

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

BETWEEN:

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**FOURTH REPORT TO THE COURT OF THE RECEIVER  
(dated March 11, 2013)**

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## INTRODUCTION

1. Pursuant to an Order (the “**Appointment Order**”) of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 27, 2011 (the “**Appointment Date**”), Deloitte & Touche Inc. (“**Deloitte**”) was appointed as receiver and manager (the “**Receiver**”) of all of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community (“**Rose**”). A copy of the Amended and Restated Appointment Order is attached hereto as **Appendix “A”**.
2. Rose’s principal asset is a 12 storey building located at 15-17 Maplewood Avenue, Toronto, Ontario (the “**Property**”) which is comprised of a 60 bed long-term care facility located on floors 4 through 6 (the “**Nursing Home**”) and 90 life-lease units located on floors 2, 3 and 7 through 12 ( the “**Life-Lease Residence**”).
3. The Receiver’s Third Report to the Court dated February 19, 2013 (the “**Third Report**”) provided the Court with, among other things, the history of the Property, the construction of the Property, a detailed analysis of the units purchased in the Life-Lease Residence, details on the terms of the loan provided by Peoples Trust Company (“**Peoples**”) used to fund construction of the Property (the “**Construction Loan**”), the competing interests in the Property, and the Receiver’s position on priority of the first mortgage registered against title to the Property (the “**Construction Mortgage**”) held by Peoples as against the other various agreements, loans, notes, liens, charges and mortgages registered and unregistered against the Property (the “**Priority Issue**”).
4. In connection with the Priority Issue, the Receiver proposed in the Third Report that it would be more efficient for a particular segment of stakeholders (the Arm’s Length Claimants as defined in the Third Report), Peoples, the Receiver and the Court to adjudicate the Priority Issue if representative counsel was appointed to act on behalf of the Arm’s Length Claimants (“**Representative Counsel**”). Peoples had proposed that should Representative Counsel be appointed on terms acceptable to Peoples, it was

agreeable to the Receiver paying the reasonable fees of Representative Counsel from the receivership estate.

5. In its motion materials dated February 22, 2013, the Receiver proposed that Kronis, Rotzstain, Margles, Cappel LLP (“**KRMC**”) be appointed as Representative Counsel for the Arm’s Length Claimants.
6. In addition, the Receiver brought a motion for, among other things, an Order:
  - i) approving the Receiver’s Second Report to the Court dated December 14, 2012;
  - ii) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period September 27, 2011 to December 31, 2012;
  - iii) increasing the maximum of the Receiver’s borrowing limit to \$1,500,000;
  - iv) approving the Receiver Fees, the fees of Gowling Lafleur Henderson LLP (“**Gowlings**”) and the fees of Blaney McMurtry LLP (“**Blaneys**”); and
  - v) approving the appointment of KRMC as Representative Counsel in respect of the Arm’s Length Claimants.
7. On February 28, 2013, Justice Morawetz granted an Order (the “**February 28 Order**”) approving the matters listed above except for the appointment of Representative Counsel, which motion was adjourned on consent to March 12, 2013. The adjournment was intended to provide the Arm’s Length Claimants with the opportunity to meet with KRMC concerning KRMC’s potential retainer as Representative Counsel and to address concerns raised with the Receiver concerning the categorization by the Receiver of certain Unit-holders as being, or not being, Arm’s Length Claimants as set out in Appendix “E” to the Third Report. A copy of the February 28 Order and Justice Morawetz’s Endorsement is attached hereto as **Appendix “B”**.

8. The purpose of this Fourth Report to the Court (the “**Fourth Report**”) is to update the Court on the Receiver’s activities since February 28, 2013 in respect of its motion to have Representative Counsel appointed.
9. Capitalized terms not defined in this Fourth Report are as defined in the Appointment Order, or the First Report through Third Reports. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE**

10. In preparing this Fourth Report, the Receiver has relied upon the books and records of Rose. In addition, the Receiver has relied upon information provided by purchasers of Life-Lease Units (“**Unit-holders**”), or parties claiming to have a direct or indirect financial interest in Life-Lease Units.
11. In particular, the information reviewed by the Receiver in preparing this Fourth Report has included:
  - a) books and records of Rose, including information contained in Rose’s computer records;
  - b) documents provided directly to the Receiver by Unit-holders; and
  - c) documents/information provided by Mr. John Yoon, the former CEO of Rose.
12. The Receiver has compared certain information contained in Rose’s records to information that has been provided by Unit-holders. While the Receiver has reviewed certain information for reasonableness, the Receiver has not performed an audit or other verification of information that is contained in Rose’s records or that has been provided to the Receiver and expresses no opinion thereon.

