2017.

Victorian Order of Nurses for Canada - Western Region

Notes to Financial Statements

March 31, 2015

The funding deficit for the Plan in its entirety for all participating VON Canada legal entities is as follows (000's):

	2015	2014
	\$	\$
Plan assets at fair value	375,968	301,125
Present value of future pension obligation	(358,370)	(316,981)
Valuation allowance	(18,769)	-
	<u>(1,171)</u>	<u>(15,856)</u>
Funding (deficit)	(1,171)	(15,856)

9 Related party balances and transactions

During the year, corporate allocation fees of \$504,316 (2014 - \$730,010) were paid to VON Canada by VON Western Region. VON Canada controls VON Western Region as it shares the same management team and Board of Directors.

These transactions are recorded at the exchange amount which is the amount established and agreed to by the related parties involved.

The balances due to related parties are non-interest bearing with no fixed repayment date.

Receivable from related party includes:

	2015	2014
	\$	\$
VON Ontario	16,381	50,789

Payable to related parties includes:

	2015	2014
	\$	\$
VON Canada	44,018	85,437
VON Nova Scotia	2,149	-
	<u>46,167</u>	<u>85,437</u>

Victorian Order of Nurses for Canada - Western Region
Notes to Financial Statements
March 31, 2015

10 Commitments

VON Western Region is committed to minimum annual payments under operating leases for equipment and premises over the next four years as follows.

	\$
Year ending March 31, 2016	304,998
2017	232,357
2018	95,606
2019	27,075

Exhibit H

This is Exhibit H referred to in the
 affidavit of JEANNE POIRIER
 sworn before me, this 24th
 day of NOVEMBER, 2015
Alma Trudal
Barbara Poirier
 A COMMISSIONER FOR JUSTICE AND ATTORNEYS

The Bank of Nova Scotia
 Executive Offices, Scotia Plaza
 44 King Street West
 Toronto, ON
 Canada M5H 1H1



September 9, 2015

Victorian Order of Nurses for Canada
 2315 St Laurent Blvd Suite 100
 Ottawa ON K1G4J8

At: Jo-Anne Poirier, President

Dear Mrs. Poirier:

We confirm that subject to acceptance by you, The Bank of Nova Scotia (the "Bank") will make available to Victorian Order of Nurses for Canada (the "Borrower"), credit facilities on the terms and conditions set out in the attached Terms and Conditions Sheet and Schedule "A".

If the arrangements set out in this letter, and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are acceptable to you, please sign the enclosed copy of this letter in the space indicated below and return the letter to us by the close of business on September 11, 2015, after which date this offer will lapse.
 3 October 7

This Commitment Letter replaces all previous commitments issued by the Bank to the Borrower.

Yours truly

N Chopra
 Director - Special Accounts Management

By signing this Commitment Letter you confirm that the product(s) and/or services(s) offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Commitment Letter for whose benefit such products and services are intended.

The arrangements set out above and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are hereby acknowledged and accepted by:

VICTORIAN ORDER OF NURSES FOR CANADA

By: [Signature]
 Title: PRESIDENT + CEO

Date: October 7, 2015

By: [Signature]
 Title: CEO & VP of BUSINESS
 Date: October 7, 15

TERMS AND CONDITIONS

CREDIT NUMBER: 01 AUTHORIZED AMOUNT: \$4,000,000

TYPE

Operating Line.

PURPOSE

General operating requirements.

CURRENCY

Canadian dollars.

AVAILMENT

The Borrower may avail the Credit by way of direct advances evidenced by an Agreement re: Operating Credit Line.

INTEREST RATE

The Bank's Prime Lending Rate from time to time, plus 1.75% per annum with interest payable monthly.

OTHER FEES

A Standby Fee of 0.25% per annum on the daily unused portion of the Credit, is payable quarterly.

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Advances are to be made in minimum multiples of \$500,000 upon receipt of the Borrower's written request.

REPAYMENT

Advances are repayable on demand.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Agreement re: Operating Credit Line.

CREDIT NUMBER: 02 AUTHORIZED AMOUNT: \$300,000

TYPE

Scotia Visa Card for Business - Availment, interest rate, and repayment as per Cardholder Agreement.

PURPOSE

Business expenses.

CURRENCY

Canadian dollars.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Scotia Visa Card for Business Agreement.

GENERAL SECURITY, TERMS, AND CONDITIONS APPLICABLE TO ALL CREDITS

GENERAL SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credits:

General Security Agreement over all present and future personal property with appropriate insurance coverage, loss if any, payable to the Bank.

Collateral Mortgage in the amount \$1,000,000 providing a 1st fixed charge over 1151 Florence Street, Suite 400, London ON with replacement cost fire insurance and earthquake coverage, loss, if any, payable to the Bank as mortgagee.

Guarantees given by the following (with corporate seal and resolution as applicable) in the amount shown:

Handwritten notes:
VICTORIAN ORDER OF NURSES FOR CANADA
ON CANADA NOVA SCOTIA BRANCH
WESTERN REGION
EASTERN REGION

<u>NAME</u>	<u>AMOUNT*</u>
Victorian Order of Nurses for Canada - Ontario Branch	Unlimited
VON Canada Nova Scotia Branch	Unlimited
Victorian Order of Nurses for Canada - Western Region	Unlimited
Victorian Order of Nurses for Canada - Eastern Region	Unlimited

All of the above Guarantees are further supported by: General Security Agreements over all present and future personal property with appropriate insurance coverage, loss if any, payable to the Bank.

SPECIFIC CONDITIONS

Until all debts and liabilities under the Credits have been discharged in full, the following conditions will apply in respect of the Credits:

Failure to revolve the Operating Line down to \$0 on a monthly basis will be considered an Event of Default.

Any cash shortfalls must be funded by the respective Community Corporations or any other means.

GENERAL CONDITIONS

Until all debts and liabilities under the Credits have been discharged in full, the following conditions will apply in respect of the Credits:

The Operating Line is to revolve monthly to a minimum outstanding balance of \$0.

The aggregate of the Operating Line and Scotia Visa Card for Business are not to exceed at any time the lesser of the operating limit or the "Borrowing Base" which is defined as the aggregate of 90% of good quality government accounts receivable (excluding accounts over 150 days); plus 75% of good quality accounts receivables (excluding accounts over 90 days, accounts due by employees, offsets and inter company accounts), less security interests or charges held by other parties and specific payables which have or may have priority over the Bank's security.

Without the Bank's prior written consent:

Other than repayments to the Operating Line, no repayment of loans including the Community Corporations.

The Operating Line shall not be used to make any repayments of the loans from IBM Global Financing, a division of IBM Canada Limited ("IBM"), or any affiliated party. In addition, no IBM loan repayments may be made while the Operating Line has an outstanding balance.

Guarantees or other contingent liabilities are not to be entered into and assets are not to be further encumbered.

For ongoing Credit Risk management purposes, all operating accounts of the Borrower shall be maintained with the Bank as long as the Borrower has any Operating Line with the Bank, except for non-operating legacy accounts that may be with other financial institutions. All efforts should be made to close all accounts held at financial institutions outside of the Bank.

If there is any change from the accounting policies, practices and calculation methods used by the Borrower in preparing any part of its financial statements for the fiscal year most recently completed before the date of this Commitment Letter, the Borrower shall provide the Bank with all information that the Bank requires to ensure that reporting provided to the Bank after any changes are comparable to previous reporting. In addition, all calculations made for the purposes of this Commitment Letter shall continue to be made based on the accounting policies, practices and calculation methods in effect as at the date of the financial statements for the most recently completed fiscal year. In the event of a change in the accounting policies, practices and calculation methods, the Bank retains the right (a) to

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act on any default under the financial covenants or any other terms and conditions as defined in this Commitment Letter that is disclosed by applying the previous accounting policies, practices and calculation methods and (b) at its discretion and acting reasonably, to amend/reset covenants that are affected by the change.

Additional terms and conditions in Schedule A are to apply.

GENERAL BORROWER REPORTING CONDITIONS

Until all debts and liabilities under the Credits have been discharged in full, the Borrower will provide the Bank with the following:

Annual audited consolidated financial statements of the Borrower, prepared in accordance with the elected Generally Accepted Accounting Principle ("GAAP") applicable at the date of the financial statements, within 150 days of fiscal year end, duly signed.

Annual audited unconsolidated Financial Statements of Victorian Order of Nurses for Canada - Ontario Branch, prepared in accordance with the elected Generally Accepted Accounting Principle ("GAAP") applicable at the date of the financial statements, are to be submitted within 150 days of the Guarantor's fiscal year end, duly signed.

Annual audited unconsolidated Financial Statements of VON Canada - Nova Scotia Branch, prepared in accordance with the elected Generally Accepted Accounting Principle ("GAAP") applicable at the date of the financial statements, are to be submitted within 150 days of the Guarantor's fiscal year end, duly signed.

Annual Consolidated Budget of the Borrower for the upcoming fiscal year within 120 days of the Borrower's fiscal year end.

