

EMPLOYMENT AGREEMENT

BETWEEN: Bruyère Continuing Care

(the "Hospital")

AND: Mr. Daniel Levac

(the "Executive")

WHEREAS the Hospital wishes to retain the services of the Executive as Senior Vice-President, Corporate Services and Chief Financial Officer of the Hospital and the Executive wishes to remain as Senior Vice-President, Corporate Services and Chief Financial Officer of the Hospital;

NOW THEREFORE, in consideration of the continued employment of the Executive by the Hospital, the above premises and the mutual agreements hereinafter set forth, the parties agree as follows:

1. Duties

Beginning April 1, 2011 the Hospital shall employ the Executive in the position of Senior Vice-President, Corporate Services and Chief Financial Officer, and the Executive accepts such employment with the Hospital in such capacity subject to the terms and conditions hereof. As Senior Vice-President, Corporate Services and Chief Financial Officer, the Executive shall be responsible to the President and Chief Executive Officer of the Hospital and further shall be responsible for taking such action as the President and Chief Executive Officer considers necessary to ensure compliance with the Public Hospitals Act, the Nursing Home Act, the Charitable Institutions Act, the Homes for the Aged and Rest Homes Act, The Long Term Care Statutes Law Amendment Act and their associated Regulations, and under any and all applicable legislation and the bylaws of the Hospital.

2. Binding Authority

The Executive in performing his duties hereunder is acting as an Executive of the Hospital. Nevertheless, the Executive shall not have the authority to hold himself out as having any right, power or authority to create any contract or obligation, either expressed or implied, on behalf of, in the name of, or binding upon, the Hospital unless such authority is expressly provided to the Executive herein, or otherwise.

3. Compensation

- (a)** For his services hereunder, the Hospital shall pay the Executive an annual salary of \$209,065.00. The Executive's salary shall be paid in accordance with the normal payroll practices of the Hospital and shall be subject to such deductions and withholdings as are required by law.
- (b)** Subject to the attainment of the Improvement Initiatives set out in the Hospital's Quality Improvement Plan, the Executive's salary may be subject to an annual increase of up to two (2) percent on April 1st of each year, beginning on April 1, 2012.
- (c)** The Executive shall remain entitled to any general wage increase awarded to other non-unionized employees by the Board of Directors.
- (d)** At the discretion of the President and Chief Executive Officer, following an assessment of the Executive's performance related to the attainment of the objectives set out in the Hospital's Strategic Plan, the Executive may be awarded a performance bonus of up to 10% of the Executive's salary, remitted as vacation credits. Such vacation credits may be carried over from year to year, if unused in the year awarded, or paid as a lump sum at the Executive's discretion.
- (e)** The Executive shall be entitled to be reimbursed in accordance with the policies of the Hospital, as adopted and amended from time to time, for all reasonable and necessary expenses incurred by him in connection with the performance of his duties of employment hereunder, provided the Executive shall as a condition of such reimbursement, submit verification of the nature and amount of such expenses in accordance with the reimbursement policies from time to time adopted by the Hospital.
- (f)** The Executive shall be entitled to the benefits described in Appendix A (appended) and such other benefits and plans as are made available by the Hospital for its Executives, in accordance with the terms thereof.

4. Termination of this Agreement

- (a)** This Agreement and the Executive's employment by the Hospital hereunder may be terminated:
 - i)** by mutual agreement of the Executive and the Hospital;
 - ii)** by the Hospital immediately for cause pursuant to Section 5;
 - iii)** subject to the provisions of Section 6 herein, by the Hospital without cause upon written notification to the Executive which shall be effective upon the giving of such notification. Upon receipt of such notice, the Executive shall be relieved of his duties;
 - iv)** upon the death of the Executive, and;
 - v)** by the Executive at any time upon sixty (60) days' notice to the Hospital.
- (b)** Upon the termination of the Executive's employment hereunder, the Hospital shall have no further obligation to the Executive with respect to this Agreement or his employment by the Hospital except for:
 - i)** salary accrued hereunder and unpaid at the date of such termination;
 - ii)** in the case of termination pursuant to paragraph 4(a)(iii), the termination payments provided by Section 6 below, and;
 - iii)** any accrued benefits including vacation credits to which the Executive is entitled at the time of termination.
- (c)** The Executive agrees that the covenants and agreements contained in Section 7 c) herein shall survive and shall not be extinguished by the termination of this agreement and/or the termination of the Executive's employment hereunder.
- (d)** Upon termination of this Agreement, the Executive shall at once deliver or cause to be delivered to the Hospital all books, documents, effects or other property belonging to the Hospital or for which the Hospital is liable to others, which are in the possession, charge, control or custody of the Executive.

