

NON-DISCLOSURE, CONFIDENTIALITY AND BIDDING AGREEMENT

This Agreement is made as of the ____ day of _____, 2013

BETWEEN:

ALVAREZ & MARSAL CANADA INC., in its capacity as court-appointed receiver-manager of the assets, undertakings and properties of 682202 B.C. Ltd. (“**682202**” or “**Cedarbrooke**”) and not in its personal capacity

(the “**Receiver**”)

AND:

(the “**Potential Purchaser**”)

WHEREAS:

A. The Receiver is the court-appointed receiver-manager of 682202 pursuant to an Order of the Supreme Court of British Columbia pronounced March 9, 2011 (the “**Order**”);

B. The Potential Purchaser is considering making an offer (the “**Offer**”) to the Receiver for a possible acquisition or investment transaction (the “**Transaction**”) involving certain assets and property of Cedarbrooke which carries on the business of operating Cedarbrooke Chateau Independent Retirement Home in Mission British Columbia (the “**Business**”), subject to conducting due diligence, as a result of which certain confidential information of Cedarbrooke may be disclosed to the Potential Purchaser; and

C. The assets of the Business, including the real property, are subject to a mortgage and collateral security held by 2242229 Ontario Inc.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto covenant and agree as follows:

1. In this Agreement:

- 1.1 “**Affiliate**” means an affiliate as that term is defined in the *Business Corporations Act* (British Columbia);
- 1.2 “**Actual Purchaser**” means the person who acquires all or substantially all of the Business from the Receiver;
- 1.3 “**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party;

- 1.4 **“Confidential Information”** means any information relating to Cedarbrooke and the Business, whether communicated in written form, orally, visually, demonstratively, technically or by any other electronic form or other media, or committed to memory, and whether or not designated, marked, labelled or identified as confidential or proprietary, including:
 - 1.4.1 Personal Information; and
 - 1.4.2 all analyses, compilations, records, data, reports, correspondence, memoranda, specifications, materials, applications, technical data, studies, derivative works, reproductions, copies, extracts, summaries or other documents containing or based upon, in whole or in part, any of the information listed above in this Section 1.4,

but excluding information, other than Personal Information, which:
 - 1.4.3 is generally available to or known by the public, other than as a result of improper disclosure by the Potential Purchaser or any of its Representatives; or
 - 1.4.4 is or was obtained by the Potential Purchaser from a source other than the Receiver or any of its Representatives, or any person bound by a duty of confidentiality to the Receiver;
 - 1.5 **“Parties”** means the Receiver and the Potential Purchaser, collectively, and **“Party”** means either of them;
 - 1.6 **“Personal Information”** means any information in the possession of Cedarbrooke or the Receiver that relates to identifiable individuals; and
 - 1.7 **“Representatives”** means the advisors, agents, consultants, directors, officers, employees and other representatives, including accountants, auditors, financial advisors, lenders and lawyers of a Party.
2. The Potential Purchaser acknowledges that the Confidential Information is confidential and proprietary to Cedarbrooke and the Actual Purchaser. The Potential Purchaser further acknowledges that, except for the purpose of evaluating the Transaction, the Potential Purchaser has no right to use, title to, or interest in, the Confidential Information.
 3. The Potential Purchaser shall not use the Confidential Information other than to the extent necessary to evaluate and enter into negotiations and discussions with the Receiver and discussions with authorized Representatives of Cedarbrooke, as may be authorized by the Receiver in its sole discretion, for the purposes of making an offer/or consummating the Transaction and further shall not, without prior written consent of the Receiver, disclose or communicate any Confidential Information to any other party other than its Representatives who have a need to know for the purpose aforesaid and who are bound by their relationship with the Potential Purchaser to protect the confidentiality of

such Confidential Information. The Potential Purchaser may also provide access to the Confidential Information to other persons for the purpose of discussing or negotiating a proposed purchase of certain of the assets and property of Cedarbrooke provided such persons are informed in advance by the Potential Purchaser of the confidential nature of the Confidential Information, and the Potential Purchaser ensures in advance that such persons are under written obligations of confidentiality and restricted use which are equal to or more restrictive than those set forth in this Agreement, and the Potential Purchaser provides a copy of such written obligations to the Receiver upon request.