Semi-Annual report as at March 31 and September 30 from Mercer confirming the status of VON's pension plan's solvency position and future payment requirements due within 120 days of March 31 and September 30.

Monthly internally prepared interim consolidated statements, including fiscal year end, of the Borrower with Management Discussion and Analysis to be provided within 45 days of period end.

To the extent not included in the monthly Management Discussion and Analysis, quarterly detailed report addressing 1. productivity, 2. operations in Nova Scotia (including strategy and action plan concerning government funding/union negotiations) and 3. operations in Ontario (including strategy and action plan concerning sub contractors) to be provided within 45 days of period end.

Monthly Borrowing Base Calculation is to be provided within 45 days of period end, duly signed.

Monthly Aged Listing of Accounts Receivable (accounts over \$500) to be provided within 45 days of period end. Government accounts receivable should be separately identified from other trade accounts receivable.

Monthly Aged Listing of Accounts Payable to be provided within 45 days of period end.

Monthly Listing providing details of all Priority Payables to be provided within 45 days of period end.

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FEES

An Annual Review Fee of \$5,000 is payable annually.

Late Reporting Fee of \$250 for the initial occurrence and \$500 for each subsequent occurrence is payable by the Borrower.

Overrun Fee of \$1,000.

Temporary Overrun Fee of \$1,000 per occurrence.

A Breach of Credit Terms/Conditions Fee of \$1,000 for each occurrence is payable by the Borrower.

In addition to, and not in substitution for the obligations of the Borrower and the rights of the Bank upon the occurrence of an event of default herein, the Borrower shall pay to the Bank administration fees of:

(a) \$ 500 per month (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrower is late in providing the Bank with financial or other information required herein;

(b) \$ 500 per month (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which loan payments of principal, interest or other amounts are past due; and

(c) \$ 1,000 per month (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrower is in default of any other term or condition contained in this Commitment Letter or in any other agreement to which the Borrower and the Bank are parties.

The imposition or collection of fees does not constitute an express or implied waiver by the Bank of any event of default or any of the terms or conditions of the lending arrangements, security or rights arising from any default. Fees may be charged to the Borrower's deposit account when incurred.

The applicable fees are subject to increase by the Bank upon 30 days prior notice to you.

In the event of a default in any of the terms and conditions set out herein the Borrower agrees with the Bank that the interest rates will be increased by 2.00 per cent (%) per annum on all credits outstanding to the Borrower effective as of the date of default by the Borrower and continuing until the default is cured by the Borrower when the interest rates and fees will be reduced to the original rates set out herein. The imposition and collection of these increased interest rates and fees will not constitute an express or implied waiver by the Bank of any event of default or any of the terms and conditions of the lending arrangements, security or rights arising from any default by the Borrower.

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SCHEDULE A

ADDITIONAL TERMS AND CONDITIONS APPLICABLE
TO ALL CREDITS

Calculation and Payment of Interest

- 1. Interest on loans/advances made in Canadian dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a calendar year for the actual number of days elapsed both before and after demand of payment or default and/or judgment.

Interest on Overdue Interest

- 2. Interest on overdue interest shall be calculated at the same rate as interest on the loans/advances in respect of which interest is overdue, but shall be compounded monthly and be payable on demand, both before and after demand and judgment.

Indemnity Provision

- 3. If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrower of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has due to the Bank's compliance the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any avallment hereunder; (ii) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any avallment hereunder or on its capital; or (iii) causing the Bank to make any payment or to forgo any return based on any amount received or receivable by the Bank hereunder or in respect of any avallment hereunder determined by the Bank in its discretion, then upon demand from time to time the Borrower shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or forgone return (collectively "Increased Costs") as such amounts are reasonably determined by the Bank and set forth in a certificate to the Borrower.

In the event of the Borrower becoming liable for such Increased Costs, the Borrower shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by the Bank for the account of the Borrower, including, without limitation, a Letter of Credit, a Letter of Guarantee or a Bankers' Acceptance. Upon any such prepayment, the Borrower shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate the Bank for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

Environment

- 4. The Borrower agrees:
 - (a) to obey all applicable laws and requirements of any federal, provincial, or any other governmental authority relating to the environment and the operation of the business activities of the Borrower;
 - (b) to allow the Bank access at all times to the business premises of the Borrower to monitor and inspect all property and business activities of the Borrower;

- (c) to notify the Bank from time to time of any business activity conducted by the Borrower which involves the use or handling of hazardous materials or wastes or which increases the environmental liability of the Borrower in any material manner;
- (d) to notify the Bank of any proposed change in the use or occupation of the property of the Borrower prior to any change occurring;
- (e) to provide the Bank with immediate written notice of any material environmental problem and any hazardous materials or substances which have an adverse effect on the property, equipment, or business activities of the Borrower and with any other environmental information requested by the Bank from time to time.
- (f) to conduct all environmental remedial activities which a commercially reasonable person would perform in similar circumstances to meet its environmental responsibilities and if the Borrower fails to do so, the Bank may perform such activities; and
- (g) to pay for any environmental investigations, assessments or remedial activities with respect to any property of the Borrower that may be performed for or by the Bank from time to time.

If the Borrower notifies the Bank of any specified activity or change or provides the Bank with any information pursuant to subsections (c), (d), or (e), or if the Bank receives any environmental information from other sources, the Bank, in its sole discretion, may decide that an adverse change in the environmental condition of the Borrower or any of the property, equipment, or business activities of the Borrower has occurred which decision will constitute, in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Bank, the Bank shall notify the Borrower of the Bank's decision concerning the adverse change.

If the Bank acting reasonably decides or is required to incur expenses in compliance or to verify the Borrower's compliance with applicable environmental or other regulations, the Borrower shall indemnify the Bank in respect of such expenses, which will constitute further advances by the Bank to the Borrower under this Agreement.

Initial Drawdown

- 5. The right of the Borrower to obtain the initial drawdown under the Credit(s) is subject to the condition precedent that there shall not have been any material adverse changes in the financial condition or the environmental condition of the Borrower or any guarantor of the Borrower.

Periodic Review

- 6. The obligation of the Bank to make further advances or other accommodation available under any Credit(s) of the Borrower under which the indebtedness or liability of the Borrower is payable on demand, is subject to periodic review and to no adverse change occurring in the financial condition or the environmental condition of the Borrower or any guarantor.

Evidence of Indebtedness

- 7. The Bank's accounts, books and records constitute, in the absence of manifest error, conclusive evidence of the advances made under this Credit, repayments on account thereof and the indebtedness of the Borrower to the Bank.

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Acceleration

8. All indebtedness and liability of the Borrower to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following Events of Default occurs:

- (i) the Borrower or any guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
- (ii) there is a breach by the Borrower or any guarantor of any other term or condition contained in this Commitment Letter or in any other agreement to which the Borrower and/or any guarantor and the Bank are parties;
- (iii) any default occurs under any security listed in this Commitment Letter under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrower and/or any guarantor is a party;
- (iv) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrower or any guarantor and, if instituted against the Borrower or any guarantor, are allowed against or consented to by the Borrower or any guarantor or are not dismissed or stayed within 60 days after such institution;
- (v) a receiver is appointed over any property of the Borrower or any guarantor or any judgment or order or any process of any court becomes enforceable against the Borrower or any guarantor or any property of the Borrower or any guarantor or any creditor takes possession of any property of the Borrower or any guarantor;
- (vi) any course of action is undertaken by the Borrower or any guarantor or with respect to the Borrower or any guarantor which would result in the Borrower's or guarantor's reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrower's or any guarantor's assets;
- (vii) any guarantee of indebtedness and liability under the Credit Line is withdrawn, determined to be invalid or otherwise rendered ineffective;
- (viii) any adverse change occurs in the financial condition of the Borrower or any guarantor.
- (ix) any adverse change occurs in the environmental condition of:
 - (A) the Borrower or any guarantor of the Borrower; or
 - (B) any property, equipment, or business activities of the Borrower or any guarantor of the Borrower.

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Costs:

9. All costs, including legal and appraisal fees incurred by the Bank relative to security and other documentation and the enforcement thereof, shall be for the account of the Borrower and may be charged to the Borrower's deposit account when submitted.

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Exhibit I

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This is Exhibit 7 referred to in the affidavit of JOHANNE PORTER sworn before me, this 24th day of NOVEMBER, 2015

Chere Macdon
Barbara Br Szegeta

GENERAL SECURITY AGREEMENT

1. Victorian Order Of Nurses For Canada
(NAME OF CUSTOMER)
of 2315 St. Laurent Blvd., Suite 100, Ottawa, ON, K1G 4J8
(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages an
Branch located at 20 QUEEN STREET WEST, 4TH FLOOR, TORONTO, ON M5H 2R4
(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency but remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.

7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.

8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.

9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:

- (a) if the Customer does not pay when due any of the Obligations;
- (b) if the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
- (c) if the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
- (d) if the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- (e) if any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
- (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
- (g) if the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.

10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.

11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefor are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.

The Customer acknowledges receiving a copy of this Agreement.

The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this ____ day of _____.

