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Routing Slip / Feuille de contrôle

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Dep't #: 2008-011067

Author/
Auteur: Melvin J. Howard

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2346E Darrel Raod
Phoenix

Due Date / Date d'échéance:

Assigned To / Assigné à:

Asgn Date /
Date assigné:
16/07/2008

BF Date /
Date rappel:

Ret. Date /
Date de retour:

PLS-TLB Meg Kinnear
ACTION

Synopsis / Précis: NOTICE OF INTENT TO SUBMIT A CLAIM TO ARBITRATION UNDER NAFTA CHAPTER 11

REQUEST BRIEFING NOTE	<input type="checkbox"/>	DEMANDER NOTE DE SYNTHÈSE
YOUR RECOMMENDATION	<input type="checkbox"/>	VOTRE RECOMMANDATION
ACTION AT YOUR DISCRETION	<input type="checkbox"/>	DONNER SUITE À VOTRE DISCRÉTION
DRAFT RESPONSE FOR DM SIGNATURE	<input type="checkbox"/>	FAIRE UN PROJET DE RÉPONSE POUR LA SIGNATURE DU SM
ACTION	<input checked="" type="checkbox"/>	ACTION
DIRECT REPLY WITH COPY TO DMO	<input type="checkbox"/>	POUR RÉPONSE ET COPIE AU BSM
FOR REVISION (UPDATE)	<input type="checkbox"/>	POUR RÉVISION (METTRE À JOUR)
TO ATTEND IF INTERESTED (PLEASE INFORM DMO OF DECISION)	<input type="checkbox"/>	PARTICIPATION SI VOUS ÊTES INTÉRESSÉ (S.V.P. AVISEZ LE BSM DE LA DÉCISION)
FOR CORRECTIONS	<input type="checkbox"/>	POUR CORRECTIONS
FOR INFORMATION	<input type="checkbox"/>	POUR INFORMATION

Additional Comments / Remarques additionelles:

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2008-011067

RECEIVED / REÇU

**NOTICE OF INTENT TO SUBMIT A CLAIM TO ARBITRATION
UNDER NAFTA CHAPTER 11**

I. TYPE OF CLAIM

The claim is intended to be submitted by:

- An investor of a Party on its own behalf. (SEE NAFTA ARTICLE 1116)
- An investor of a Party on behalf of an enterprise that is a juridical person that the investor owns or controls directly or indirectly. (SEE NAFTA ARTICLE 1117)

II. DISPUTING INVESTOR

**a) Full
name of
the
disputing
investor:**

(SEE NAFTA ARTICLE 1119)

If the disputing investor claims to be a national of a Party, please type the family name in all capital letters.

b) Indicate whether the disputing investor is:

- A Party
- A state enterprise of a Party
- A national of a Party
- An enterprise of a Party

(SEE NAFTA ARTICLES 201 and 1139)

c) For purposes of subparagraph (b), please identify the nationality of the disputing investor:

- México
- Canada
- United States

(SEE NAFTA ARTICLE 1139)

If the disputing investor claims to be a national of a Party, please provide a copy of a passport or other evidence of nationality or citizenship.

If the disputing investor claims to be an enterprise of a Party, please provide a copy of a deed of incorporation or other evidence of constitution or organization under the laws of the Party identified above.

d) Address of the disputing investor:

Address 1	
Address 2	
City	State or Province
Country	Postal Code
Phone	Fax
E-mail	

III. CLAIM BY AN INVESTOR OF A PARTY ON BEHALF OF AN ENTERPRISE (SEE NAFTA ARTICLES 1117 AND 1119)

- a) Name of the enterprise: Centurian Health Corporation / Regent Hills Health / Howard Family Trust
- b) Address of the enterprise:

Address 1 <u>410 Park Avenue, 15th Floor #444 pmb</u>	
Address 2	
City <u>New York</u>	State or Province <u>New York</u>
Country <u>United States of America</u>	Postal Code <u>10022</u>
Phone <u>1-641-715-9900 Ext: 42857</u>	Fax <u>1-707-370-6425</u>
E-mail: <u>healthfinance@fastmail.com</u>	

If the claim is submitted by an investor of a Party on behalf of an enterprise, please provide:

- i) a copy of a deed of incorporation or other evidence of constitution or organization under the laws of the Party against which the claim is asserted; and
- ii) evidence of direct or indirect ownership or control of the enterprise by the disputing investor. This provision does not require the disclosure of confidential business information.

IV. INVESTMENT (SEE NAFTA ARTICLE 1139)

Indicate the type(s) of investment(s) involved:

- (a) an enterprise;
- (b) an equity security of an enterprise;
- (c) a debt security of an enterprise

- (i) where the enterprise is an affiliate of the investor, or
 - (ii) where the original maturity of the debt security is at least three years,
- not including a debt security, regardless of original maturity, of a state enterprise;
- (d) a loan to an enterprise
 - (i) where the enterprise is an affiliate of the investor, or
 - (ii) where the original maturity of the loan is at least three years,
 not including a loan, regardless of original maturity, to a state enterprise;
 - (e) an interest in an enterprise that entitles the owner to share in income or profits of the enterprise;
 - (f) an interest in an enterprise that entitles the owner to share in the assets of that enterprise on dissolution, other than a debt security or a loan excluded from subparagraph (c) or (d);
 - (g) real estate or other property, tangible or intangible, acquired in the expectation or used for the purpose of economic benefit or other business purposes; and
 - (h) interests arising from the commitment of capital or other resources in the territory of a Party to economic activity in such territory, such as under
 - (i) contracts involving the presence of an investor's property in the territory of the Party, including turnkey or construction contracts, or concessions, or
 - (ii) contracts where remuneration depends substantially on the production, revenues or profits of an enterprise.

