

This is Exhibit K referred to in the affidavit of
MARK KATZ sworn (or affirmed)
 before me on [dd/mm/yyyy]

**ASSIGNMENT OF LICENCES AND
 HEALTH AUTHORITY AGREEMENTS** A Commissioner for taking Affidavits
 of 682202 B.C. LTD. within British Columbia

THIS INDENTURE made the 17 day of JANUARY, 2006

BETWEEN:

682202 B.C. LTD. (Inc. No. 682202)
 C/O 1200 – 200 Burrard Street, Vancouver, B.C., V7X 1T2

(hereinafter called the "Assignor")

OF THE FIRST PART

AND:

1397225 ONTARIO LIMITED (Inc. No. A0067673), having an office at 5650 Yonge
 Street, Suite 300, Toronto, Ontario M2M 4H5

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor is the present owner in fee simple of the lands and premises
 located at 32331 7th Avenue, Mission, B.C., more particularly described as:

PID: 017-490-146, Lot A, Section 20, Township 17, NWD, Plan LMP1741

("the Lands")

AND WHEREAS by a mortgage and assignment of rents (the "Mortgage") registered in the
 Victoria Land Title Office on the _____ day of _____, 2006 under numbers
 _____ and _____, the Assignor did grant and mortgage unto the Assignee a first
 mortgage to secure the principal sum of \$25,360,000.00.

AND WHEREAS the Assignor will be obtaining a licence to operate a 138-unit
 independent living facility (the "Facility") on the Lands (the "Licence") pursuant to the *Community
 Care and Assisted Living Act*, SBC 2002, as amended from time to time (the "Act").

AND WHEREAS the Assignor has entered into or will be entering into with the Fraser
 Valley Health Authority:

- (i) a funding agreement in connection with the Facility; and
- (ii) a project development agreement and operating or service agreement in connection
 with the Facility

(the agreements referred to in (i) and (ii) above are collectively referred to as the "Health

Authority Agreements")

AND WHEREAS as a condition for the making of the loan secured by the Mortgage, it was agreed that the Assignor would assign unto the Assignee the rights and benefits arising from the Licence and Health Authority Agreements as further, continuing and additional security for the payment of the monies secured by the Mortgage and the observance and performance of the covenants therein contained.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the premises and the sum of TEN (\$10.00) DOLLARS of lawful money of Canada now paid by the Assignee to the Assignor (the receipt whereof is hereby by the Assignor acknowledged), the Assignor covenants and agrees as follows:

1. To the extent permitted by the law, the Assignor assigns, transfers and sets over unto the Assignee and creates in favour of the Assignee by way of a continuing security interest to which the Personal Property Security Act applies, the Licence and Health Authority Agreements, all renewals thereof and the full rights, benefits and advantages arising therefrom.
2. Without the prior written consent of or direction from (as the case may be) the Assignee, the Assignee will not:
 - (a) cancel, surrender or release its rights under the Licence or Health Authority Agreements;
 - (b) materially modify or amend the Licence or Health Authority Agreements;
 - (c) consent to any assignment of the Licence or Health Authority Agreements; and
 - (d) transfer control of the Facility on the Lands.
3. The Assignor covenants and agrees with the Assignee that it will, from time to time, and at all times hereafter, observe and perform all terms and conditions required to maintain the Licence and Health Authority Agreements in good standing and to diligently and expeditiously obtain timely renewals of the Licence and Health Authority Agreements from time to time. It is distinctly understood and agreed that neither the execution of these presents nor the acceptance thereof by the Assignee shall in any way render the Assignee liable for the observance or performance of any of the terms and conditions on the part of the Assignor to be observed or performed.
4. For the consideration aforesaid the Assignor hereby nominates, constitutes and appoints the Assignee to be the true and lawful attorney of the Assignor for and in the name of the Assignor, but for the use and benefit of the Assignee to enforce observance of said terms and conditions for the purposes aforesaid, to institute such actions at law or in equity or take

such proceedings otherwise as the Assignee shall from time to time deem fit or proper, and for the purposes aforesaid, to make, sign and execute any and all documents in the name of the Assignor as the Assignee shall deem fit or proper, the cost of all such actions and other expenses to be paid in cash by the Assignor or at the discretion of the Assignee, to be added to and form part of the monies secured by the Mortgage, and to bear interest at the rate therein set forth; and for the consideration aforesaid the Assignor agrees with the Assignee that this power of attorney shall be irrevocable so long as any monies remain owing to the Assignee and secured by the said Mortgage.

5. NOTWITHSTANDING anything herein contained, it is agreed that until default shall be made in the payment of the principal monies and interest secured by the Mortgage, or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignor to be observed, performed or kept, the Assignor shall be entitled to the rights, benefits and advantages arising from the Licence and Health Authority Agreements. If the Assignor is in default under the Mortgage, then the Assignee may give written notice ("the Notice") to the Assignor delivered in accordance with Section 11, setting out the event of default and the Notice shall be deemed for all purposes as sufficient evidence of the Assignor's default. Prior to advance of funds under the Mortgage, the Assignor shall execute and deliver to the Assignee a notice of transfer of the Licence and Health Authority Agreements and transfer of control of the Facility operated on the Lands (the "Transfer") in the form annexed as Schedule A and a direction (the "Direction") in the form annexed as Schedule B. The Assignee shall hold the Transfer and the Direction in escrow until such time as the Assignor is in default under the Mortgage and the Assignor has delivered Notice of the Default in accordance with Section 11, after which, the Assignee may make full use of the Transfer and Direction.
6. The Assignor hereby agrees to pay from time to time and upon demand being made therefor all costs and disbursements relating to the registration of:
 - (a) Financing Statements pursuant to the Personal Property Security Act (British Columbia); and
 - (b) renewals and/or discharges of any such registrations, as may be required by the Assignee.
7. Upon payment of all principal and other monies secured by the Mortgage, these presents shall thereupon become and be of no further force and effect.
8. The assignment contemplated in this Agreement shall not take effect unless and until the Assignee has given the notices required pursuant to paragraph 5 of this Agreement.
9. Wherever in these presents the word "Assignor" occurs, the same shall extend to and bind the Assignor, and its successors and assigns, and wherever in these presents the word "Assignee" occurs the same shall extend to and bind the Assignee and its successors and