Customer: Victorian Order Of Nurses For Canada

Witness:

_____ by: X
TITLE _____

_____ by: X
TITLE _____

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

SCHEDULE "A"

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

SCHEDULE "B"

(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

2315 St. Laurent Blvd., Suite 100, Ottawa, ON, K1G 4J8

DATE RECEIVED
.....
RECORDED
APPROVED
E.O. AUDITOR

**GUARANTEE
TO THE BANK OF NOVA SCOTIA**

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") agreeing to deal with or to continue to deal with

Victorian Order Of Nurses For Canada - Ontario Branch

(herein called the "Customer") the undersigned and each of them, if more than one, hereby jointly and severally guarantees payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities"), the liability of the undersigned hereunder being limited to the sum of

Insert
Limit,
if any.

unlimited dollars:
with interest from the date of demand for payment at the rate set out in paragraph 6 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.

2. This guarantee shall be a continuing guarantee of all the guaranteed liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.

3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces all benefits of discussion and division.

4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been effectually made when an envelope containing such demand addressed to the undersigned or such one of them at the address of the undersigned or such one of them last known to the Bank is posted, postage prepaid, in the post office; and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 6 hereof.

5. The service of demand for payment, by post, postage prepaid, in the post office, to a local agent of the Guarantor, said local agent being identified by name and located in the Province or jurisdiction where the Customer's main account is kept, shall be deemed to be service of demand on the Guarantor.

6. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be the Bank's prime rate applicable at the time of demand, PLUS 2% per annum. Prime rate is defined as the annual rate of interest expressed as a percentage per annum announced by the Bank on that day as its reference rate for commercial loans made by it in Canada in Canadian dollars. Interest is calculated and payable monthly on the 22nd day of each month following the day of demand and computed monthly on the same day when not so paid.

7. Upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.

8. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

9. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Bank may see fit, and the Bank may apply all moneys received from the Customer or others or from securities or guarantees upon such parts of the guaranteed liabilities as the Bank may see fit and change any such application in whole or in part from time to time.

10. Until repayment in full of all the guaranteed liabilities, all dividends, compositions, proceeds of securities, securities valued or payments received by the Bank from the Customer or others or from estates in respect of the guaranteed liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

11. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities whether theretofore or thereafter incurred; and in the case of a change in the membership of a Customer which is a partnership or in the case of the Customer being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Customer" shall include each such resulting partnership and corporation.

12. All advances, renewals and credits made or granted by the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand with interest at the rate set out in paragraph 6 hereof.

13. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

14. The undersigned or any of them, if more than one, or his or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

16. This guarantee shall be governed in all respects by the laws of the Province or Jurisdiction in which the Customer's main account with the Bank is kept.

17. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at _____

this _____ day of _____, _____

SIGNED SEALED AND DELIVERED

In the presence of

SIGNATURE AND SEAL

Victorian Order Of Nurses For Canada

X

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

Resolution of Directors

RESOLVED that the _____ is hereby authorized on behalf of **Victorian Order Of Nurses For Canada** (the Company) to execute under its Corporate Seal an unlimited guarantee in favour of The Bank of Nova Scotia on the said Bank's regular form whereby the Company Guarantees the indebtedness and liability of **Victorian Order Of Nurses For Canada – Ontario Branch** to the said Bank.

I hereby certify that the foregoing is a true copy of a Resolution duly passed at a meeting of the Board of Directors of **Victorian Order Of Nurses For Canada** duly held on the _____ day of _____, _____ and that the said Resolution is in full force and effect.

Date at _____, this _____ day of _____, _____.

X _____
President / Secretary
I have authority to bind the corporation.

**GUARANTEE
TO THE BANK OF NOVA SCOTIA**

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") agreeing to deal with or to continue to deal with

Victorian Order Of Nurses For Canada Nova Scotia Branch

(herein called the "Customer") the undersigned and each of them, if more than one, hereby jointly and severally guarantees payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities), the liability of the undersigned hereunder being limited to the sum of

Insert
Limit,
if any.

unlimited dollars

with interest from the date of demand for payment at the rate set out in paragraph 6 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the guaranteed liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces all benefits of discussion and division.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been effectually made when an envelope containing such demand addressed to the undersigned or such one of them at the address of the undersigned or such one of them last known to the Bank is posted, postage prepaid, in the post office; and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 6 hereof.
5. The service of demand for payment, by post, postage prepaid, in the post office, to a local agent of the Guarantor, said local agent being identified by name and located in the Province or jurisdiction where the Customer's main account is kept, shall be deemed to be service of demand on the Guarantor.
6. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be the Bank's prime rate applicable at the time of demand, PLUS 2% per annum. Prime rate is defined as the annual rate of interest expressed as a percentage per annum announced by the Bank on that day as its reference rate for commercial loans made by it in Canada in Canadian dollars. Interest is calculated and payable monthly on the 22nd day of each month following the day of demand and computed monthly on the same day when not so paid.
7. Upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.

8. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

9. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Bank may see fit, and the Bank may apply all moneys received from the Customer or others or from securities or guarantees upon such parts of the guaranteed liabilities as the Bank may see fit and change any such application in whole or in part from time to time.

10. Until repayment in full of all the guaranteed liabilities, all dividends, compositions, proceeds of securities, securities valued or payments received by the Bank from the Customer or others or from estates in respect of the guaranteed liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

11. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities whether theretofore or thereafter incurred; and in the case of a change in the membership of a Customer which is a partnership or in the case of the Customer being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Customer shall include each such resulting partnership and corporation.

12. All advances, renewals and credits made or granted by the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand with interest at the rate set out in paragraph 6 hereof.

13. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

14. The undersigned or any of them, if more than one, or his or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

16. This guarantee shall be governed in all respects by the laws of the Province or Jurisdiction in which the Customer's main account with the Bank is kept.

17. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at _____

this _____ day of _____, _____.

SIGNED SEALED AND DELIVERED

In the presence of

SIGNATURE AND SEAL

Victorian Order Of Nurses For Canada

X

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

Resolution of Directors

RESOLVED that the _____ is hereby authorized on behalf of **Victorian Order Of Nurses For Canada** (the Company) to execute under its Corporate Seal an unlimited guarantee in favour of The Bank of Nova Scotia on the said Bank's regular form whereby the Company Guarantees the indebtedness and liability of **Victorian Order Of Nurses For Canada Nova Scotia Branch** to the said Bank.

I hereby certify that the foregoing is a true copy of a Resolution duly passed at a meeting of the Board of Directors of **Victorian Order Of Nurses For Canada** duly held on the _____ day of _____, _____ and that the said Resolution is in full force and effect.

Date at _____, this _____ day of _____.

X _____

President / Secretary

I have authority to bind the corporation.

Exhibit J

VON Canada
 Cash Flow Forecast
 Direct method : Dated November 24

Type of transaction / Week	30-Nov	5-Dec	12-Dec	19-Dec	25-Dec	1-Jan	9-Jan	16-Jan	23-Jan	6-Feb	13-Feb	20-Feb	27-Feb	Total
Summary receipts														
Management Fee income (note 2)	\$0	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$5,700,000
Closing in current banking facility (note 1)	\$1,850,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,850,000
Other receipts	\$70,000	\$105,000	\$0	\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$10,000	\$0	\$755,000
Total receipts	\$1,920,000	\$580,000	\$475,000	\$475,000	\$475,000	\$505,000	\$475,000	\$475,000	\$505,000	\$475,000	\$475,000	\$485,000	\$505,000	\$7,805,000
Summary disbursements														
Net Payroll (note 3)	\$0	\$296,000	\$0	\$270,000	\$15,000	\$264,000	\$0	\$264,000	\$0	\$264,000	\$0	\$0	\$0	\$1,901,000
Payroll deductions (note 3)	\$192,367	\$2,771	\$139,000	\$38,771	\$124,000	\$27,971	\$119,000	\$42,771	\$119,000	\$119,000	\$2,771	\$119,000	\$37,971	\$1,112,564
Pension and Benefits (note 4)	\$114,000	\$0	\$0	\$40,000	\$0	\$114,000	\$0	\$40,000	\$0	\$114,000	\$0	\$40,000	\$114,000	\$576,000
Occupancy costs (note 5)	\$0	\$14,583	\$0	\$0	\$0	\$0	\$14,583	\$0	\$0	\$14,583	\$0	\$0	\$0	\$43,749
Insurance HROC	\$0	\$0	\$0	\$0	\$0	\$82,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,000
Operating costs (note 6)	\$260,000	\$500,000	\$150,000	\$150,000	\$75,000	\$76,000	\$350,000	\$150,000	\$75,000	\$300,000	\$130,000	\$100,000	\$75,000	\$2,476,000
Funds to East & West (note 7)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acquisition of Capital Assets (note 8)	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000
Other Payments (note 9)	\$573,946	\$0	\$0	\$0	\$0	\$25,546	\$0	\$25,546	\$0	\$25,546	\$0	\$0	\$0	\$651,784
Total disbursements	\$1,080,313	\$813,354	\$289,000	\$498,771	\$238,000	\$507,917	\$545,583	\$496,771	\$319,000	\$433,585	\$416,771	\$334,000	\$516,917	\$7,047,897
Change in cash in week	\$799,687	(\$233,354)	\$186,000	(\$23,771)	\$196,000	(\$477,917)	(\$70,583)	(\$21,771)	\$166,000	(\$1,917)	\$68,229	\$151,000	(\$11,917)	\$757,103
Operating cash	\$0	\$799,687	\$566,353	\$752,333	\$728,562	\$924,562	\$446,645	\$576,062	\$334,291	\$518,374	\$559,791	\$618,020	\$769,020	\$0
Closing cash	\$799,687	\$566,353	\$752,333	\$728,562	\$924,562	\$446,645	\$576,062	\$334,291	\$518,374	\$559,791	\$618,020	\$769,020	\$797,103	\$7,805,000

General Note: Management of VON Canada et al have prepared this forecasted cash flow statement based on probable and hypothetical assumptions detailed in notes 1-9 (note 7)

Note 1 - Immediately prior to the effective date of the Initial Order, all cash in the VON Group would be pooled in the VON Canada bank account in accordance with usual practice under the Existing Minor Netting Agreement

Note 2 - Management fee represents cost recovery of funds for services provided to the operating entities. The amount is based on allocation of costs and paid weekly.