Please provide evidence of direct or indirect ownership or control by the disputing investor, such as a copy of a title to property, a deed of incorporation of the enterprise, share certificates, a joint venture agreement, etc. To the extent that the disputing investor has provided any relevant evidence under Section III, it is not necessary to duplicate it under this Section. This provision does not require the disclosure of confidential business information.

V. LEGAL REPRESENTATIVE AND SERVICE OF DOCUMENTS

a) Name: Last Name, First Name, Initial

b) Address:

Address 1	
Address 2	
City	State or Province
Country	Postal Code
Phone	Fax
E-mail	

Please provide a copy of a power of attorney or similar document that demonstrates that the legal representative is duly empowered to act on behalf of the investor.

c) Indicate the name and address of the person to whom correspondence should be directed.

Name: Last Name, First Name, Initial - Howard - Melvin - J

Address:

Address 1 2346 E. Darnel Road
Address 2 _____
City Phoenix State or Province Arizona
Country United States of America Postal Code 85042
Phone 41-715-3800 Ext 45835 Fax 1-707-370-6425
E-mail the.howard.group@ilike2invest.com

VI. PROVISIONS ALLEGED TO HAVE BEEN BREACHED AND OTHER APPLICABLE PROVISIONS (SEE NAFTA ARTICLE 1119)

Indicate the provisions of NAFTA Chapter Eleven alleged to have been breached, and any other relevant provisions.

VII. ISSUES AND THE FACTUAL BASIS FOR THE CLAIM (SEE NAFTA ARTICLE 1119)

Describe the issues and the factual basis for the claim.

VI. PROVISIONS ALLEGED TO HAVE BEEN BREACHED AND OTHER APPLICABLE PROVISIONS (SEE NAFTA ARTICLE 1119)

Indicate the provisions of NAFTA Chapter Eleven alleged to have been breached, and any other relevant provisions.

We are making claim that the **national treatment** rule under Article 1102 has been breached by Canada. Under the rule all NAFTA participants should treat all investors, goods and services from Mexico and the U.S. no less favourably as those from Canada in the same circumstances. For example the contracting out of publicly funded surgical services, but only to Canadian-owned private facilities. We are also making claim that **Article 1103: Most-Favored-Nation Treatment** has been breached in addition to Article 1102.

VII. ISSUES AND THE FACTUAL BASIS FOR THE CLAIM (SEE NAFTA ARTICLE 1119)

Describe the issues and the factual basis for the claim.

We are calling on uniformity and consistency with provincial health care agencies throughout Canada. With Alberta's Bill 11 for private health care and the recent Supreme Court ruling in Quebec in favour of private health care insurance for residents of that province. As well as a number of provinces contracting out their health services including Public and Private Partnerships. There are serious inconsistencies throughout Canada in terms of the Canada Health Act and Provincial health care programs. Centurion and its counter parties seek to be compensated for damages for barriers to entry and expropriation. As we have experience in the past even when following provincial guidelines and rules in terms of running private surgical facilities. Municipalities or city officials have put up numerous roadblocks such as zoning and by law requirements that is politically motivated instead of merit base. Its like saying yes you can no you can't in the same sentence i.e. plausible deniability as far as the government is concerned. We have suffered numerous set-backs including deposits on 5 separate lots completely lost. Not including legal, accounting, investment bank and architectural fees. Since this project was going to be the first and largest of its kind there was no zoning in place. Which in turn put the company in the hands of community activist opposing the company's private surgical center. In their belief that no American company should be providing surgical services. Although there are numerous Canadian facilities that are doing the same type of surgical procedures.

VIII. RELIEF AND AMOUNT OF DAMAGES (SEE NAFTA ARTICLE 1119)

Indicate the relief sought and the approximate amount of damages claimed.

The Investor party is seeking **\$155,000,000.00 USD** in damages due the discriminatory

practices of trade barriers in accordance with the national treatment rule Article 1102. Further we are asking to be compensated for out of pocket expense of **\$4,700,000.00 USD** in addition to the following:

- (i) damages arising out the increase cost of construction.
 - (a) loss of reputation
 - (b) loss of business
 - (c) loss of opportunity

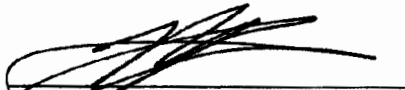
- (ii)
 - (a) payment of the amount found to be due to the investor enterprise on taking the account;

 - (b) general damages;

 - (c) special damages

 - (d) interest pursuant

 - (e) Costs.


Melvin J. Howard
Dated July 11,2008

REGENT HILLS HEALTH CENTRE FINANCING

Borrower - Melvin Howard, an American citizen, has formed a Canadian business corporation named Regent Hills Health Centre Inc. ("Regent Hills"). The Howard Family Trust owns 100% of Regent Hills. Regent Hills has contracted for the purchase of 9.5 acres in Vancouver (the "Land") upon which it will build the largest privately owned health center in Canada to offer orthopedics, plastic surgery, general surgery and other health care services to the public on a fee for service basis and likely through contracts with Canadian Health Authorities, the Ministry of Defense and the Royal Canadian Mounted Police (the "Center"). Regent Hills will complete the purchase of the Land with borrowed funds, as described below.

Regent Hills has contracted with DGBK Architects, a Canadian architecture firm specializing in health care design and compliance with health care regulations, to design the Center. In addition, Regent Hills is negotiating a Project Management Agreement and will negotiate a fixed price construction contract with Ledcor Construction Limited, a Canadian contracting and construction firm specializing in health care construction and compliance with health care construction requirements. The Center is anticipated to be complete and open for operation in February of 2007.