4. All materials furnished to the Potential Purchaser by the Receiver shall be and remain the property of Cedarbrooke and shall be returned to the Receiver promptly upon written request together with all copies made thereof provided, that: (i) neither the Potential Purchaser nor its Representatives will be obligated to erase Confidential Information that is contained in an archived computer system backup in accordance with the Potential Purchaser's or its Representatives' security and/or disaster recovery procedures (accessible only by the Potential Purchaser and its Representatives information technology employees) for which destruction will follow the regular process of such procedures; and (ii) these obligations shall not apply to the extent that the Potential Purchaser or its Representatives are required to retain the Confidential Information by any applicable law, rule or regulation.
5. The Potential Purchaser agrees that unauthorized disclosure or use of the Confidential Information of Cedarbrooke by the Potential Purchaser may cause irreparable harm and result in significant commercial damages to Cedarbrooke and the Actual Purchaser, which may be difficult to ascertain. Therefore, the Potential Purchaser agrees that the Receiver and the Actual Purchaser shall have the right to seek an immediate injunction enjoining any breach of this Agreement.
6. The Potential Purchaser shall keep confidential all Confidential Information that it receives, and it shall take all security precautions that a prudent owner would reasonably be expected to maintain the confidentiality of its own most confidential information, with respect to the Confidential Information of Cedarbrooke.
7. The Potential Purchaser shall promptly notify the Receiver and/or the Actual Purchaser on discovery of any unauthorized use or disclosure of Confidential Information. The Potential Purchaser shall cooperate with the Receiver and the Actual Purchaser in every reasonable way to prevent any further unauthorized use and disclosure.
8. If the Potential Purchaser is required by law or judicial or administrative process to disclose any Confidential Information, the Potential Purchaser shall first: (a) if not legally prohibited, provide the Receiver or the Actual Purchaser with as much written notice as reasonably possible; and (b) cooperate with the Receiver and the Actual Purchaser in any application, proceeding or other action to obtain a protective order or other means of protecting the confidentiality of the Confidential Information.

9. If the Parties determine not to proceed with the Transaction, or if the Transaction is proceeded with but fails to close, the Potential Purchaser agrees that for two years after the date of this Confidentiality Agreement, they will not:
 - 9.1 solicit or hire directly or indirectly, any Cedarbrooke employees for employment in or services to any undertaking with which it is associated save and except for any employees that respond to any general advertisements not specifically targeted to such employees;
 - 9.2 solicit, directly or indirectly, any customers or clients of the Business save and except for any clients that respond to any general advertisements not specifically targeted to such clients; or
 - 9.3 use any of the Confidential Information, in any manner whatsoever, to compete with the Business and/or the Actual Purchaser.
10. The Potential Purchaser acknowledges that no express or implied representation or warranty as to the accuracy or completeness of the Confidential Information, or any other information concerning Cedarbrooke or the Business that is provided to or gathered by the Potential Purchaser, is made by Cedarbrooke or the Receiver or any of its Representatives and agrees that Cedarbrooke, the Receiver, and their respective Representatives, will not have any liability, direct or indirect, to the Potential Purchaser or any of its Representatives, relating to or resulting from the Confidential Information or that other information, or the use by the Potential Purchaser or any of its Representatives of the Confidential Information or that other information, or reliance on any errors in or omissions from the Confidential Information or that other information.
11. The Potential Purchaser agrees and acknowledges that;
 - 11.1 The Receiver is not obliged to accept the highest or any offer it receives,
 - 11.2 The Receiver may in its sole discretion terminate the bidding and sale process at any time,
 - 11.3 Potential Purchasers will be required to submit a Letter of Intent setting out an indicative purchase price and provide a refundable deposit of \$250,000 (the “**Initial Deposit**”) by 10:00 am Pacific Time on May 31, 2013.
 - 11.4 Potential Purchasers who have submitted a Letter of Intent and proposed to submit an offer (the “Offer”) will be required to submit any Offer together with a deposit which, including the Initial Deposit, is equal to 10% of the proposed purchase price, by 5:00 pm Pacific Time on June 28, 2013 unless otherwise extended by the Receiver.
 - 11.5 The Receiver may elect to negotiate with any one or more bidders,