Note 3 - The payroll and source deductions payments represent the amounts due for the continuing employees of the company and will pay all arrears of pay and source deductions due at the date of filing. Approximately 36 employees will be terminated and 150 employees will continue with the Company.

Note 4 - The payments under pension and benefits represent the proportionate allocation of the monthly benefit cheque paid on the 15th and the pension cheque issued on the 30th of each month. There are no planned changes to the benefits or pension plan in the forecast other than as represented by a reduction in headcount.

Note 5 - Occupancy costs cover the monthly rental space for the Corporate office only in Ottawa only.

Note 6 - Operating costs have been reassessed given changes to the activities and represent costs such as general, administrative, computer, telephone and administrative costs. The first tranche of retention bonus under the KERP are scheduled to be paid to a maximum of \$100,000 depending on cash flow at this date. Not included in this cash flow.

Note 7 - Funds to East and West represent that potential cash transfers to support the continued costs for VON Western and VON Eastern after filing. Management has asked our banking partner to treat all 3 filing entities as one bank balance on a "zero balance basis", whereby, if all 3 entities have a net positive balance, transfers between accounts are not required. If this request is denied then VON Canada will need to fund the wind down costs for VON Western and VON Eastern.

Note 8 - Acquisition of capital assets will be spent to support the transition of services from TELUS to an in-house service.

Note 9 - Other payments include a cash transfer of \$548,000 to support the Directors charge and Administrative charge which will be substantially a cash collateral bank account. The other regular charge of \$23,946 represents a monthly administrative fee for the Aberdeen pension plan which is dormant but needs to be maintained until wind up into VON Canada Plan. Request is with FSCO for the wind up.

This is Exhibit 1 referred to in the affidavit of Ms Anne Fairclerk sworn before me, this 24th day of November, 2015

Carole Macdonald
 A Commissioner of the Court

Western
Cash Flow Forecast
Direct method (Dated November 24, 2015)

Type of transaction / Week	30-Nov	5-Dec	12-Dec	19-Dec	25-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	Total
Summary receipts															
Proceeds on sale of Goodwill, IP and contracts (note 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funds from and (to) VON Canada (note 7)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other receipts collections (note 2)	\$20,000	\$72,794	\$36,000	\$27,992	\$17,500	\$11,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$285,286
Total receipts	\$20,000	\$72,794	\$36,000	\$27,992	\$17,500	\$11,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$285,286
Summary disbursements															
Net Payroll (note 3)	\$32,800	\$50,773	\$9,500	\$5,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,573
Payroll deductions (note 3)	\$0	\$11,509	\$17,771	\$2,200	\$1,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,880
Pension and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Occupancy costs (note 4)	\$0	\$44,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,000
Supplies (note 5)	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000
Sub-Contractor (note 5)	\$0	\$39,200	\$38,200	\$4,000	\$4,000	\$0	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$0	\$15,000	\$115,400
Operating costs (note 6)	\$20,000	\$47,000	\$18,000	\$15,000	\$5,000	\$15,000	\$10,000	\$10,000	\$10,000	\$0	\$10,000	\$5,000	\$5,000	\$0	\$170,000
Other Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$52,800	\$201,482	\$85,471	\$28,700	\$10,400	\$15,000	\$17,500	\$10,000	\$10,000	\$0	\$17,500	\$5,000	\$5,000	\$15,000	\$469,853
Change in cash in week	(\$32,800)	(\$128,688)	(\$47,471)	\$1,292	\$7,100	(\$4,000)	(\$5,000)	\$2,500	\$2,500	\$12,500	(\$5,000)	\$7,500	\$7,500	(\$2,500)	(\$184,567)
Opening cash	\$0	(\$52,800)	(\$161,488)	(\$208,959)	(\$207,667)	(\$200,567)	(\$204,567)	(\$209,567)	(\$207,067)	(\$204,567)	(\$192,067)	(\$197,067)	(\$189,567)	(\$182,067)	\$0
Closing cash	(\$32,800)	(\$161,488)	(\$208,959)	(\$207,667)	(\$200,567)	(\$204,567)	(\$209,567)	(\$207,067)	(\$204,567)	(\$192,067)	(\$197,067)	(\$189,567)	(\$182,067)	(\$184,567)	(\$184,567)

General Note: Management of VON Canada et al have prepared this forecasted cash flow statement based on probable and hypothetical assumptions detailed in notes 1-7

The forecast has been prepared solely for the Company's CCAA filing to determine liquidity requirements. Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Note 1 - Management has been pursuing opportunities to sell certain business contracts. Goodwill and or Intellectual property may be sold after filing by the Receiver.

Note 2 - Other Receipts Collections, this inflow represents the collection of trade receivables after the completion of substantially all of November billings. Expectation is that collections will be less than historic collections patterns due to the filing. All collections are based on services delivered with substantially all collections coming from Government sources

Note 3 - Payroll and deductions represent payment for all 147 staff for hours worked to date of filing, including all deductions. The time required to pay these salaries depends on timing of submission of time sheets.

Note 4- All leases for real estate will be disclaimed but requires the payment of full rental payment for December.

Note 5 - Sub contractor costs represent the staff that will be hired back for a period of 7, 14 or 28 days to wind down programs where clients are deemed to be higher risk. Management have profiled all existing services and identified programs where clients will need time to find alternative providers. The workers will be paid a 20% premium above current salaries. Limited other management and administrative staff will be retained for limited periods. Supplies are estimated based on past experience required to operate the programs.

Note 6 - Management has estimated costs for the period of wind down of all operations, including cost of securing the premises, packing and shipping clients records and professional fees for the period of wind down. Supplies of a dangerous nature (syringes etc) . will be removed from sites. Included in these costs are the professional fees for the assignment and wind down period.

Note 7 - Funds to East and West represent that potential cash transfers to support the continued costs for VON Western and VON Eastern after filing. Management has asked our banking partner to treat all 3 filing entities as one bank balance on a "zero balance basis", whereby if all 3 entities have a net positive balance, transfers between accounts are not required. If this request is denied then VON Canada will need to fund the wind- down costs for VON Western and VON Eastern.

Eastern
Cash Flow Forecast
Direct method (Dated November 24, 2015)

Type of transaction / Week	30-Nov	5-Dec	12-Dec	19-Dec	25-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	Total
Summary receipts															
Proceeds on sale of Goodwill, IP and contracts (note 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funds from and (to) VON Canada (note 7)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other receipts collections	\$20,000	\$66,824	\$86,704	\$50,118	\$36,756	\$18,201	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$438,603
Total receipts	\$20,000	\$66,824	\$86,704	\$50,118	\$36,756	\$18,201	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$438,603
Summary disbursements															
Net Payroll (note 3)	\$33,000	\$80,000	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$143,000
Payroll deductions (note 3)	\$0	\$16,000	\$10,000	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
Pension and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Occupancy costs (note 4)	\$0	\$29,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,000
Supplies (note 5)	\$0	\$7,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,750
Sub-Contractor (note 5)	\$0	\$19,825	\$31,825	\$8,925	\$8,925	\$0	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$0	\$15,000	\$99,000
Operating costs (note 6)	\$20,000	\$20,000	\$25,000	\$25,000	\$25,000	\$8,000	\$10,000	\$10,000	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$173,000
Other Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$53,000	\$172,075	\$81,825	\$57,925	\$33,925	\$8,000	\$17,500	\$10,000	\$10,000	\$0	\$17,500	\$0	\$10,000	\$15,000	\$486,750
Change in cash in week	(\$33,000)	(\$105,251)	\$4,879	(\$7,807)	\$2,831	\$10,201	\$2,500	\$10,000	\$10,000	\$20,000	\$2,500	\$20,000	\$10,000	\$5,000	(\$48,147)
Opening cash	\$0	(\$33,000)	(\$138,251)	(\$133,372)	(\$141,179)	(\$138,348)	(\$128,147)	(\$125,647)	(\$115,647)	(\$105,647)	(\$85,647)	(\$83,147)	(\$63,147)	(\$53,147)	\$0
Closing cash	(\$33,000)	(\$138,251)	(\$133,372)	(\$141,179)	(\$138,348)	(\$128,147)	(\$125,647)	(\$115,647)	(\$105,647)	(\$85,647)	(\$83,147)	(\$63,147)	(\$53,147)	(\$48,147)	(\$48,147)

General Note: Management of VON Canada et al have prepared this forecasted cash flow statement based on probable and hypothetical assumptions detailed in notes 1-7

The forecast has been prepared solely for the Company's CCAA filing to determine liquidity requirements. Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Note 1 - Management has been pursuing opportunities to sell certain business contracts. Goodwill and or Intellectual property may be sold after filing by the Receiver.