Financing - loan. In order to finance a portion of the purchase of the Land, construction and equipping of the Center and initial operations of the Center (collectively, the "Project"), Regent Hills will borrow approximately \$60,000,000 in several different installments from Regent Hills Lenders, Inc., a Delaware business corporation (the "Issuer"), pursuant to a Loan Agreement (the "Loan Agreement") between the Issuer and the Borrower. Counsel for Regent Hills will deliver a standard opinion, including enforceability of the Loan Agreement against Regent Hills in and under the laws of the United States.

Notes and Indenture. The Issuer which will raise the funds to loan to the Borrower by authorizing \$60,000,000 Maximum Outstanding Principal Amount Regent Hills Lenders, Inc. Variable Rate Taxable Demand Notes, Series 2005 (Pooled Loan Program) (the "Notes"). The Notes will be marketed pursuant to a Private Placement Memorandum by B.C. Ziegler and Company (the "Placement Agent") and sold exclusively to American citizens, funds and companies. The Notes will be issued pursuant to the Trust Indenture (the "Indenture") between the Issuer and a trustee (the "Trustee") with an initial amount of approximately \$20,000,000 in Notes issued at closing. Additional Notes may be issued pursuant to the Indenture and the proceeds loaned to Regent Hills as necessary to pay the costs of the Project. The Notes will be sold exclusively to Qualified Institutional Buyers ("QIB"s) and therefore exempt from registration and subject to transfer restrictions in accordance with rules promulgated under the Securities Act of 1933 Act, as supplemented and amended.

Letter of Credit. The Issuer agrees pursuant to the Indenture to forward payments of principal and interest on the Notes as required. Regent Hills agrees in turn pursuant to the Loan Agreement to repay the Issuer for the loan in payments which match the required payments of principal and interest on the Notes. The Issuer's only source of funds for payments on the Notes is the loan payments from Regent Hills. To provide addition security for the Note holders, the Issuer pledges and assigns substantially all of its rights in the Loan Agreement and to the funds

and accounts held under the Indenture to the Trustee (the "Assignment") and all payments of principal and interest on the Notes will be paid directly by The Toronto-Dominion Bank, through its Tower Branch in Vancouver, BC (the "Bank") pursuant to a transferable direct pay letter of credit (the "Letter of Credit") issued by the Bank pursuant to a Reimbursement Agreement (the "Reimbursement Agreement") among the Issuer, Regent Hills and the Bank. Counsel for the Bank will deliver a standard opinion, including organization, authorization and enforceability of the Reimbursement Agreement and the Letter of Credit against the Bank in and under the laws of the United States.

Disclosure. The Private Placement Memorandum will describe the transaction, Regent Hills, the Center and the terms and conditions of the transaction documents, including the Letter of Credit, events of default under the Reimbursement Agreement and basic financial information on the Bank.

Mortgage. The Howard Family Trust will be the beneficiary of a Mortgage from Regent Hills on the real estate upon which the Center is built and on the fixtures thereon. The Howard Family Trust will be able to proceed against the mortgaged property if Regent Hills does not make required payments under the Reimbursement Agreement and as a result the Bank takes ownership of the securities that the Howard Family Trust have pledged to the Bank as collateral.



TERM SHEET

SUMMARY OF CREDIT TERMS & CONDITIONS

The proposed terms and conditions summarized herein are provided for discussion purposes only and do not constitute an offer, agreement or commitment to lend. The actual terms and conditions on which The Toronto-Dominion Bank might extend credit as Lender to the Borrower are subject to our satisfactory review and subsequent credit approval of the Borrower and all relevant information the Bank deems relevant about the Borrower, including but not limited to operational, financial and environmental information and any other matters as determined by the Bank. This term sheet is to be held confidential and its terms may not be shared with outside parties. All dollar amounts are in Canadian dollars unless expressly stated otherwise.

Borrower

Regent Hills Health Centre Inc. (the "Borrower")

Lender

The Toronto-Dominion Bank (the "Bank") through its Tower Branch, in Vancouver, BC.

Facilities

Letter of Credit up to US\$56,000,000.

Form of Availability

At the Borrower's option by way of:

- Standby Letters of Credit in USD\$ ("LCs")

Drawdown Availability

Upon completion of all documentation and satisfaction of conditions precedent.

Purpose

To provide security for bond issuers in the United States whose proceeds will be used to (i) finance the purchase of land, construction and equipping of Regent Hills Health Centre and (ii) finance certain costs incurred in connection with the issuance of the Notes.

Term

Committed

Contractual Term

2 year term from the date of closing. Not earlier than 90 days and not later than 60 days prior to the first anniversary of the closing date, the borrower may request in writing that the bank renew this facility for a further 2 year term. The bank, at its sole discretion, will either renew the facility for a further 2 year term or will not renew and the original 2 year term will continue to expiration. This extension provision is available annually.

Interest Rates and Fees

Annual LC fee of 3/8% on face amount of LC (to be determined annually based on the bond holder's amortization schedule).

Arrangement Fee

The Borrower will pay an arrangement fee of 1/4%. This fee will be paid as follows:

- a) US\$50,000 upon acceptance of this term sheet;
- b) the balance on closing.

In the event that the Bank cannot provide the credit facility substantially along the lines outlined in this term sheet, all but \$25,000 of this fee will be refunded.