13. The Receiver has sought the advice of Gowlings, counsel to the Applicant, for general legal matters that have arisen in respect of the receivership. Where the Receiver has required independent legal advice, the Receiver has sought the counsel of Blaneys.

#### **MEETING WITH THE ARM'S LENGTH CLAIMANTS**

14. By letter dated March 1, 2013, Blaneys, independent counsel to the Receiver, wrote to the Arm's Length Claimants to advise them of i) the adjournment of the motion to appoint Representative Counsel until March 12, 2013, and ii) a meeting to be convened by the Receiver at the Property on March 4, 2013 (the "**March 4 Meeting**"). At the March 4 Meeting, the Arm's Length Claimants would be given the opportunity to i) ask any questions of the Receiver and its counsel concerning the appointment of KRMC as Representative Counsel for the Arm's Length Claimants and the pending Priority Issue between Peoples and the Arms' Length Claimants, and ii) meet with representatives of KRMC who would address any questions concerning their potential retainer as Representative Counsel. A copy of the March 1, 2013 letter to the Arm's Length Claimants (with enclosures) is attached hereto as **Appendix "C"**.
15. While the Remaining Claimants (those Unit-holders who were not classified as Arm's Length Claimants) were not directly invited to the March 4 Meeting, by letter also dated March 1, 2013, Blaneys provided the Remaining Claimants with a copy of Blaneys' March 1 letter inviting the Arm's Length Claimants to the March 4 Meeting, which letter also indicated that if there were Remaining Claimants who were taking the position that they had been miscategorized and should be included in the same category as the Arm's Length Claimants, they were welcome to attend. A copy of the March 1, 2013 letter to the Remaining Claimants (with enclosures) is attached hereto as **Appendix "D"**.
16. At the March 4 Meeting, persons representing 16 of the 28 Arm's Length Unit-holders were in attendance. In addition, individuals representing 14 of the 16 Director Units, the 2 Mugungwha Units and 10 of the 18 Non-Arm's Length Units were also in attendance. A

copy of the attendance sheet from the March 4 Meeting is attached hereto as **Appendix “E”**.

17. In addition, the March 4 Meeting was attended by the Receiver (including a representative from its office who translated much of the discussion into Korean for the benefit of those in attendance who required that service), its counsel (Blaneys), and two representatives from KRMC. The representatives of the Receiver and its counsel left the meeting part way through, in order to afford the opportunity to those in attendance to speak with KRMC without the Receiver being present.
18. During the course of the meeting, and in connection with the appointment of Representative Counsel for the Arm’s Length Claimants, a number of attendees asked questions of the Receiver and set out their view that there should not be a distinction between Arm’s Length Unit-holders and Director Units as this was seen as being divisive to the Korean community. Another attendee expressed his concern that certain of the Non-Arm’s Length Unit-holders should also be included in any group to be represented by Representative Counsel and should not be excluded simply because they were not of Korean heritage. Others suggested that there were incorrect categorizations between the various groups of Unit-holders although no supporting details were provided.
19. The Receiver and its counsel explained the Receiver’s reasoning behind the categorization of the Arm’s Length Unit-holders and the Director Units as set out in Appendix “E” to the Third Report. In particular, the category of Director Units was intended to include those individuals (or their related family members) who had direct involvement in the Project, who were aware or should have been aware of Rose’s financial circumstances and who had a duty to others regarding their actions and decisions as Rose board members. Furthermore, it was the Receiver’s view that there could be an adversity of interest between the Arm’s Length Claimants and those included in the category of Director’s Units and that Arm’s Length Claimants could potentially assert claims against those included in the category of Director’s Units. As a result, it was not appropriate for the same counsel to represent both the Arm’s Length Claimants and those included in the

category of Director's Units. In that regard, Blaneys suggested to those Unit-holders in attendance that the Remaining Claimants should seek their own counsel regarding the Priority Issue.

20. With respect to the concern raised regarding exclusion of the Non-Arm's Length Claimants, the Receiver suggested to the individual raising the concern that the individual provide its position in writing for the Receiver to respond. The Receiver has not yet received anything in writing in this regard.
21. After its presentation, the Receiver and its counsel left the room at which point the meeting continued between the Unit-holders and KRMC.