Note 2 - Other Receipts Collections, this inflow represents the collection of trade receivables after the completion of substantially all of November billings. Expectation is that collections will be less than historic collections patterns due to the filing. All collections are based on services delivered with substantially all collections coming from Government sources.

Note 3 - Payroll and deductions represent payment for all 160 staff for hours worked to date of filing, including all deductions. The time required to pay these salaries depends on timing of submission of time sheets

Note 4- All leases for real estate will be disclaimed but requires the payment of full rental payment for December.

Note 5 - Sub contractor costs represent the staff that will be hired back for a period of 7, 14 or 28 days to wind down programs where clients are deemed to be higher risk. Management have profiled all existing services and identified programs where clients will need time to find alternative providers. The workers will be paid a 20% premium above current salaries. Limited other management and administrative staff will be retained for limited periods. Supplies are estimated based on past experience required to operate the programs.

Note 6 - Management has estimated costs for the period of wind down of all operations, including cost of securing the premises, packing and shipping clients records and professional fees for the period of wind down. Supplies of a dangerous nature (syringes etc), will be removed from sites. Included in these costs are the professional fees for the assignment and wind down period.

Note 7 - Funds to East and West represent potential cash transfers to support the continued costs for VON Western and VON Eastern after filing. Management has asked our banking partner to treat all 3 filing entities as one bank balance on a "zero balance basis", whereby if all 3 entities have a net positive balance, transfers between accounts are not required. If this request is refused then VON Canada will need to fund the wind-down costs for VON Western and VON Eastern.

Exhibit K
Confidential

Exhibit L
CONFIDENTIAL

Exhibit M

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION, AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

CONSENT

The undersigned, Collins Barrow Toronto Limited, hereby consents to act as Court-appointed Monitor of the Applicants in this proceeding.

Dated at Toronto this 24th day of November, 2015.

Collins Barrow Toronto Limited

This is Exhibit M referred to in the
affidavit of JO-ANNE TOIRIER
sworn before me, this 24th
day of NOVEMBER 2015

Anne Macdonald
A COMMISSIONER IN CHIEF OF THE COURT
Barrister + Solicitor

Per:

[Signature]
Name: Daniel Weisz
Title: Senior Vice President
I have the authority to bind the
Corporation

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION,
AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION.

Applicants

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

Proceeding commenced at Toronto

MONITOR'S CONSENT

BENNETT JONES LLP
3400 One First Canadian Place
Toronto, ON M5X 1A4
Fax: 416.863.1716

Mark S. Laugesen
(LSUC#: 32937W)
Tel: 416. 777.4802

Lawyers for the proposed monitor

185

Exhibit N

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION, AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

CONSENT

The undersigned, Collins Barrow Toronto Limited, hereby consents to act as receiver pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, over the goodwill and intellectual property of the Applicants, without security, in this proceeding.

Dated at Toronto this 24th day of November, 2015.

Collins Barrow Toronto Limited

This is Exhibit D referred to in the
affidavit of JO-ANNE POIRIER
sworn before me, this 24th
day of NOVEMBER , 2015

 [Signature]
A COMMISSIONER IN CHIEF, JUSTICES OF THE PEACE

Per: [Signature]
Name: Daniel Weisz
Title: Senior Vice President
I have the authority to bind the
Corporation

Court File No.:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C-43, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION,
AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION.

Applicants

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

Proceeding commenced at Toronto

CONSENT

BENNETT JONES LLP
3400 One First Canadian Place
Toronto, ON M5X 1A4
Fax: 416.863.1716

Mark S. Laugesen
(LSUC#: 32937W)
Tel: 416. 777.4802

Lawyers for the proposed receiver

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED

Court File No: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN
ORDER OF NURSES FOR CANADA

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

Proceeding commenced at Toronto

**AFFIDAVIT OF JO-ANNE POIRIER
(Sworn November 24, 2015)**

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Tab 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ●, THE ●
JUSTICE) DAY OF ●, 20●

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jo-Anne Poirier sworn November 24, 2015 (the "Poirier Affidavit") and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Collins Barrow Toronto Limited (as the proposed Monitor), the Board of Directors of the Applicants and Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of Collins Barrow Toronto Limited to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan"). The Bank of Nova Scotia shall be treated as unaffected in any Plan.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court and subject to Paragraph 11 hereof, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to establish and utilize the Modified Cash Management System (as defined in the Poirier Affidavit and as described in the Poirier Affidavit) or replace it with another substantially similar central cash management system (the "Cash Management System") and that The Bank of Nova Scotia, or any other present or future bank, providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or

as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. For greater certainty, and without limiting the generality of the foregoing, the Applicants and The Bank of Nova Scotia are authorized to terminate the Existing Mirror Netting Agreement (as defined in the Poirier Affidavit) and the existing cash management system as described in the Poirier Affidavit.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses, and volunteer and director expense reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;
- (c) the fees and disbursements of the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants; and
- (d) liabilities for charges incurred on credit cards issued to the Applicants.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, monthly in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. Notwithstanding the foregoing, the termination of the Existing BNS Facility (as defined in the Poirier Affidavit) is hereby approved and Victorian Order Of Nurses For Canada is authorized to enter into the BNS Guarantee (as defined in the Poirier Affidavit), perform its obligations thereunder, and grant security over its Property as security for its obligations to The Bank of Nova Scotia.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes an Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the

lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to that Applicant's claim to the fixtures in dispute. For greater certainty, and without limiting any other provisions of this Order, nothing in this Order shall restrict the Applicants or their employees from retrieving and removing from any leased premises any medical records or personal property of employees and former employees.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including December 23, 2015, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. THIS COURT ORDERS that, notwithstanding paragraphs 14 and 17 herein, nothing herein will prevent The Bank of Nova Scotia from enforcing its rights against any cash

collateral or other security held by The Bank of Nova Scotia in connection with any letters of credit or credit cards issued by The Bank of Nova Scotia in connection with, or for the benefit of, any of the Applicants.

16. THIS COURT ORDERS that upon (i) the occurrence of an event that would permit demand and enforcement by The Bank of Nova Scotia under the BNS Guarantee and any related security and (ii) granting of an Order of this Court, granted on 2 business days' notice to the Applicants and the Monitor, approving the exercise of such rights and remedies, The Bank of Nova Scotia shall be entitled to exercise any and all of its rights and remedies against the Victorian Order Of Nurses For Canada or its Property under and pursuant to the BNS Guarantee and related security.

NO EXERCISE OF RIGHTS OR REMEDIES

17. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants 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 Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names, information technology support and data processing services, 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 Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to

any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 39 and 41 herein.

24. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

PROTECTIONS FOR NON-APPLICANT ENTITIES

25. THIS COURT ORDERS that, without limiting Paragraphs 14 through 19 hereof with respect to the Applicants, during the Stay Period, no Funder (as defined in the Poirier Affidavit) shall:

- (a) discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Victorian Order Of Nurses For Canada Nova Scotia Branch or Victorian Order Of Nurses For Canada – Ontario Branch (collectively, the "Non-Applicant Entities"); or
- (b) have any rights to accelerate, amend, declare in default or enforce on any contract, agreement, instrument or other document,

in each case, due to the Applicants being parties to this proceeding, having made an Application to this Court pursuant to the CCAA and the *Courts of Justice Act* (Ontario) including any declarations of insolvency contained therein in respect of the Applicants or the Non-Applicant Entities, the appointment of a receiver in respect of the Applicants, or taking any steps in furtherance thereof, or complying with the terms of any Order granted in these

CCAA proceedings or under the *Courts of Justice Act* (Ontario), except with the written consent of the Applicants, Chief Restructuring Officer and the Monitor, or leave of this Court.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that Collins Barrow Toronto Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in their development of any Plan and any amendments to such Plan;
- (d) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or members' meetings for voting on any Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(g) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

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

30. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

31. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order,

save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer (as defined below), counsel to the Applicants and counsel to the boards of directors of the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the Chief Restructuring Officer, counsel for the Applicants and counsel to the boards of directors of the Applicants on a weekly basis.