- 11.6 Copies of all Letters of Intent and Offers will be provided to 2242229 Ontario Inc. when received,
- 11.7 The Receiver will not accept any Offer that does not pay the amount owing to 2242229 Ontario Inc. in full, unless 2242229 Ontario Inc. consents to such Offer,
- 11.8 2242229 Ontario Inc. may at any time submit a credit bid and in doing so does not have to provide a Letter of Intent or any deposit.
- 11.9 All Offers are to be based on the form of Asset Purchase Agreement to be made available by the Receiver with any deviations from that form to be highlighted.
- 11.10 All Offers are to be unconditional, not subject to financing nor any further due diligence, and are to be on an “as is where is basis”.
- 12. The Potential Purchaser hereby releases the Receiver and its Representatives and 2242229 Ontario Inc. and its Representatives (collectively the “**Releasees**”), and each of them, from any and all claims of any kind which the Potential Purchaser or its legal representatives, successors and assigns ever had, now have or may in the future have against the Releasees by reason of any cause, whether known or unknown including, without limitation, any claim arising out of or in any way connected with any Offer, the provision of any Confidential Information, the provision of any non-confidential information, any error or omission in respect of any information, valuation, financial information or results of any kind or nature related to the Business, any claims arising out of or connected with the sale and bidding process, any and all costs, expenses including legal fees incurred by the Potential Purchaser, including, without limitation, any such claims existing as at the date of this Agreement or arising any time after the date of this Agreement.
- 13. The Potential Purchaser may not assign the benefits of this Agreement without the prior written consent of the Receiver or after the completion of the sale of the Business, the Actual Purchaser (which consent may be arbitrarily withheld).
- 14. The Parties agree that the Actual Purchaser is intended to have the benefit of this Agreement including the right to enforce its terms as against the Potential Purchaser as if the Actual Purchaser were a party to this Agreement.
- 15. Any Communication must be in writing and either:
 - 15.1 delivered personally or by courier;
 - 15.2 sent by prepaid registered mail; or
 - 15.3 sent by facsimile, e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to the Potential Purchaser at:

Attention: _____
Tel No.: _____
Facsimile No.: _____
E-mail: _____

to the Receiver at:

Alvarez & Marsal Canada ULC
Commerce Place
Suite 1680, 400 Burrard Street
Vancouver, British Columbia V6C 3A6

Attention: Pam K. Boparai, Managing Director
Tel No.: 604-638-7446
Facsimile No.: 604-638-7441
E-mail: pboparai@alvarezandmarsal.com

16. This Agreement shall enure to the benefit of and be binding upon each of the Parties hereto and the Actual Purchaser and their respective heirs, executors, administrators, estate trustees, trustees, personal or legal representatives, successors and permitted assigns.
17. Upon the closing of a sale of the Business to the Actual Purchaser, all Confidential Information shall be returned by the Potential Purchaser to the Receiver, and the provisions of this Agreement will continue in effect for the benefit of the Actual Purchaser.
18. Wherever the singular or the masculine is used throughout this Agreement the same shall be construed as meaning the plural or the feminine or the body corporate where the context or the Parties so require, and when any party hereto comprises more than one person, such person shall be bound by the terms hereof both jointly and severally.
19. This Agreement, and any dispute arising from or in relation to this Agreement, shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the Potential Purchaser hereby attorns to the exclusive jurisdiction of the courts of British Columbia.
20. This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and those counterparts will together constitute one and the same instrument. Delivery of this Agreement by facsimile, e-mail

or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

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

IN WITNESS WHEREOF the Parties hereto have executed these presents as of the day and year first above written.

ALVAREZ & MARSAL CANADA INC.

in its capacity as court-appointed receiver-manager of the assets, undertakings and properties of 682202 B.C. Ltd. and not in its personal capacity

Per: _____
Authorized Signatory

[POTENTIAL PURCHASER]

Per: _____
Authorized Signatory