Repayment

Monthly LC draws are to be covered by Regent Hills Health Centre Inc. within 2 business days. If the bank is not reimbursed within 2 business days, the LC facility is in default and the cash held as security will be utilized to repay the draw on the LC.

Security

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank:

1. Registered Assignment of Credit Balances and Term Deposits in the amount of US\$56,000,000 if cash or money market instruments are held, General Hypothecation of Stocks and Bonds in the amount of US\$56,000,000 if US T-Bills are held. All credit balances/term deposits/stocks and bonds are to be held by TD Bank.
2. LC Indemnity Agreement.
3. General Security Agreement registered in 1st position.
4. First position all purpose collateral mortgage in the amount of US\$56,000,000 over the property and building where Regent Hills Health Centre is built (address to be determined). In consideration for the Bank receiving a security interest in cash and/or marketable securities as detailed above, the Bank will assign its mortgage interest to Melvin J. Howard or his assignee which will be held by the Bond Trustee and released in an event of default.

Conditions Precedent to Funding / Disbursement Conditions

Customary for this type of transaction, including but not limited to the completion of due diligence satisfactory to the Bank, including but not limited to the receipt and review of the following documents in form and substance satisfactory to the Bank:

- a) Adequate due diligence on Regent Hills Health Centre Inc. and on Ziegler Capital Markets Group is to be done by the Bank prior to issuing the LC. Borrower to provide the following information:
 1. Details on ownership structure.
 2. CVs on all principals.
 3. Information on Board of Directors.
 4. Business plan for the next 3 years. (income statements, balance sheets, CAPEX)
 5. Construction schedule.
 6. Contractor information.
- b) Execution of Loan/Letter/Credit Agreement, Security, Legal Opinions as determined by the Bank and its counsel.

Ongoing Conditions

- a) The amount of security held will be allowed to be reduced once per year based on the borrower's indebtedness to the Bondholders but the amount of cash/T-Bill security will at all times cover the face amount of the LC.
- b) Annual financial statements for the borrower to be provided within 120 days of fiscal year end.
- c) Annual written confirmation that the borrower remains in compliance of all provincial and federal health regulations.

Positive Covenants

Please see schedule "A"



One South Wacker Drive
Suite 3080
Chicago, IL 60606-4617

Phone: 312-263-0110
Toll-Free: 800-366-8899
Fax: 312-263-5217

www.ziegler.com

August 28, 2006

Melvin J. Howard
Regent Hills Health Centre
1700-1075 West Georgia St.
Vancouver, British Columbia
V6E 3C9
Canada

Mel:

Based on our last conversation and the preliminary projections prepared by Surgical Development Partners, it appears that the construction budget has grown from the original figures.

The cost of constructing the health facility is expected to be financed, in part, from the proceeds of the issuance of taxable floating rate bonds backed by an irrevocable, direct pay letter of credit provided by Toronto Dominion Bank (subject to their final credit approval).

Given that the construction budget has grown, it is expected that the par amount of the proposed bonds will grow as well. With that said, from our perspective the ultimate size of the bond issue will not affect our ability to place the bonds. The key will be obtaining a firm commitment from TD for an irrevocable, direct pay letter of credit supporting the total par amount of bonds plus a sufficient number of days of covered interest bases on the bank's requirements.

While any underwriting is done on a best efforts basis, I will say that I am confident in our ability to market and place the letter of credit-backed bonds regardless of the ultimate size of the issue. Ziegler has demonstrated experience and expertise in placing bonds with par values well in excess of \$150 million and I am confident of a successful outcome on the proposed RHHC issue based on the structure contemplated thus far.

Please don't hesitate to let me know if you need any further clarification.

Regards,

A handwritten signature in black ink that reads "Craig Standen".

Craig Standen



600 Superior Avenue East
Suite 1300
Cleveland, Ohio 14114
Tel: (216) 902-5004
Fax: (216) 478-6801

www.ziegler.com

Ziegler Capital Markets Group ("Ziegler") has been engaged as investment banker to Regent Hills Health Centre, Inc. ("Regent Hills") and is soliciting proposals from a limited number of financial institutions to provide a direct-pay letter of credit to serve as credit enhancement for the proposed sale of approximately \$154.0 million (US) taxable variable rate demand notes for the purpose of acquiring, constructing, equipping and furnishing a surgical center to be located in Vancouver, BC (the "Project").

Overview

Regent Hills Health Centre Inc. Mission is to improve access to high technological medical services on an international basis by:

- Designing the expansion of international collaborative projects, that contributes to the integration of public and private health care service delivery mechanisms.
- Generating fundamental long-range cost planning models to improve the health status of historically medically underserved populations.
- Using information systems to collect performance statistics, from various caseload data, which will allow us to provide appropriateness for quality of care and outcomes of care, to physicians, hospitals and governments.

Project

Regent Hills will provide inpatient (limited) and outpatient surgery, laser dentistry, diagnostic imaging services, physical and occupational therapy, health and heart ambulatory programs and medical education programs through its 215,000 square feet state of the art facility located in Vancouver, BC. Services will include plastic reconstructive and cosmetic surgery, general surgery, orthopedic surgery, ear nose and throat, podiatry, ophthalmology and laser eye surgery. Surgical procedures will be performed in 14 operating rooms with 110 observation, treatment and after-care beds.

Plan of Finance

The purpose of the proposed note issue (the "Notes") is to provide financing of the costs of acquiring, constructing, equipping and furnishing the Project, and the costs of issuance associated with the Notes. The Notes are expected to be marketed initially in the taxable weekly rate mode.