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

34. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

35. THIS COURT ORDERS that Victorian Order Of Nurses For Canada is authorized to engage March Advisory Services Inc. as Chief Restructuring Officer (in such capacity, the "**Chief Restructuring Officer**") on the terms and conditions set out in the form of CRO Engagement Letter (as such term is defined in the Poirier Affidavit). The Chief Restructuring Officer shall not be engaged by, and shall not be deemed to have been engaged by, Victorian Order Of Nurses For Canada – Eastern Region or Victorian Order Of Nurses For Canada – Western Region.

36. THIS COURT ORDERS Victorian Order Of Nurses For Canada is authorized to enter into the CRO Engagement Letter and Victorian Order Of Nurses For Canada is authorized to perform its obligations thereunder.

37. THIS COURT ORDERS that any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of fees and expenses shall be entitled to the benefit of the Administration Charge and any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of indemnities shall be entitled to the benefit of the Directors' Charge.

38. THIS COURT ORDERS that any claims of the Chief Restructuring Officer under the CRO Engagement Letter shall be treated as unaffected in any Plan.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000); and

Second – Directors' Charge (to the maximum amount of \$750,000).

40. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

41. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (each as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of The Bank of Nova Scotia and behind all other existing Encumbrances affecting the Property charged by such Encumbrances in favour of Persons that have not been served with notice of this Motion. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority for the Charges ahead of the Encumbrances in favour of Persons other than The Bank of Nova Scotia on notice to those parties likely to be affected by such priority.

42. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

43. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which any Applicant is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

KEY EMPLOYEE RETENTION PLAN

45. THIS COURT ORDERS that the payments to be made pursuant to the Key Employee Retention Plan (as such terms are defined in the Poirier Affidavit), which is attached as a confidential exhibit to the Poirier Affidavit, are hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms of such Key Employee Retention Plan.

SEALING

46. THIS COURT ORDERS that Confidential Exhibits "●" to the ● Affidavit be and are hereby sealed pending further Order of the Court and shall not form part of the public record.

SERVICE AND NOTICE

47. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in either the National Post (national edition) or the Globe and Mail (national edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, by ordinary mail, a notice to every known creditor who has a claim against any of the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available.

48. THIS COURT ORDERS the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n (the "Website").

49. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

GENERAL

51. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

52. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants (or any of them), the Business or the Property.

53. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

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

56. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

Court File No: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN
ORDER OF NURSES FOR CANADA

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicants

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Tab 4

January 15, 2010

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE _____) ~~WEEKDAY~~, THE #
JUSTICE _____) DAY OF MONTH, 20YR

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
[APPLICANT'S NAME] (the "Applicant")
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA - EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA - WESTERN REGION

Applicants

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME] Jo-Anne Poirier sworn [DATE] November 24, 2015 (the "Poirier Affidavit") and the Exhibits thereto, ~~and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for [NAMES], no one~~ the Applicants, Collins Barrow Toronto Limited (as the proposed Monitor), the Board of Directors of the Applicants and Bank of Nova

Scotia, no one else appearing for ~~[NAME]~~¹ although duly served as appears from the affidavit of service of ~~[NAMENAME]~~ sworn ~~[DATEDATE]~~ and on reading the consent of ~~[MONITOR'S NAME]~~ Collins Barrow Toronto Limited to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the ~~Applicant is a company~~ Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan"). The Bank of Nova Scotia shall be treated as unaffected in any Plan.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court and subject to Paragraph 11 hereof, the Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by ~~it~~them, with

¹ Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).

² If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

liberty to retain such further Assistants as ~~it~~they deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. ~~{THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system³ currently in place}~~establish and utilize the Modified Cash Management System (as defined in the Poirier Affidavit and as described in the Poirier Affidavit of [NAME] sworn [DATE]) or replace it with another substantially similar central cash management system (the "Cash Management System") and that The Bank of Nova Scotia, or any other present or future bank, providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.} For greater certainty, and without limiting the generality of the foregoing, the Applicants and The Bank of Nova Scotia are authorized to terminate the Existing Mirror Netting Agreement (as defined in the Poirier Affidavit) and the existing cash management system as described in the Poirier Affidavit.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses ~~payable on or after the date of this Order, and volunteer and director expense reimbursements,~~ in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of cash.~~

(c) the fees and disbursements of the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants; and

(d) liabilities for charges incurred on credit cards issued to the Applicants.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any

nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed ~~[or resiliated]~~⁴ in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, ~~twice monthly in equal payments on the first and fifteenth day of each month~~ monthly in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants ~~is~~ are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of ~~its~~ their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~ their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. Notwithstanding the foregoing, the termination of the Existing BNS Facility (as defined in the Poirier Affidavit) is hereby approved and Victorian Order Of Nurses For Canada is authorized to enter into the BNS Guarantee (as defined in the Poirier Affidavit), perform its obligations thereunder, and grant security over its Property as security for its obligations to The Bank of Nova Scotia.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

⁴ The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

- (a) permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations, ~~and to dispose of redundant or non-material assets not exceeding \$~~100,000~~ in any one transaction or \$~~250,000~~ in the aggregate~~⁵;
- (b) ~~terminate the employment of such of its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it~~they deems appropriate⁶; and
- (c) pursue all avenues of refinancing of ~~its~~their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the ~~Applicant's~~Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes ~~the an~~ Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If ~~the an~~ Applicant disclaims ~~for or resiliates~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~for or resiliation~~ of the lease shall be without prejudice to ~~the at~~ Applicant's claim to the fixtures in dispute. For greater certainty, and without limiting any other provisions of this Order, nothing in this Order shall restrict the

⁵ Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

⁶ It is not clear to the Model Order Subcommittee whether the termination of an employee is a "disclaimer or resiliation" of the employment agreement within the meaning of Section 32 of the amended CCAA; since the termination of an employee may not be a matter governed by Section 32 of the amended CCAA (except to the extent that collective agreements are exempted from the application of that Section), the Subcommittee has left this provision in the Model Order.

Applicants or their employees from retrieving and removing from any leased premises any medical records or personal property of employees and former employees.

13. THIS COURT ORDERS that if a notice of disclaimer ~~[or rescission]~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~[or rescission]~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~[or rescission]~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including ~~[DATE - MAX. 30 DAYS]~~ December 23, 2015, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Applicant~~ Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~ Applicants, the Chief Restructuring Officer and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. THIS COURT ORDERS that, notwithstanding paragraphs 14 and 17 herein, nothing herein will prevent The Bank of Nova Scotia from enforcing its rights against any cash collateral or other security held by The Bank of Nova Scotia in connection with any letters of credit or credit cards issued by The Bank of Nova Scotia in connection with, or for the benefit of, any of the Applicants.

16. THIS COURT ORDERS that upon (i) the occurrence of an event that would permit demand and enforcement by The Bank of Nova Scotia under the BNS Guarantee and any

related security and (ii) granting of an Order of this Court, granted on 2 business days' notice to the Applicants and the Monitor, approving the exercise of such rights and remedies. The Bank of Nova Scotia shall be entitled to exercise any and all of its rights and remedies against the Victorian Order Of Nurses For Canada or its Property under and pursuant to the BNS Guarantee and related security.

NO EXERCISE OF RIGHTS OR REMEDIES

17. ~~15.~~ THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the ~~Applicant~~Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Applicants, the Chief Restructuring Officer and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants ~~is~~ are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. ~~16.~~ THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. ~~17.~~ THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants 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 Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone

numbers, facsimile numbers, internet addresses and domain names, information technology support and data processing services, 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 Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

~~18.~~ 20. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁷

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

~~19.~~ 21. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

~~20.~~ 22. THIS COURT ORDERS that the Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings,⁸ except to the extent that,

⁷ This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).

⁸ The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.

with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. ~~21.~~ THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁹ on the Property, which charge shall not exceed an aggregate amount of \$~~750,000~~, as security for the indemnity provided in paragraph ~~{20}2~~ of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{39}9~~ and ~~{40}1~~ herein.

24. ~~22.~~ THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the ~~Applicant's~~ Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~{20}2~~ of this Order.

PROTECTIONS FOR NON-APPLICANT ENTITIES

25. THIS COURT ORDERS that, without limiting Paragraphs 14 through 19 hereof with respect to the Applicants, during the Stay Period, no Funder (as defined in the Poirier Affidavit) shall:

- (a) discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Victorian Order Of Nurses For Canada Nova Scotia Branch or Victorian Order Of Nurses For Canada – Ontario Branch (collectively, the "Non-Applicant Entities"); or
- (b) have any rights to accelerate, amend, declare in default or enforce on any contract, agreement, instrument or other document.

in each case, due to the Applicants being parties to this proceeding, having made an Application to this Court pursuant to the CCAA and the Courts of Justice Act (Ontario) including any declarations of insolvency contained therein in respect of the Applicants or the

⁹ Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.

Non-Applicant Entities, the appointment of a receiver in respect of the Applicants, or taking any steps in furtherance thereof, or complying with the terms of any Order granted in these CCAA proceedings or under the Courts of Justice Act (Ontario), except with the written consent of the Applicants, Chief Restructuring Officer and the Monitor, or leave of this Court.