#### **CLASSIFICATION OF UNIT-HOLDERS**

22. On March 6, 2013, the Receiver was contacted by counsel for Young Ok Jeon, the purchaser of unit# 709 and #711, regarding the status of the receivership. The Receiver inquired of counsel if Mrs. Jeon was ever a Director of Rose since Rose's records indicated that she had provided one of the eight "Director Loans". It was Mrs. Jeon's counsel's understanding that Mrs. Jeon had never acted in that capacity at Rose and that counsel would confirm that understanding with Mrs. Jeon.
23. The Receiver's classification of Unit-holders as Directors was based on information provided by Mr. John Yoon at the commencement of the receivership at which time he indicated that certain loans were "Director Loans". The Receiver categorized the units owned by the individuals providing the "Director Loans" as part of the Director Units.
24. Given the concerns raised at the March 4 Meeting regarding Unit-holder classification and the information provided by Mrs. Jeon's counsel, the Receiver wrote to Mr. John Yoon on March 6, 2013 asking if he was aware if Mrs. Jeon had ever acted as a Director of Rose. Mr. Yoon responded that he was not aware that she had ever acted as a Director. The Receiver then again wrote to Mr. Yoon to inquire if in his opinion there are any other Unit-holders categorized as a Director who should be under the Arm's Length Claimants



category and if there are any Arm's Length Unit-holders who should be included under Director Units. On March 7, 2013, Mr. Yoon responded to the Receiver that he believed that Young Jeon, Hyun Sook Hwang, Han Hyung Lee/Hae Jeong Kang, Sun Hwa Lee, Woo Sam Park, and Olivia Yoon should be classified under Arm's Length Units. This information was not consistent with the previous information described above provided by Mr. Yoon.

25. The Receiver also reviewed Rose's records, minutes of board of director meetings in its possession and correspondence with a view to identifying those parties who at some point acted as Directors of Rose (the Receiver notes, however, that it cannot confirm that it is in possession of all of Rose's Board of Director minutes). The Receiver has determined that four Unit-holders (Young Jeon – unit #709 and unit #711, Hang Hyeong Lee/Hae Jeong Kang – unit #805, Sun Hwa Lee – unit #810 and #812, and Woo Sam Park – unit #906) do not appear to have ever acted in a Director capacity for Rose, and for that reason, the Receiver has reclassified those Unit-holders to Arm's Length Unit-holders. The Receiver also identified three previously designated Arm's Length Unit-holders (Jang Hoon Lee/Vivian Rhee – unit #703, Jane Kim – unit #802, and Sang-Hyun An/Chang Y An – unit #809 and unit #811) who had at some point acted as a Director of Rose, and for that reason, the Receiver has reclassified those Unit-holders to Director Units.
26. The Receiver also notes that there are three Unit-holders, Eunkyung Kim, Na Rae Choi and Hae Jeong Kang, who were appointed to an "interim Board" on June 2, 2011 prior to the dissolution of the "old Board". It would appear from the minutes of that meeting that the purpose of the interim Board was to "set up a plan until the project becomes condo". It also appears that, from the records reviewed by the Receiver, no new Life-Lease Unit sales were made during the term of the "interim Board". Given those set of circumstances, the Receiver is of the view that these three Unit-holders should remain categorized as Arm's Length Claimants for the purposes of the Representative Counsel matter.

27. The Receiver has amended its schedule to reflect the above information with the exception of two units. Mr. Yoon is of the belief that the unit purchased by Hyun Sook Hwang should be reclassified as an Arm's Length Unit. However, the Right to Occupy Agreement for that unit is in the name of Hyun Sook Hwang/Moon A. Yoon. Given that Moon A. Yoon is the spouse of John Yoon, it is the Receiver's view that this unit should remain in the Director Unit category. In addition, Rose's records indicate that Olivia Yoon was a Director and the Treasurer of Rose until her resignation sometime in October 2008. Accordingly, the Receiver does not propose to change its categorization of either Hyun Sook Hwang or Olivia Yoon.
28. Based on the above, the Receiver has amended its Schedule of Life Lease Units to reclassify those units as set out above. The amended schedule is attached hereto as **Appendix "F"**. However, notwithstanding this re-classification, in the event that the Receiver's classification of Unit-holders is incorrect, the proposed draft Representative Counsel order prevents any Unit-holder, or their related family members, who was a Director prior to June 2011 from having KRMC act for them as Representative Counsel without leave of the Court.
29. As discussed at the meeting on March 4, 2013, the only reason that the Receiver is making the distinction between the Arm's Length Units and the Director units at this time is for the sole purpose of determining which parties will have the benefit of Representative Counsel to be appointed by the Court.

**PROTOCOL FOR SELECTION OF REPRESENTATIVE COUNSEL AND ORDER REQUESTED**

30. Given the amendments to the list of Arm's Length Claimants for whom the Receiver has proposed Representative Counsel be appointed, and the comments made by certain attendees at the March 4 Meeting that they required more time in order to consider the appointment of KRMC as Representative Counsel, the Receiver is of the view that the motion to appoint Representative Counsel should be put over to another date.