The debt service on the Series A Notes is expected to be interest only for no more than three years from the date of issuance. Subsequently to the interest only period, bond amortization will be structured to produce substantially level debt service for the remaining terms of the Series A Notes.

Proposal Process

Your proposal should address the items, terms and conditions set forth herein. Please detail your institutions ability and the terms and conditions (including detailed collateral provisions) necessary for your bank to provide the direct pay letter of credit

Please send your written responses to this request for proposal via overnight delivery or e-mail to the following individuals.

Mr. Melvin J. Howard (2 copies)
Chairman & CEO

Regent Hills Health Centre
Suite 212, 142 – 757 W. Hastings St.
Vancouver, British Columbia V6C 1A1
E-mail: healthfinance@fastmail.fm

Mr. John P. Hanley (1 copy)
Managing Director

Ziegler Capital Markets Group
600 Superior Ave., East, Suite 1300
Cleveland, OH 44114
E-mail: jhanley@ziegler.com

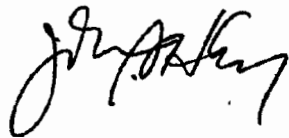
Mr. Craig T. Standen (1 copy)
Senior Vice President

Ziegler Capital Markets Group.
One South Wacker Drive, Suite 3080
Chicago, Il 60606
E-mail: cstanden@ziegler.com

Regent Hills and Ziegler will review all proposals and Regent Hills expects to make its final selection based on those proposals. Regent Hills reserves the right to reject any and all proposals, and to enter into negotiations with any proposer or proposers to obtain terms satisfactory to Regent Hills. Please be advised that the submission of a proposal is solely at the proposer's cost and expense.

Any questions or requests for additional information concerning this proposal should be directed to the undersigned. Thank you in advance for your interest in this project and for your cooperation in responding to this request.

Sincerely,



John P. Hanley
Managing Director
Ziegler Capital Markets Group
(216) 902-5004

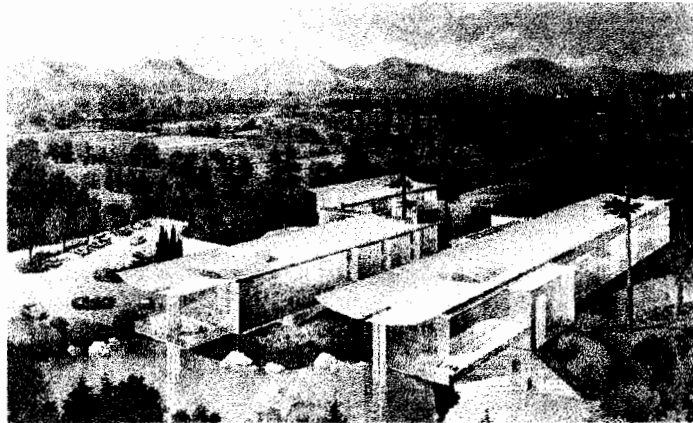


Craig T. Standen
Senior Vice President
Ziegler Capital Markets Group
(312) 596-1533

Senior Debt

Issuer:	Limited Liability Corporation to be formed and domiciled in the United States.
Borrower:	Regent Hills Health Centre, Inc. ("Regent Hills")
Par Amount:	\$154,000,000 USD (preliminary, subject to change)
Issue:	Loan Program Notes (Variable Rate Series A) (Installment No. 1) (the "Notes").
Purpose:	The proceeds of the Notes will be used to (i) to finance the purchase of land, construction and equipping of Regent Hills and (ii) finance certain costs incurred in connection with the issuance of the Notes.
Tax Status:	Taxable
Bondholder Security:	Irrevocable direct pay letter of credit from a financial institution.
Letter of Credit Security:	Collateral provisions determined by the LOC Bank.
Final Maturity:	2035
Amortization:	As permitted by LOC Bank.
Interest Rate Mode:	<u>Variable Rate</u> : weekly.
Interest Rate Determination:	The remarketing agent will set the interest rate weekly to reflect market conditions for comparable short-term taxable securities.
Calculation of Interest:	Interest of the Notes will be computed on the basis of actual number of days elapsed over a year of 365 days (366 in leap years).
Interest Payments:	<u>Weekly Mode</u> : monthly.
Principal Payments:	Annually to Noteholders after interest only period.

Optional Redemption During Weekly Rate Period:	Borrower may redeem the Notes at its option in whole or in part at par plus accrued interest on any interest payment date with at least 45 days advance notice.
Borrower Conversion Option:	Borrower may elect to convert Notes from the weekly rate to a fixed rate mode upon 45 days advance notice. The interest rate on the Notes would be established at the time of conversion based on the prevailing market conditions.
Tender Option (Demand Purchase Option):	An owner of a Note has the option to tender its Note on any business day with at least seven days advance notice.
Remarketing Fee:	0.125% per annum of the principal amount of Notes outstanding in weekly rate mode; paid semiannually in arrears.
Issuance Costs:	The Borrower will be responsible for the payment of all reasonable costs pertaining to the issuance of the Notes, including underwriter's counsel fees and expenses.
Annual Letter of Credit Fee:	% of par amount of Notes outstanding, plus 49 days of covered interest at 12% paid annually in advance.
Upfront Letter of Credit Commitment Fee:	To be determined.
Other Annual Fees:	To be determined.
Underwriter and Remarketing Agent:	Ziegler Capital Markets Group



Regent Hills Health Centre

Preliminary Five Year Pro Forma

July 13, 2006

Disclaimer. The above forecasts are preliminary estimates only and are based on conditions that exist on this date. These forecasts may be incomplete or invalid and may be subject to rapid and material change. General economic trends and changes, future owner/investor decisions, and other events or factors may cause significant variance between forecasts and actual experience. These preliminary forecast will be modified to reflect actual physician investors and physician non-investor support, final design, scope of project and timeline for construction incorporating inflationary impact.