APPOINTMENT OF MONITOR

26. ~~23.~~ THIS COURT ORDERS that ~~[MONITOR'S NAME]~~ Collins Barrow Toronto Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and ~~its shareholderstheir members,~~ officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. ~~24.~~ THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~ Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) ~~assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~
- (d) ~~advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the~~

~~Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~

- (c) ~~(e)~~ advise the Applicants in ~~its~~their development of ~~the~~any Plan and any amendments to ~~the~~such Plan;
- (d) ~~(f)~~ assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or ~~shareholders~~members' meetings for voting on ~~the~~any Plan;
- (e) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

28. ~~25.~~ THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. ~~26.~~ THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection*

Act, the Ontario Water Resources Act, or the Ontario Occupational Health and Safety Act and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. ~~27.~~ THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the DIP Lender Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

31. ~~28.~~ THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. ~~29.~~ THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer (as defined below), counsel to the Applicants and counsel to the Applicant ~~boards of directors of the Applicants~~ shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants ~~is~~ are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the Chief Restructuring Officer, counsel for the Applicants and counsel ~~for the Applicant on a [TIME INTERVAL] to the boards of directors of the Applicants on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$• [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time,~~

~~33. 30.~~ THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

~~34. 31.~~ THIS COURT ORDERS that the Monitor, counsel to the Monitor, ~~if any, and the~~ Chief Restructuring Officer, the Applicant's Applicants' counsel and counsel to the boards of directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of ~~\$~~250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~{38}9~~ and ~~{40}1~~ hereof.

~~DIP FINANCING~~

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

~~35. 32.~~ THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~ (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed ~~\$~~ unless permitted by further Order of this Court. Victorian Order Of Nurses For Canada is authorized to engage March Advisory Services Inc. as Chief Restructuring Officer (in such capacity, the "Chief Restructuring Officer") on the terms and conditions set out in the form of CRO Engagement Letter (as such term is defined in the Poirier Affidavit). The Chief Restructuring Officer shall not be engaged by, and shall not be deemed to have been engaged by, Victorian Order Of Nurses For Canada – Eastern Region or Victorian Order Of Nurses For Canada – Western Region.

~~33. THIS COURT ORDERS THAT~~ such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of ~~[DATE]~~ (the "Commitment Letter"), filed.

~~34. THIS COURT ORDERS~~ that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security

documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby *authorized and directed to* pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. ~~THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

36. ~~THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~ Victorian Order Of Nurses For Canada is authorized to enter into the CRO Engagement Letter and Victorian Order Of Nurses For Canada is authorized to perform its obligations thereunder.

- (a) ~~the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~
- (b) ~~upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 30 days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~

(e) ~~the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

37. THIS COURT ORDERS that any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of fees and expenses shall be entitled to the benefit of the Administration Charge and any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of indemnities shall be entitled to the benefit of the Directors' Charge.

38. ~~37. THIS COURT ORDERS AND DECLARES that the DIP Lender that any claims of the Chief Restructuring Officer under the CRO Engagement Letter shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the Bankruptcy and Insolvency Act of Canada (the "BIA"), with respect to any advances made under the Definitive Documents Plan.~~

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. ~~38. THIS COURT ORDERS that the priorities of the Directors' Charge, and the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows¹⁰:~~

First – Administration Charge (to the maximum amount of \$~~250,000~~); and

Second ~~—DIP Lender's Charge; and Third —~~ Directors²' Charge (to the maximum amount of \$~~750,000~~).

40. ~~39. THIS COURT ORDERS that the filing, registration or perfection of the Directors²' Charge, or the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.~~

¹⁰ The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

41. ~~40.~~ THIS COURT ORDERS that each of the Directors' Charge, and the Administration Charge and the DIP Lender's Charge ~~(all~~(each as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of ~~any Person~~The Bank of Nova Scotia and behind all other existing Encumbrances affecting the Property charged by such Encumbrances in favour of Persons that have not been served with notice of this Motion. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority for the Charges ahead of the Encumbrances in favour of Persons other than The Bank of Nova Scotia on notice to those parties likely to be affected by such priority.

42. ~~41.~~ THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, or the Administration Charge ~~or the DIP Lender's Charge~~, unless the Applicants also obtains the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

43. ~~42.~~ THIS COURT ORDERS that the Directors' Charge, and the Administration Charge, ~~the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") ~~and/or the DIP Lender thereunder~~ shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to ~~BIA~~the Bankruptcy and Insolvency Act (Canada) (the "BIA"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) ~~neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents~~

shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which ~~it~~ any Applicant is a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents;~~ and
- (c) the payments made by the Applicants pursuant to this Order, ~~the Commitment Letter or the Definitive Documents,~~ and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. ~~43.~~ THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~ Applicants' interest in such real property leases.

KEY EMPLOYEE RETENTION PLAN

45. THIS COURT ORDERS that the payments to be made pursuant to the Key Employee Retention Plan (as such terms are defined in the Poirier Affidavit), which is attached as a confidential exhibit to the Poirier Affidavit, are hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms of such Key Employee Retention Plan.

SEALING

46. THIS COURT ORDERS that Confidential Exhibits "●" to the ● Affidavit be and are hereby sealed pending further Order of the Court and shall not form part of the public record.

SERVICE AND NOTICE

47. ~~44.~~ THIS COURT ORDERS that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ either the National Post (national edition) or the Globe and Mail (national edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, ~~in the prescribed manner~~ by ordinary mail, a

notice to every known creditor who has a claim against any of the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available.

48. THIS COURT ORDERS the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List _____ website _____ at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-serviceprotocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the _____ following _____ URL: www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n (the "Website").

49. ~~45. THIS COURT ORDERS that the Applicant~~ if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor ~~bear~~ are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or ~~electronic~~ facsimile transmission to the ~~Applicant's~~ Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or ~~notice~~ distribution by courier, personal delivery or ~~electronic~~ facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. ~~46. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on~~

~~the Service List~~ Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "Service List"). The Monitor shall post the Service List, as may be updated from time to time, and the Monitor may post a copy of any or all such materials on its website at [INSERT WEBSITE ADDRESS] on the Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

GENERAL

51. ~~47.~~ THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

52. ~~48.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~ Applicants (or any of them), the Business or the Property.

53. ~~49.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

55. ~~51.~~ THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

56. ~~52.~~ THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

Tab 5

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE _____)
)
)
JUSTICE _____) OF _____, 20__

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

ORDER
(Appointing Receiver)

THIS MOTION made by the Applicants for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Collins Barrow Toronto Limited as receiver (in such capacity, the "Receiver") without security, of all of the goodwill and intellectual property of Victorian Order Of Nurses For Canada, Victorian Order Of Nurses For Canada – Eastern Region and Victorian Order Of Nurses For Canada – Western Region (collectively, the "Applicants") acquired for, or used in relation to a business carried on by the Applicants, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jo-Anne Poirier sworn November 24, 2015 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Collins Barrow

Toronto Limited (as the proposed Receiver), the Board of Directors of the Applicants and The Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of Collins Barrow Toronto Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, Collins Barrow Toronto Limited is hereby appointed Receiver, without security, of all of the goodwill and intellectual property of the Applicants acquired for, or used in relation to a business carried on by the Applicants, including all proceeds thereof (the "Receivership Property"), and of no other property of the Applicants.

3. THIS COURT DECLARES that the Receiver is a receiver within the meaning of Section 243(2)(b) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").

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 Receivership Property and the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) subject to Paragraph 5 of this order, to exercise control over the Receivership Property;
- (b) to exercise its statutory obligations under the *Wage Earner Protection Program Act* (Canada);
- (c) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and

(d) to engage counsel to assist with the exercise of the Receiver's powers conferred by this Order.

5. THIS COURT ORDERS that the Receiver shall have no obligation or authority to take steps to take possession of, dispose of or realize upon any of the Receivership Property.

6. THIS COURT ORDERS that the Receiver be and is hereby relieved from compliance with the provision of Sections 245(1), 245(2) and 246 of the BIA; provided that the Receiver shall provide notice of its appointment in the prescribed form and manner to the Superintendent of Bankruptcy, accompanied by the prescribed fee.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. THIS COURT ORDERS that (i) the Applicants, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and members, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Receivership Property in such Person's possession or control and shall grant immediate and continued access to the Receivership Property to the Receiver.

8. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Receivership Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 8 or in paragraph 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to applicable laws prohibiting such disclosure.

9. 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 as the Receiver in its discretion deems expedient, and shall

not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

10. THIS COURT ORDERS that the stay of proceedings in effect in accordance with paragraphs 14 and 17 of the Initial Order under the *Companies' Creditors Arrangement Act* (Canada) granted in these proceedings on the date hereof, as may be amended from time to time (the "Initial Order") shall apply *mutatis mutandis* to any Proceedings (as defined in the Initial Order) or any right or remedy against or in respect of the Receiver and the Receivership Property and nothing herein shall derogate from the stay of proceedings in effect pursuant to the Initial Order, except to the extent necessary to give effect to the appointment of the Receiver.