31. That being said, the Receiver is of the view that it would be appropriate on March 12, 2013 for a protocol and timeline to be established by the Court for the appointment of Representative Counsel. Therefore, the Receiver is seeking an order that provides for the following protocol and timeline concerning the appointment of Representative Counsel:
- i) at the hearing on March 12, 2013, a date will be set during the week of April 1, 2013, subject to the Court's availability, for the hearing of the appointment of Representative Counsel;
  - ii) in the event that Representative Counsel is appointed by the Court (the "**Representative Counsel Order**"), Arm's Length Claimants will be provided with a reasonable period of time - approximately two weeks (the "**Opt-Out Period**") - to advise the Receiver and Representative Counsel in writing should they choose not to be represented by Representative Counsel;
  - iii) if by the end of the Opt-Out Period, greater than one-third of the Arm's Length Claimants have advised the Receiver and Representative Counsel that they choose not to be represented by Representative Counsel, then Representative Counsel would be discharged, the role and mandate of Representative Counsel as set out in the Representative Counsel Order would cease, and Arm's Length Claimants would no longer have the benefit of Representative Counsel and instead would be left to engage their own counsel on their own account should they choose to do so; and
  - iv) if by the end of the Opt-Out Period less than one-third of the Arm's Length Claimants have advised the Receiver and Representative Counsel that they choose not to be represented by Representative Counsel, then Representative Counsel will continue to act for the Arm's Length Claimants pursuant to the terms of the Representative Counsel Order.
32. The Receiver has attached hereto as Appendix "**G**" draft copies of the proposed Representative Counsel Order, Opt-Out Letter and Receiver's Notice.

All of which is respectfully submitted to this Honourable Court.

DATED this 11<sup>th</sup> day of March, 2013.

**Deloitte & Touche Inc.**

Receiver and Manager of the current and future  
assets, undertakings and properties of  
Rose of Sharon (Ontario) Retirement Community  
and not in its personal capacity

*Deloitte & Touche Inc.*

Daniel R. Weisz, CA•CIRP, CIRP  
Senior Vice President

Hartley Bricks, MBA, CA•CIRP  
Vice President

# TAB A

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE**

)

**TUESDAY, THE 27<sup>th</sup> DAY**

)

**JUSTICE C. CAMPBELL**

)

**OF SEPTEMBER, 2011**

**BETWEEN:**



**PEOPLES TRUST COMPANY**

**Applicant**

**- and -**

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

**Respondent**

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended, and under section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**APPOINTMENT ORDER**

**THIS APPLICATION** made by Peoples Trust Company ("**Peoples Trust**" or the "**Applicant**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Deloitte & Touche Inc. ("**Deloitte**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the

assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Michael Lombard sworn September 22, 2011, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for the Debtor no one appearing for any other party although duly served as appears from the Affidavits of Service of Alma Cano, sworn September 23 and September 26, 2011, and on reading the Consent of Deloitte to act as the Receiver,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record herein is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, wherever situate, including all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of

locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) subject to section 110 of the *Long-Term Care Homes Act*, S.O. 2007, c. 8 (the "LTCHA") to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) subject to section 110 of the LTCHA, to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order, and in this regard the Receiver is specifically authorized to retain counsel for the Applicant to advise and represent it save and except on matters upon which the Receiver in its judgment determines it requires independent advice, in which case the Receiver shall retain Blaney McMurtry LLP;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) Notwithstanding anything in this Order, the Debtor is the licensee (the "Licensee") of the long-term care home which forms a part of the Property (the "Home"). The Home is currently licensed pursuant to the LTCHA

926 located at 17 Maplewood Avenue,  
Toronto, Ontario



*cho*  
together with the TC LHIN, the

and the regulations thereunder. Toronto Central Local Health Integration Network ("TC LHIN" ) will continue to pay the Licensee (and the Receiver will be entitled to receive such payments) pursuant to the Service Accountability Agreement in respect of the Home between the TC LHIN and the Debtor effective March 4, 2011 (the "SAA") and the Ministry of Health and Long-Term Care ("MOH") will continue to pay the Licensee (which payments shall be received by the Receiver in accordance with this Order) pursuant to the existing agreement. Any monies received by the

Debtor or the Receiver from the MOH shall be used or applied by the Receiver ~~firstly~~ for the operation of the Home in accordance with the

SAA, any agreement with the MOH and the LTCHA, ~~and secondly by the Receiver for the purposes of carrying out its other duties under this Order.~~