5. Termination for Cause

- (a)** Notwithstanding anything to the contrary herein, the Hospital may terminate the employment of the Executive for cause at any time and without notice, or payment in lieu of notice, except the payments set out in paragraphs 4(b) i) and iii) above.
- (b)** For the purposes of this section, cause for termination shall be deemed to include, but shall not be restricted to the following:
 - i)** if the Executive has intentionally disregarded or disobeyed any lawful order or instruction of the President and Chief Executive Officer;
 - ii)** if the Executive has committed an act of dishonesty against the Hospital;
 - iii)** if the Executive has breached any of the material provisions of this agreement for which there has been insufficient remedy within thirty (30) days;
 - iv)** if the Executive has been convicted of any criminal offence which adversely affects the reputation of the Hospital in the eyes of its patients or the public in general.
- (c)** It is expressly understood and agreed that any act which, although providing grounds for termination for cause, does not result in dismissal, shall not operate as a waiver by the Hospital of its right to terminate for cause in the event that the act is repeated.

6. Termination Payment in Lieu of Notice

- (a)** For the purposes of this Agreement, the Notice Period shall be twelve (12) months plus one (1) month for each completed year of service to a maximum of eighteen (18) months. The Hospital recognizes that the Executive has remained in the service of the Hospital since December 4, 2006.

- (b) In the event that the Executive's employment hereunder is terminated pursuant to paragraph 4(a)(iii) hereof, the Hospital shall:
- i) pay the Executive's vacation entitlement accrued prior to termination and continue payment to the Executive for the length of the Notice Period of an amount equal to the Executive's salary at the date of termination;
 - ii) continue the health and insurance benefits outlined in Appendix A (appended) of the Executive for the length of the Notice Period insofar as such benefits may be continued under the contractual arrangements between the Hospital and its insurance carriers. The benefit continuation shall cease at such time as the Executive commences alternate employment with comparable benefits;
 - iii) continue payment for the length of the Notice Period of the Hospital's portion of pension contributions, such payment to cease at such time as the Executive commences alternate employment.
- (c) Notwithstanding paragraph (a), the Hospital will, if requested by the Executive, pay to the Executive at the time of termination, or at any time after the notice of termination has been issued, a lump sum payment equivalent to the total of:
- i) salary for the length of the Notice Period, or the unexpired portion hereof, as well as his vacation entitlement accrued prior to termination;
 - ii) the cost to the Hospital of continuation of the Executive's health and insurance benefits outlined in Appendix A (appended) for the length of the Notice Period;
 - iii) the cost to the Hospital of payment of the Hospital's portion of the pension contributions for the length of the Notice Period or the unexpired portion thereof.
- (d) The Executive hereby acknowledges that the payments in paragraph (a) or (b) are reasonable and that they satisfy all claims, whether at common law or under the Employment Standards Act, which the Executive may have for wrongful dismissal, severance pay, termination pay or other damages arising from the termination of employment.
- (e) The Hospital shall supply the Executive with the services of an outplacement counselling firm at a cost no greater than fifteen percent (15%) of the Executive's salary at the date of termination.

7. Executive's Covenants

(a) Service

The Executive shall devote the whole of his time, attention and ability to the business of the Hospital or to the business of any other person as authorized by the Hospital and shall well and faithfully serve the Hospital and shall use his best efforts to promote the interests of the Hospital. The Executive shall not, without the prior written approval of the President and Chief Executive Officer, engage in any activity which interferes with the obligations hereunder, whether or not such activity is pursued for gain, profit or other pecuniary advantage.

(b) Rules and Regulations

The Executive shall be bound by and shall faithfully observe and abide by all the rules and regulations of the Hospital from time to time in force which are brought to his notice or of which she should reasonably be aware.

(c) Confidential Information

The Executive shall not, while employed by the Hospital, nor within a period of twelve (12) full months thereafter, directly or indirectly, without the approval of the President and Chief Executive Officer disclose or use, directly or indirectly, any secret or confidential information, knowledge or data of the Hospital to the detriment of the Hospital howsoever obtained.