EMPLOYEES

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Receivership Property or any of the Applicants' other assets, property or undertaking, including (without limitation) property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination

including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

POSSESSION OF RECEIVERSHIP PROPERTY

13. The Receiver shall take no part whatsoever in the management or the supervision of the management of the Business (as defined in the Initial Order) and the Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in possession of or be deemed to have taken any steps to dispose of any of the Receivership Property, or of any other assets, property or undertaking of the Applicants, including (without limitation) within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

15. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges and that the Applicants are hereby authorized to pay to the Receiver a retainer in the amount of \$15,000, to be held by the Receiver as security for the payment of the Receiver's and its counsel's fees and disbursements outstanding from time to time.

16. THIS COURT ORDERS the Receiver shall be entitled to and is hereby granted a charge (the "Receiver's Charge") on the Property (as such term is defined in the Initial Order), as security for its, and its counsel's, fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a charge

on the Property ranking: (i) subordinate to the Charges (as such term is defined in the Initial Order); and (ii) in priority to all Encumbrances (as defined in the Initial Order) in favour of any Person that rank subordinate to the Charges.

SERVICE AND NOTICE

17. THIS COURT ORDERS subject to further Order of the Court, service and notice with respect to this Order and the appointment of the Receiver shall be in accordance with Paragraphs 48 and 49 of the Initial Order.

GENERAL

18. 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.

19. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Applicants (or any of them).

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

21. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 p.m. Eastern Standard/Daylight Time on November 27, 2015.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

Court File No: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN
ORDER OF NURSES FOR CANADA

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

Proceeding commenced at Toronto

RECEIVERSHIP ORDER

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Lawyers for the Applicants

Tab 6

**ORDER
(~~a~~Appointing Receiver)**

THIS MOTION made by the Plaintiff² Applicants for an Order pursuant to ~~section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA")~~ appointing ~~[RECEIVER'S NAME]~~ Collins Barrow Toronto Limited as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the ~~assets, undertakings and properties of [DEBTOR'S NAME] (the "Debtor")~~ goodwill and intellectual property of Victorian Order Of Nurses For Canada, Victorian Order Of Nurses For Canada – Eastern Region and Victorian Order Of Nurses For Canada – Western Region (collectively, the "Applicants") acquired for, or used in relation to a business carried on by the ~~Debtor~~ Applicants, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Jo-Anne Poirier sworn ~~[DATE]~~ November 24, 2015 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME]~~ the Applicants, Collins Barrow Toronto Limited (as the proposed Receiver), the Board of Directors of the Applicants and The Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn [DATE] and on reading the consent of ~~[RECEIVER'S NAME]~~ Collins Barrow Toronto Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~ Application and the ~~Motion~~ Application is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to ~~section 243(1) of the BIA and section 101 of the CJA,~~ [RECEIVER'S NAME] Collins Barrow Toronto Limited is hereby appointed Receiver, without security, of all of the ~~assets, undertakings and properties of the Debtor~~ goodwill and

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".
³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

intellectual property of the Applicants acquired for, or used in relation to a business carried on by the ~~Debtor~~Applicants, including all proceeds thereof (the "Receivership Property"), and of no other property of the Applicants.

3. THIS COURT DECLARES that the Receiver is a receiver within the meaning of Section 243(2)(b) of the Bankruptcy and Insolvency Act (Canada) (the "BIA").

RECEIVER'S POWERS

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

- (a) ~~to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;~~
- (b) ~~to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;~~
- (c) ~~to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;~~
- (d) ~~to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;~~

- (e) ~~to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;~~
- (f) ~~to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;~~
- (g) ~~to settle, extend or compromise any indebtedness owing to the Debtor;~~
- (h) ~~to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;~~
- (i) ~~to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ 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;~~
- (j) ~~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;~~
- (k) ~~to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;~~

⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

- (i) ~~without the approval of this Court in respect of any transaction not exceeding \$ _____, provided that the aggregate consideration for all such transactions does not exceed \$ _____; and~~
- (ii) ~~with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;~~

~~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,]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.~~

- (l) ~~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;—~~
- (m) ~~to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;~~
- (n) ~~to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;~~
- (o) ~~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 Debtor;~~
- (p) ~~to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the~~

⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

~~foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;~~

~~(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and~~

(a) subject to Paragraph 5 of this order, to exercise control over the Receivership Property;

(b) to exercise its statutory obligations under the Wage Earner Protection Program Act (Canada);

~~(+)(c)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and

(d) to engage counsel to assist with the exercise of the Receiver's powers conferred by this Order.

5. THIS COURT ORDERS that the Receiver shall have no obligation or authority to take steps to take possession of, dispose of or realize upon any of the Receivership Property.

6. ~~and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.~~ THIS COURT ORDERS that the Receiver be and is hereby relieved from compliance with the provision of Sections 245(1), 245(2) and 246 of the BIA; provided that the Receiver shall provide notice of its appointment in the prescribed form and manner to the Superintendent of Bankruptcy, accompanied by the prescribed fee.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. ~~4-~~ THIS COURT ORDERS that (i) the Debtor/Applicants, (ii) all of its~~the~~ current and former directors, officers, employees, agents, accountants, legal counsel and shareholders~~members~~, and all other persons acting on its~~their~~ instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Receivership Property in

such Person's possession or control, ~~and shall grant immediate and continued access to the Receivership Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.~~

8. ~~5.~~ THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the ~~business or affairs of the Debtor~~ Receivership Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall ~~provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 58 or in paragraph 69 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions~~ applicable laws prohibiting such disclosure.

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

7. ~~THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least~~

~~seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

~~10. & THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court. the stay of proceedings in effect in accordance with paragraphs 14 and 17 of the Initial Order under the Companies' Creditors Arrangement Act (Canada) granted in these proceedings on the date hereof, as may be amended from time to time (the "Initial Order") shall apply mutatis mutandis to any Proceedings (as defined in the Initial Order) or any right or remedy against or in respect of the Receiver and the Receivership Property and nothing herein shall derogate from the stay of proceedings in effect pursuant to the Initial Order, except to the extent necessary to give effect to the appointment of the Receiver.~~

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

~~9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.~~

NO EXERCISE OF RIGHTS OR REMEDIES

~~10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business~~

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

~~NO INTERFERENCE WITH THE RECEIVER~~

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

~~CONTINUATION OF SERVICES~~

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

~~RECEIVER TO HOLD FUNDS~~

13. ~~THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit~~

~~of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.~~

EMPLOYEES

11. ~~14.~~ THIS COURT ORDERS that all employees of the ~~Debtor~~Applicants shall remain the employees of the ~~Debtor~~Applicants until such time as the Receiver, ~~on the Debtor's behalf,~~Applicants may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities or obligations, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

~~15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.~~

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. ~~16.~~ THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the ~~Property~~Receivership Property or any of the Applicants'

other assets, property or undertaking, including (without limitation) property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

POSSESSION OF RECEIVERSHIP PROPERTY

13. The Receiver shall take no part whatsoever in the management or the supervision of the management of the Business (as defined in the Initial Order) and the Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property possession of or be deemed to have taken any steps to dispose of any of the Receivership Property, or of any other assets, property or undertaking of the Applicants, including (without limitation) within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

15. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges and that the Applicants are hereby authorized to pay to the Receiver a retainer in the amount of

\$15,000, to be held by the Receiver as security for the payment of the Receiver's and its counsel's fees and disbursements outstanding from time to time.

16. ~~18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel~~ THIS COURT ORDERS the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property (as such term is defined in the Initial Order), as security for such its, and its counsel's, fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶ charge on the Property ranking: (i) subordinate to the Charges (as such term is defined in the Initial Order); and (ii) in priority to all Encumbrances (as defined in the Initial Order) in favour of any Person that rank subordinate to the Charges.

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

20. ~~THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard 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 \$_____ (or such greater amount as this Court may by further Order authorize) at any time, at~~

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

~~such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.~~

~~22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.~~

~~23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.~~

~~24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.~~

SERVICE AND NOTICE

~~17. 25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website _____ at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL~~

~~‘@’~~ subject to further Order of the Court, service and notice with respect to this Order and the appointment of the Receiver shall be in accordance with Paragraphs 48 and 49 of the Initial Order.

26. ~~THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.~~

GENERAL

18. ~~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.

19. ~~28.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~ Applicants (or any of them).

29. ~~THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.~~

30. ~~THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within.~~

~~proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.~~

~~31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, 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 to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.~~

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

21. ~~1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___ CL _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.~~ COURT ORDERS that this Order and all of its provisions are effective as of 12:01 p.m. Eastern Standard/Daylight Time on November 27, 2015.

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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.~~

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

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

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

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

DATED the _____ day of _____, 20__.

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

Per: _____
 Name:
 Title:



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

Court File No. _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
VICTORIAN ORDER OF NURSES FOR CANADA

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**APPLICATION RECORD
(returnable November 25, 2015)**

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