Any payments by the TC LHIN shall be subject to TC LHIN review and reconciliation as provided for under the SAA and applicable law and written policy. Any payments by the MOH shall be subject to MOH review and reconciliation as provided for under any agreement with the

Debtor or the Receiver and applicable law and written policy. *For clarity, any surplus monies arising from the operation of the Home may be applied by the Receiver in accordance with this Order.* to settle, extend or compromise any indebtedness owing to the Debtor;

- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (k) to apply for such permits, licenses, approvals or permissions as may be required by any governmental authority with respect to the Property, including, without limitation, licenses under the LTCHA
- (l) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (m) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (n) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000 provided that the aggregate consideration for all such transactions does not exceed \$200,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (o) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (p) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (q) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (s) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (t) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including without limitation Mr. Charles Daley and IWOK Corporation (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver and any party the Receiver retains in accordance with sub-

paragraph 3(d) of this Order and section 110 of the LTCHA, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

**NO PROCEEDINGS AGAINST THE RECEIVER**

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver or any party the Receiver retains in accordance with sub-paragraph 3(d) of this Order and section 110 of the LTCHA except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, ~~any party the Receiver retains in accordance with sub-paragraph 3(d) of this Order and section 110 of the LTCHA~~ *and the Manager*, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. *For clarity, this paragraph 9 shall apply to the Manager solely in its capacity as agent*

#### **NO INTERFERENCE WITH THE RECEIVER**

*For the Receiver*

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, <sup>or Manager</sup> and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. Neither the Receiver nor <sup>the Manager</sup> ~~any party~~ ~~the Receiver~~ ~~retains in~~ ~~accordance with sub-paragraph 3(d) of this Order and section 110 of the IBCA~~ shall be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed



ROE-12-

Subject to section 107 of  
the LTCHA,

\$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections, 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **GENERAL**

24. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

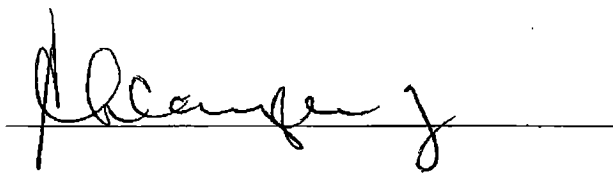
27. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may

ORDER ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

SEP 27 2011



PER/PAR: 



28A THIS COURT ORDERS that, notwithstanding any other provision of this Order, the Receiver and the Manager shall comply with the LTCHA and the regulations thereunder as they apply to the management of the Home and the MOH shall not be subject to paragraphs 9 and 10 of this Order in relation to any non-compliance with the LTCHA and <sup>the</sup> regulations by the Receiver and/or the Manager with respect to the management of the Home <sup>thereunder</sup>



**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver and manager (the "Receiver") of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Corporation of every nature and kind whatsoever, wherever situate (the "Debtor"), including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the head office of the Lender.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

DELOITTE & TOUCHE INC. solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: \_\_\_\_\_

Name: Daniel R. Weisz

Title: Senior Vice President

**PEOPLES TRUST COMPANY**  
Applicant

v.

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**  
Respondent

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**APPOINTMENT ORDER**

**GOWLING LAFLEUR HENDERSON LLP**

Barristers and solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
TORONTO, Ontario  
M5X 1G5

Clifton Prophet  
LSUC No.: 34845K

Telephone: (416) 862-3509 (416) 268-  
Facsimile: (416) 862-7661 9900

Lawyers for the Applicant,  
Peoples Trust Company

**TAB B**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE ) THURSDAY, THE 28<sup>th</sup> DAY  
JUSTICE MORAWETZ ) OF FEBRUARY, 2013

**B E T W E E N:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**O R D E R**

**THIS MOTION** made by **Deloitte & Touche Inc.**, in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent (in that capacity, the “**Receiver**”) for an order abridging the time for service of the notice of motion and motion record herein and dispensing with further service thereof, approving the Second Report of the Receiver dated December 14, 2012 (the “**Second Report**”) and the activities described therein, approving the Third Report of the Receiver dated February 19, 2013 (the “**Third Report**”) and the activities described therein, approving and accepting the Receiver’s Interim Statements of Receipts and Disbursements for the period from September 27,

2011 to December 31, 2012, increasing to \$1,500,000.00 the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order (as defined in the Notice of Motion), approving the fees and disbursements for services rendered by the Receiver for the period from November 16, 2011 to December 31, 2012, the fees and disbursements of Blaney, McMurtry LLP (“**Blaneys**”) for the period from November 1, 2011 to December 31, 2012, and the fees and disbursements of Gowlings LLP (“**Gowlings**”) for the period from November 1, 2011 to December 31, 2012, and appointing Kronis, Rotsztain, Margles, Cappel LLP as representative counsel for the Arm’s Length Claimants (as defined in the Notice of Motion) with respect to the Arm’s Length Claims (as defined in the Notice of Motion) and with respect to the issue of the priority between the Construction Mortgage (as defined in the Notice of Motion) and the Arm’s Length Claims, was heard this day at Toronto.