These forecasts are expressly subject to specific review, validation, and endorsement by the owner of this venture. The underlying assumptions are integral to these forecasts. The reader should be thoroughly familiar with the assumptions to interpret the forecasts.

These forecasts are intended for illustrative purposes only.

Regent Hills Health Centre

7/13/06



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Regent Hills Health Centre Capital Budget Summary

7/13/2006

Equity Contributions			
Equity		4,300,000	
Total Equity			\$4,300,000
Debt			
Bond (Land & Construction)		\$115,146,508	
Bond (Pre-Opening & Beginning Cash of \$4,300,000)		10,081,308	
Total Bond		\$125,227,816	
Equipment Loan		36,532,386	
Line of Credit Revolver		15,000,000	
Total Debt			\$176,760,202
Total Sources of Funds			\$181,060,202

Land Purchase	9.00 acres	\$	51.02	\$20,000,000	
Building Costs					
Construction Contract	215,000	\$	357.63	76,890,450	
Program Development Fee				2,691,166	
Developer Overhead and Costs					
Reimbursable Expenses				100,000	
On-Site Project Manager				200,000	
Third Party Feasibility Study				100,000	
Architectural and Engineering Contracts				4,613,427	
A/E Reimbursable				150,000	
City Permits, Impact Fees, Utility Fees				860,000	
Construction Inspections				0	
Soils, Environmental, Appraisals, survey				400,000	
Legal				500,000	
Insurance and Taxes				250,000	
Contingency				1,000,000	
Financing Fees and Costs				1,141,465	
Pre-Syndication Development Costs				250,000	
Construction Interest, Net				6,000,000	
Total Building Costs				\$95,146,508	
Furniture & Equipment				\$36,532,386	
Pre-Opening Costs				5,667,671	
Beginning Inventory				350,000	
Accounts Payable related to Pre-Opening Costs				(236,364)	
Total Capital Costs					\$167,460,202
Total Beginning Cash				\$8,600,000	
Total Line of Credit Revolver				\$15,000,000	
Total Beginning Cash and Working Capital Revolver				\$23,600,000	
Total Capital Costs Including Beginning Cash and Working Capital Revolver					\$181,060,202



KESSLER

May 16, 2007

Mr. Melvin J. Howard
Chief Executive Officer
Regent Hills Health Centre

Dear Mr. Howard:

I am pleased you have selected Kessler Investment Advisors, Inc. to manage the U.S. Treasury portfolio for your Regent Hills project.

The Howard Family Trust account you have with us will be managed on an individual basis. Cash and securities will be held at Fimat USA, LLC (www.fimat.com).

Kessler Investment Advisors, Inc. and Fimat USA, LLC are subject to the rules and regulations of various regulatory bodies, such as the Securities and Exchange Commission and the National Association of Securities Dealers.

It will be possible to have parties placed as LPOAs (limited power of attorney) giving them the ability to place trades and view statements.

Should you have any further questions in regards to your account, or the services we provide, please don't hesitate to call. I can be reached directly at 303-291-8450.

Kind regards,

Bryan F. Bullock
President
Kessler Investment Advisors, Inc.



**LEDOR CONSTRUCTION
LIMITED**

1200, 1067 West Cordova Street
Vancouver, British Columbia
Canada V6C 1C7

Telephone: (604) 681-7500

Facsimile: (604) 681-4385

March 1, 2005

Via e-mail: healthfinance@fastmail.fm

Regent Hills Health Centre Inc.
Centurion Health Corporation
410 Park Avenue, 15th Floor
#444 pmb
New York, NY
10022

Attention: Mr. Melvin J. Howard, Chairman and CEO

Dear Mr. Howard:

Re: Project Management and Construction Services – Vancouver, BC

Further to our recent meeting, we are pleased to provide you with a proposal for Project Management construction Services for your planned Health Care Developments in the Greater Vancouver area.

During our meeting we provided our corporate brochure that briefly familiarizes you with Ledcor's construction history, philosophy and experience. Ledcor is a large, financially sound, multi-disciplined Construction Services provider that has been in business for over 57 years. Our Building Division has 14 offices across Canada and throughout the United States. We provide construction services through our Building Division as a General Contractor, Construction Manager, Project Manager and Design-Build Contractor. Ledcor is active in the construction of large and small healthcare and institutional facilities, commercial, industrial and residential buildings.

As per our discussion regarding your intention to build a state-of-the-art healthcare development in the Lower Mainland, with your first project consisting of approximately 215,000 sf – gross building area, we suggest a project management approach for this project. This involves Ledcor competitively acquiring consultants on your behalf and then managing the design, approval and budgeting process, develop with you the financial proforma, plus engage the services of a professional real estate group. We would then bid out the various components of the work to ensure the most competitive market pricing. These various components could be converted into a series of lump sum contracts if Regent Hills/Centurion Health Corporation desires. This then limits your financial exposure on the project.

Some of the benefits of this approach are:

1. It creates a single point of contact for the entire project.
2. Once the project is under construction, it will allow Regent Hills/ Centurion Health to write only one cheque each month for the project. We can distribute funds to all the consultants and trade contractors.
3. It ensures that the design and construction of the facility proceed in accordance with the agreed upon budget, scope, quality and schedule and that the entire project is as efficient and competitive as possible. Ledcor manages the entire process on behalf of Regent Hills/Centurion Health.
4. It is a completely open and competitive process, allowing Regent Hills/ Centurion Health to have transparent access to the project costs.
5. It utilizes Ledcor's competencies, drawing on our experience in engaging and managing consultants and making use of our massive purchasing power to ensure our prices are the most competitive in the marketplace.