assigns. This Agreement is to be read with all changes of gender or number as required by the context.

10. The Assignor further covenants with and warrants to the Assignee that it has not previously assigned the Licence or Health Authority Agreements, nor any rights or benefits thereunder, and has not taken any action whereby the Assignee would or might be prevented from obtaining the Licence or Health Authority Agreements or the benefits of same and, to the extent permitted by law, that the Assignor now has good and absolute authority to assign same in the manner aforesaid according to the true intent and meaning of this Agreement.
11. The Assignor further covenants and warrants that it will execute, at the Assignee's request, a tripartite agreement between the Assignee, the Assignor and the Interior Health Authority.
12. Notice may be given to either party by sending it through the post in prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided herein or at such other address as may be given in writing by such party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.
13. 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 will not affect the validity or enforceability of any other provision of this Agreement. To the extent permitted by applicable law, the parties waive any provision of law that renders any provision of this Agreement invalid or unenforceable in any respect.
14. This Agreement may be executed in counterparts and all counterparts so executed (including those executed and delivered by fax) will constitute one Agreement binding on the parties effective upon execution.


IN WITNESS WHEREOF the Assignor has hereunto executed these presents this 17 day of
JANUARY, 2007

682202 B.C. LTD.

Per:



Authorized Signatory



Authorized Signatory

SCHEDULE 'A'
NOTICE OF TRANSFER OF LICENCE,
AND HEALTH AUTHORITY AGREEMENTS

TO: DIRECTOR OF LICENSING
 Community Care Facilities
 Health Protection Planning
 Ministry of Health Services
 4th Floor, 1515 Blanshard Street
 Victoria, BC

RE: COMMUNITY CARE AND ASSISTED LIVING ACT LICENCE
 682202 B.C. LTD. (Borrower)
 32331 7th AVENUE, MISSION, B.C.
 (the "Property")

Pursuant to the *Community Care and Assisted Living Act*, SBC 2002, as amended from time to time, the undersigned licensee hereby gives notice of a transfer of:

- (i) its Licence(s), Project Development Agreement, Operating Agreement(s) and Funding Agreement(s) in connection with the community Facility or facilities operated on the Property; and
- (ii) control of the community Facility or facilities operated on the Property

to 1397225 Ontario Limited or its nominee, effective the _____ day of _____, 2006.

DATED this _____ day of _____, 2006.

682202 B.C. LTD., by its authorized signatory:

 Name:

 Name:

SCHEDULE 'B'
DIRECTION

TO: 1397225 ONTARIO LIMITED

You are hereby irrevocably authorized to complete Notice of the Transfer of Licence, Project Development Agreement, Operating Agreement(s) and Funding Agreement(s) (the "Notice", a copy of which is annexed hereto), pursuant to of the *Community Care and Assisted Living Act*, SBC 2002 (as amended from time to time) by inserting the date for the application of the Notice and to deliver same to the Director of Licensing, Community Care Facilities, Health Protection Planning, Ministry of Health Services, 4th Floor, 1515 Blanshard Street, Victoria, BC in the event of default under the Mortgage, and for doing so, this shall be your good and sufficient authority.

DATED this _____ day of _____, 2006

682202 B.C. LTD., by its authorized signatory:

Name:

Name:

DIRECTION

TO: 1397225 ONTARIO LIMITED

You are hereby irrevocably authorized to complete Notice of the Transfer of Licence, Project Development Agreement, Operating Agreement(s) and Funding Agreement(s) (the "Notice", a copy of which is annexed hereto), pursuant to of the *Community Care and Assisted Living Act*, SBC 2002 (as amended from time to time) by inserting the date for the application of the Notice and to deliver same to the Director of Licensing, Community Care Facilities, Health Protection Planning, Ministry of Health Services, 4th Floor, 1515 Blanshard Street, Victoria, BC in the event of default under the Mortgage, and for doing so, this shall be your good and sufficient authority.

DATED this 17 day of JANUARY, 2006

682202 B.C. LTD., by its authorized signatory:


Name: M. CHAPLIN
Name: K. LEROUX

NOTICE OF TRANSFER OF LICENCE,
AND HEALTH AUTHORITY AGREEMENTS

TO: DIRECTOR OF LICENSING
Community Care Facilities
Health Protection Planning
Ministry of Health Services
4th Floor, 1515 Blanshard Street
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RE: COMMUNITY CARE AND ASSISTED LIVING ACT LICENCE
682202 B.C. LTD. (Borrower)
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- (ii) control of the community Facility or facilities operated on the Property

to 1397225 Ontario Limited or its nominee, effective the _____ day of _____, 2006.

DATED this 17 day of JANUARY, 2007.

682202 B.C. LTD., by its authorized signatory:


Name: M. CHAPLIN


Name: K. LEROUX