**ON READING** the Receiver’s Motion Record dated February 22, 2013, the Second Report, the Third Report, the affidavit of Daniel Weisz sworn February 8, 2013, the affidavit of Chad Kopach sworn February 22, 2013, the affidavit of Christopher Stanek sworn February 22, 2013, and upon hearing the submissions of counsel for the Receiver, counsel for the Applicant, and

1. **THIS COURT ORDERS** that the time for service of the Receiver’s Notice of Motion returnable February 28, 2013 (the “**NOM**”), and related motion material filed in support of that NOM (the “**Motion Material**”) be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.



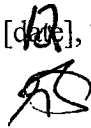
2. **THIS COURT ORDERS** that the Second Report dated December 14, 2012, and the actions of the Receiver and its counsel described therein be and are hereby approved.

3. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period from September 27, 2011 to December 31, 2012 as set out at Appendix "Y" of the Receiver's Third Report, be and is hereby accepted and approved.

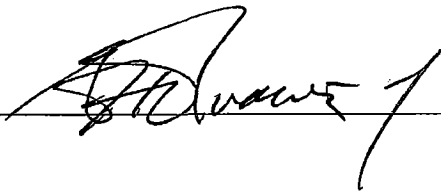
4. **THIS COURT ORDERS** that the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order issued by Justice Campbell on September 27, 2011, be and is hereby increased to \$1,500,000.00.

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from November 16, 2011 to December 31, 2012, the fees and disbursements of Blaneys from November 1, 2011 to December 31, 2012, and the fees and disbursements of Gowlings from November 1, 2011 to December 31, 2012, be and are hereby approved.

6. **THIS COURT ORDERS** that the motion to appoint Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") as representative counsel for the Arm's Length Claimants be and is hereby adjourned to March [date], 2013.



7. **THIS COURT ORDERS** that KRMC shall be paid its reasonable fees and disbursements from the respondent's estate for the period up to and including the hearing date of the motion to appoint KRMC as representative counsel for the Arm's Length Claimants (as defined in the Notice of Motion).



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PEOPLES TRUST COMPANY

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Applicant

Respondent

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding Commenced at TORONTO

**ORDER**

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

**Eric Golden (LSUC #38239M)**  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax)

Lawyers for Deloitte & Touche Inc., in its capacity as court  
appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community

Applicant

Respondent

Feb 28-13

E Golden for Deloitte + Touche  
Feb 29 2013.  
hce

C. Prophet for Peoples Trust Company  
M. Mancini for Rose of Sharon  
Relevant high lease Rendits  
Rivers Heritage Council.

With request to the Title returned  
today:  
Item 3 is deposited to a  
date to be set.

Item 4 will be scheduled  
for a hearing by  
at a future date.  
Sent Saturday 20

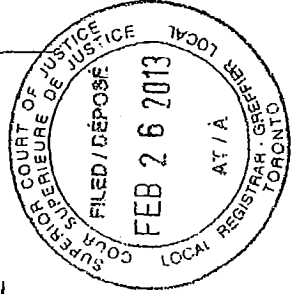
ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceeding Commenced at TORONTO

NOTICE OF MOTION  
(Returnable February 28, 2013)

BLANEY McMURTRY LLP  
Barristers and Solicitors  
1500 — 2 Queen Street East  
Toronto, ON M5C 3G5

Eric Golden (LSUC #38239M)  
(416) 593-3927 (Tel)  
(416) 593-5437 (Fax).

Lawyers for Deloitte & Touche Inc., in its capacity as court  
appointed receiver and manager of Rose of Sharon  
(Ontario) Retirement Community



be set by the Judge hearing this matter  
on March 12, 2013

Issue #5 - to be addressed on  
March 12, 2013.

Issue #6 + 7 + 8 - Same as Issue #4  
Issue #10 to be determined on  
March 12, 2013

With respect to the Second Report,  
it is noted that Mrs. Truswa  
wishes to reserve its rights  
to raise issues at a later in  
of time. The issues of course  
were not clearly set out. Certain  
findings are made and  
a Review which are being provided -  
and in this case accepted by  
the Court. I am not certain  
how rights can be reserved in  
these circumstances. I decline to  
comment further.