It is understood that the scope of this assignment will be more fully developed over the next few months. Our initial role will include assistance in the analysis of the cost side of various development options required by Regent Hills/ Centurion Health as part of their due diligence before acquiring land for the project site. Other development sites in addition to the current site may be considered.

We propose to act as your agent and on terms acceptable to you, engage the necessary consultants as required, and work with them to develop several preliminary arrangements for the properties being considered, review these with Regent Hills/ Centurion Health, such that Regent Hills/ Centurion Health can select the version that best fits their development requirements.

Construction Option:

Once an acceptable design, budget and schedule have been agreed to, we can enter into a contract whereby Ledcor would manage and coordinate the team of consultants, guide the project through the necessary approvals, tender out the work, and manage the Trade Contractors to ensure that the project is completed on time and on budget. At some point, a fully guaranteed construction price may be required. We can also provide this, using an "open book" process to determine the price.

Our fee for integrated turnkey construction management at risk services relating to buildings will be 4% of the managed project costs of the Project plus all directly related costs incurred by Ledcor. If Regent Hills/Centurion Health desires, we can fix this number at the time of signing a construction contract.

I trust this is an accurate reflection of our discussions and look forward to discussing further how Ledcor can play a role in your plans to develop projects here in Vancouver and other parts of the country, due to our office locations and geographic diversity across North America.

Yours truly,
LEDCOR CONSTRUCTION LIMITED



Tom MacDonald
Senior Vice President, Business Development

copy: Mr. Carl Stewart
Senior Vice President, Ledcor Special Projects

Greg Dowling, MAIBC, MAAA, AIA
Partner, LEED® Accredited Professional

DGBK Architects

T (604) 682-1664
F (604) 682-2405
E gdowling@dgbk.com
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-----Original Message-----

From: MELVIN J. HOWARD [<mailto:healthfinance@fastmail.fm>]
Sent: Wednesday, January 26, 2005 3:35 PM
To: greg dowling
Subject: RE: RHHC - Pre-Application Meeting

Greg I agree with the time factor how much time would you need?

-----Original Message-----

From: greg dowling [<mailto:gdowling@dgbk.com>]
Sent: Tuesday, January 25, 2005 3:10 PM
To: Melvin Howard
Subject: RHHC - Pre-Application Meeting

Mel, Jas Sandhu invited me to join a conference call with the Surrey Planner to discuss what the Planning Department might need to issue a Letter of Comfort. In that conference call, the Planner said that a Letter of Comfort would not be the right vehicle in this case, as a Letter of Comfort is for sites that already have zoning and the City is confirming the parameters of that zoning in the letter. In this case, where rezoning is the starting point, what the City is prepared to do to help you gain some degree of comfort, is to have a Pre-Application Meeting. This meeting would be attended by City staff representing the Planning Department, Engineering, Roads and Transportation, Urban Design and any others that might have an interest in the development. This meeting would be to discuss the intent of the development based on a Conceptual Site Plan, or whatever else might be developed at that time, with the City offering comments with respect to the proposed uses, density, existing and future road and access issues, ultimate build-out, number of planned employees, parking, building size, etc.

From this meeting, you may gain sufficient comfort that the eventual proposal may be either a reasonable prospect or a greater challenge. This does still pose some risk however as the City cannot commit anything formally until the rezoning process runs its course or at least well enough along in that course to gauge its ultimate acceptance by Council. The Planner also suggested that it would be appropriate to meet with the Mayor and one or more Councilors at essentially the same time as the Pre-Application Meeting to get a sense of how Council might eventually view the project.

The Planner did recommend that the rezoning be pursued for whatever the full build-out might possibly be, even if the project may be phased and even if the subsequent phases are not pursued for several years, or at all. In this scenario, they would be looking at a phased Development Permit process, with an initial Conceptual Development Permit for the overall

12/07/2008

development and then separate Development Permits for each phase of the development when they occur. This would allow for some changes to occur in subsequent applications, to reflect either changes coming from the developer or from the City (this can be both a benefit and a risk).

Given the February 21st date to remove your subject(s) on the land deal, there is very little time to do any work in preparation for a Pre-Application Meeting. This was discussed with the Planner, who basically said: bring what we can and they will respond to the extent that they can with the information in front of them. Ideally, we would be going with more detail than time will now permit, as this will solicit a more complete and informed response which will in turn reduce your risk factor. With a more limited time frame, the material that will be presented will be quite superficial and will likely change as we progress. As such, the exercise may not be that meaningful in the end as a confirmation of comfort, but it may be more for your benefit with your financial partners.

Jas was suggesting that the Pre-Application Meeting take place during the week of February 7th to respond to the 21st deadline. We could prepare something, but again, more time would be better. We should get the account caught up as well before jumping too quickly forward. Let me know how you want to proceed and if you think that the Pre-Application Meeting is something that you want to proceed with prior to the February 21st deadline. Jas said that he would set up the meetings if you want to proceed.