8. **Clauses Surviving Termination of Agreement**

- (a) The Executive agrees that the covenants and agreement contained in Section 7(c) of this Agreement, and the subsections of that Section, are of the essence of this Agreement; that each of such covenants is reasonable and necessary to protect and preserve the interests and properties of the Hospital and the business of the Hospital; that irreparable loss and damage will be suffered by the Hospital should the Executive breach any of such covenants and agreements; that each of such covenants and agreements is separate, distinct and severable not only from the other of such covenants and agreements but also from the other remaining provisions of this Agreement; that the unenforceability of any such covenant or agreement shall not affect the validity or enforceability of any other such covenant or agreements or any other provision or provisions of this Agreement; and that, in addition to other remedies available to it, the Hospital shall be entitled to both temporary and permanent injunctions to prevent a breach or contemplated breach by the Executive of any of such covenants or agreements.
- (b) In the event that the Executive shall breach any of the covenants set forth in Section 7(c) hereof, the running of the period of the restriction set forth in such Section shall be extended during the continuation of any such breach by the Executive, and the running of the period of such restriction shall re-commence only upon compliance by the Executive with the terms of the applicable Section.
- (c) If any covenant or provision hereunder is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision.

9. **Assignment; Governing Law**

- (a) Subject to Section 6, this Agreement may be assigned by the Hospital and any successor to its business and shall enure to the benefit of any such assignee. Neither this Agreement nor any rights of the Executive hereunder may be assigned by the Executive, nor may the Executive delegate to another his performance hereunder.
- (b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

10. **Previous Agreements**

Any and all previous agreements, written or oral, between the parties hereto or on their behalf relating to the employment of the Executive by the Hospital are hereby terminated and cancelled.

11. **Entire Agreement**

This Agreement sets forth the entire agreement between the parties hereto pertaining to the subject matter hereof and no modification, variation or amendment of it shall be binding upon the parties unless the same is in writing and signed by each of them. The parties acknowledge that there are no collateral, agreements, representations, warranties, arrangements, understandings or otherwise, written or oral, pertaining to the subject matter hereof.

12. **Notice**

Should any notice, request, demand or other communication be required to be given hereunder, it shall be made in writing and shall be deemed to have been fully given if personally delivered, or if mailed by Canada Post, certified or registered, postage prepaid, to the parties at the following addresses (or at such other addresses as shall be given in writing by any party to the other party hereto):

If to the Executive, addressed to:
Daniel Levac
43 Bruyère Street
Ottawa, ON K1N 5C8

If to the Hospital, addressed to:
Jean Bartkowiak
President & Chief Executive Officer
Bruyère Continuing Care
43 Bruyère Street
Ottawa, ON K1N 5C8

Any notice given by mailing shall be deemed to have been received on the third business day (excluding Saturday, Sunday and statutory holidays) following the date of mailing and any notice given by personal delivery shall be deemed to have been received at the time of delivery.

13. Amendments and Waivers

No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

14. Interpretation of Agreement

- (a) Any issues arising out of the application, interpretation or administration of this agreement shall be determined by final and binding arbitration pursuant to the Arbitration Act, 1991. if such dispute resolution process is mutually agreed upon at the time by the Executive and the Hospital. The arbitrator shall be appointed in accordance with the Arbitration Act, 1991, and the arbitrator shall have the power to award compensation, or damages in case of breach of the terms of his Agreement. However, the Arbitrator shall not have the power to order reinstatement of the Executive nor shall he/she have the power to amend, or alter in any way the terms of this Agreement.
- (b) Prior to referral of any issue to arbitration, the parties shall participate in a mediation regarding the issue. The mediator shall be chosen by agreement of each party. The mediator's fees and expenses shall be shared equally by the parties.

IN WITNESS WHEREOF this Agreement has been executed by the parties this 30th day of March, 2011.

SIGNED, SEALED AND DELIVERED
in the presence of

Witness

Daniel Levac

Jean Bartkowiak

1. Car Allowance

The Executive shall be paid a car allowance of five hundred dollars (\$500.00) per month. This amount may, at the discretion of the Executive, be included as pensionable earnings. The Executive may not seek reimbursement for any expense related to the use of his vehicle, including, but not limited to mileage allowance, insurance, etc.

2. The Executive is provided with cost-plus insurance, providing coverage for items not covered by group insurance plans, in the amount of two thousand five hundred (\$2,500.00) dollars per year, cumulative to a maximum of five thousand dollars (\$5,000.00)
3. The Executive and the Hospital shall contribute to the Hospitals of Ontario Pension Plan, according to the terms of the Plan.
4. The Executive shall be provided with parking at all facilities operated by the Hospital.
5. The Executive shall be provided, at no cost or expense to himself, with a computer or laptop for use at his home, a Blackberry or equivalent PDA.
6. The Executive shall be entitled to six (6) weeks paid vacation per year.
7. The Executive shall be entitled to paid leave to a maximum of five days per year when performing none remunerated board work for charitable organizations.