I am satisfied that it is  
~~both~~ appropriate to approve the  
Second Report <sup>and</sup> the actions of  
the Receiver described therein.

I am satisfied, having reviewed  
the record, that it is appropriate  
and necessary to increase the  
borrowing power of the Receiver  
as requested.

I am also satisfied that the  
fee requests of the Receiver  
and its counsel are reasonable  
in the circumstances and they  
are approved.

The Receiver's Interim Statement of  
Receipts and Disbursements for  
the period Sept 27, 2011 to Dec 31, 2012  
are also approved.

Reasonable Fees of KRMK for period up to  
insider's <sup>their</sup> appointment as  
representative Counsel to be

to be paid.

An order has been signed to  
give effect to the foregoing.  
I am not seized of the matter.

[subject to  
edit,  
if typed]

[A. Brown]

**TAB C**





EXPECT THE BEST

March 1, 2013

**DELIVERED**

Arm's Length Claimants (as defined below)

Dear Sir/Madam:

**Re: Rose of Sharon (Ontario) Retirement Community**

Further to my letter to you of February 22, 2013, I enclose a copy of the Order of Justice Morawetz which, in part, adjourned to March 12, 2013 the hearing on the issue of appointing Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**") as Representative Counsel for the Arm's Length Claimants.

Yesterday, I met with several of the Arm's Length Claimants at the Court prior to and following the hearing before Justice Morawetz, including Paul Lee (the President of the Rose of Sharon Life Lease Residents Korean Heritage Counsel).

I understand that Mr. Lee has already met with many of you, and he provided Justice Morawetz with the enclosed letter on behalf of several of the Arm's Length Claimants and others, which included the enclosed typed schedule titled "List of owners of Rose of Sharon Life Lease Retirement Residents Korean Heritage Community Members who want to have One Lawyer to represent the retirement community". He also provided me with the enclosed handwritten schedule, which I understand to be the attendees of a meeting with John Yoon on February 24, 2013.

The Receiver has scheduled a meeting for 7:00 pm on Monday March 4, 2013 at Rose of Sharon with the Arm's Length Claimants. Daniel Weisz and Hartley Bricks of Deloitte & Touche Inc. (the "**Receiver**") will be in attendance. I will attend as independent counsel to the Receiver. The Receiver will also have someone from its office attend who will translate into Korean on the Receiver's behalf. Mervyn Abramowitz and Phillip Cho of KRMC will be in attendance as well.

The purpose of the meeting is for the Receiver and I to answer any questions you may have concerning appointing KRMC as Representative Counsel for the Arm's Length Claimants, and the pending Priority Issue between Peoples Trust Company ("**Peoples Trust**") and the claims of the Arm's Length Claimants (and the Remaining Claimants), as well as for each of you to meet Mr. Abramowitz and Mr. Cho and for them to answer any questions you may have about their potential retainer and them acting on behalf of the Arm's Length Claimants.

2 Queen Street East  
Suite 1500  
Toronto, Canada M5C 3G5  
416.593.1221 TEL  
416.593.5437 FAX  
www.blaney.com

Eric Golden  
416.593.3927  
egolden@blaney.com

Finally, I would like to take this opportunity to clarify a few questions that were raised by some of you yesterday when we met.

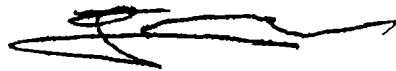
- The Receiver has categorized as Arm's Length Claimants those Unit-holders of Korean heritage who have no relationship to the Rose of Sharon corporate entity, and their tenants (which is why Unit-holders who are Rose of Sharon directors or former directors are **not** included in this category). It is being proposed that KRMC be appointed as Representative Counsel only for the Arm's Length Claimants;
- The Remaining Claimants are those persons and entities that are not Arm's Length Claimants or their tenants;
- Neither KRMC nor Mr. Abramowitz nor Mr. Cho act for Peoples Trust (nor have those two lawyers ever acted for Peoples Trust); and
- I am not acting for Peoples Trust (nor have I ever done so). I am independent counsel for the Receiver and my principal duty is to the Court. In fact, the Receiver's motion is, in part, to have Peoples Trust pay KRMC's reasonable legal costs in acting as Representative Counsel for the Arm's Length Claimants.

Peoples Trust will not be a part of the meeting at Rose of Sharon on Monday March 4, 2013 at 7:00 p.m. Please note that we also are not inviting any of the Remaining Claimants to the meeting, including the directors of Rose or former directors of Rose. That being said, if there are Remaining Claimants who are taking the position that they have been mis-categorized and should be included in the same category as the Arm's Length Claimants, they are welcome to attend.