Greg Dowling, MAIBC, MAAA, AIA
Partner, LEED® Accredited Professional

DGBK Architects

T (604) 682-1664

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12/07/2008

NOTARIAL CERTIFICATE OF TRUE COPY


CANADA
PROVINCE OF BRITISH COLUMBIA

IN THE MATTER OF
HOWARD FAMILY TRUST

TO WIT:

I, David C. Scammells, a Notary Public in and for the Province of British Columbia, by Royal Authority duly appointed, residing in the City of Richmond, in the said Province, DO HEREBY CERTIFY that the photocopy attached hereto and marked with my Notarial Seal are true copies of the documents now produced and shown to me and purported to be Deed of Settlement and Amendment Agreement in connection with Howard family Trust, the said copies having been compared by me with the said original document, an act whereof being requested I have granted under my notarial form and seal of office to serve and avail as occasion shall or may require.

IN TESTIMONY WHEREOF I have hereto subscribed my name and affixed my seal of office at Richmond, B.C., on July 14, 1999.



A Notary Public in and for the
Province of British Columbia



DAVID C. SCAMMELLS
BARRISTER & SOLICITOR
#360 - 5851 NO. 3 ROAD
RICHMOND, B.C., V6X 2E3
TELEPHONE: 278-8882

FORM 1
(Section 5)

COMPANY ACT

MEMORANDUM

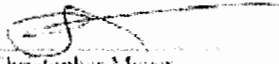
of
662704 B.C. LTD.

I wish to be formed into a company with limited liability under the *Company Act* in pursuance of this Memorandum.

1. The name of the Company is "662704 B.C. Ltd."
2. The authorized capital of the Company consists of 232,000 shares divided into:
- (a) 10,000 Class "A" Voting Participating Common shares without par value;
 - (b) 10,000 Class "B" Non-Voting Participating Common shares without par value;
 - (c) 10,000 Class "C" Voting Non-Participating Common shares without par value;
 - (d) 1,000 Class "D" Non-Cumulative Preferred shares without par value;
 - (e) 1,000 Class "E" Non-Cumulative Preferred shares without par value;
 - (f) 100,000 Class "F" Non-Cumulative Preferred shares with a par value of \$0.001 each;
 - and
 - (g) 100,000 Class "G" Preferred shares with a par value of \$0.001 each.
3. The Class "A" Voting Participating Common, Class "B" Non-Voting Participating Common, Class "C" Voting Non-Participating Common, Class "D" Non-Cumulative Preferred, Class "E" Non-Cumulative Preferred, Class "F" Non-Cumulative Preferred, and the Class "G" Preferred shares shall have attached to them the special rights and restrictions set forth in the Articles of the Company.
4. I agree to take the number and kind of shares in the Company set opposite my name:

FULL NAME, RESIDENT ADDRESS AND
OCCUPATION OF SUBSCRIBER(S)

NUMBER, CLASS AND KIND OF
SHARES TAKEN BY SUBSCRIBER(S)


J. Christopher Meyer
1918 Russet Way
West Vancouver, BC
V7V 3B4
Solicitor

1 Class "A" Voting Participating Common
share without par value

Total Shares Taken:

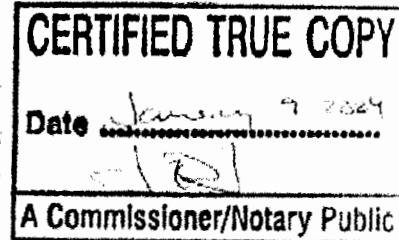
1 Class "A" Voting Participating Common
share without par value

Dated the 17th day of January, 2003.



NUMBER: 662704

COMPANY ACT



CERTIFICATE OF INCORPORATION

JASON D. JAMES
Notary & Solicitor
1111 Georgia Street
Victoria, B.C. V8E 3C9
Telephone: 255-1501

I Heroby Certify that

662704 B.C. LTD.

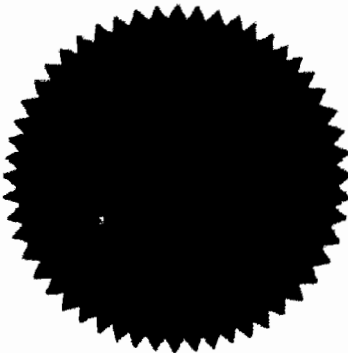
has this day been incorporated under the *Company Act*

Issued under my hand at Victoria, British Columbia

on January 24, 2003



JOHN S. POWELL
Registrar of Companies
PROVINCE OF BRITISH COLUMBIA
CANADA





NUMBER 662704

**CERTIFICATE
OF
CHANGE OF NAME**
COMPANY ACT

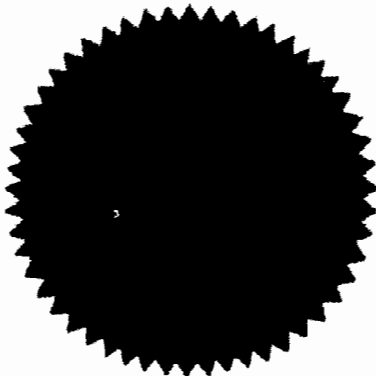
I Hereby Certify that

662704 B.C. LTD.

has this day changed its name to

REGENT HILLS HEALTH CENTRE INC.

*Issued under my hand at Victoria, British Columbia
on December 15, 2003*



JOHN S. POWELL
Registrar of Companies
PROVINCE OF BRITISH COLUMBIA
CANADA

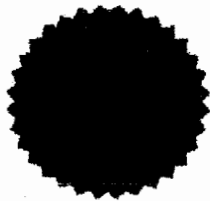
Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "TEMPLEMORE ACQUISITION CORP.", CHANGING ITS NAME FROM "TEMPLEMORE ACQUISITION CORP." TO "CENTURION HEALTH CORPORATION", FILED IN THIS OFFICE ON THE FOURTH DAY OF MARCH, A.D. 2002, AT 3 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 1659698

DATE: 03-12-02

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