I hope that you are able to attend the meeting on Monday, or can arrange for someone to attend on your behalf. In the interim, if you have any questions, please contact me.

Yours very truly,

**Blaney McMurtry LLP**



Eric Golden  
EG/svs  
Encl.

cc. Mervyn Abramowitz  
Phillip Cho  
Daniel Weisz  
Hartley Bricks

15 Maplewood Ave. Rose of Sharon Retirement Life Lease Residents for Korean Community

Feb 27 2013

To whom it may concern:

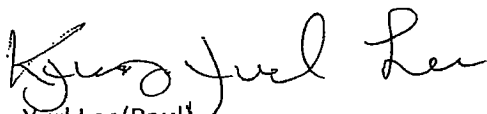
I would like to inform you that all the unit holders should be treated as one group. There may be special exceptions, for example, with the construction company UNIMAC and VACE INVESTMENTS GROUP .

Many of the purchasers are not in position to understand the documents without the help of lawyer.

We request the delay in proceedings of the motion. We are in the process of seeking a lawyer to represent the unit holders as a group. We understand that time given to us is not enough to consult with a lawyer.

We had two meetings with the unit owners of Rose of Sharon Retirement Life Lease Residents Korean Heritage. The significant number of unit holders signed to agree that we should be represented as single group.

Regards.

  
Kyung Yurl Lee(Paul)

President

Rose of Sharon Retirement Life Lease Residents Korean Heritage council

List of owners of Rose of Sharon Life Lease Retirement Residents Korean Heritage Community Members who want to have One Lawyer to represent our retirement community

NEW Unit #	OLD unit #	Surname	First Name	Telephone
205			Mugungwha Homes	647-285-2777 <i>647-225-2777</i>
207			Mugungwha Honme	647-285-2777 (occupied by Unimac unfairly)
304	UM5	Chon	Mary	416-699-8070 <i>contacted by phone "yes"</i>
306	UM6	Chon	Mary	416-699-8070
308	UM8	Cha	Youngsook	905-510-8989,-764-2280
703	502	Lee	Jang Hoon	905-886-4653
706	507	Yoon	Sung-Sun/ Mikyung	905-337-2262
707	506	Lee	Soon-Sup	416-653-0117
708	508	Lee/Lee	Kyung Yur/Jung Ja	647-298-2939
710	509	Hwang	Hyun Sook/ M. YOON	416-445-6930
709	512	Jeon	Young Ok	647-283-6939,416-963-5627
711	511	Jeon	Young Ok	647-283-6939,416-963-5627
712	510	Yoon	Daniel /Moon	416-445-6930
801	601	Yu	Steve	416-536-5530 647-210-5530 contacted by phone "yes"
802		Kim	Jane	416-226-1265
803	602	Shin	Bog Shim	416-553-2165
804	604	Kim	Klara	416-277-7999/416-222-2207
805	605	Kang	Hae J/ Han H.	905-771-7025 <i>contacted by phone "yes"</i>
806	607	Yim	Eunkyung	416-721-5492
807	606	Kim	Jong Ran	519-941-0075/519-362-2882 <i>contacted by phone "yes"</i>
810	609	Lee	Sun Hwa	416-755-0091
812	610	Lee	Sun Hwa	416-755-0091
811	611	Ahn	Chang Yong	416-993-3639,416-638-8800
809	612	Ahn	Chang Yong	416-993-3639,416-638-8800
906	707	Park	Woo Sam	905-771-0604,905-887-0448
907	706	Kim/Sung	Myung H. /Jun D.	905-338-7783,416-951-8407
908	708	Kang	Hae J/ Han H.	416-467-9565
909	712	Chun	Mansoo	519-884-8328,519-897-7959
911	711	Hong	Hyang O.	416-888-7712,416-739-0330
912	710	Kim	Chang Joon	506-547-9197,226-0427 <i>will decide soon</i>
1001	801	Yoon	Albert	416-322-9081, 647-780-4502
1003	802	Yoon	Albert	416-322-9081, 647-780-4502
1002	803	Ha	Chun Ja	416-227-2411 <i>On a trip</i>
1005	804	Sohn	Young	416-576-7820
1007	806	Kim	Lawrence	416-277-7999/ 416-242-3655
1010	808	Kim	Joon Kie	416-651-6194
1011	809	Yoon	John	416-998-2777
1107	LP6	Yoon	Olivia	647-346-6365
1108	LP5	Byun	Jae Won	416-293-7888
1109	LP10	Kim	Lawrence	416-277-7999/416-242-3655
1110	LP7	Kim	Mal Hwa	416-535-4511,647-998-7047 <i>will decide later</i>
1111	LP9	Ahn	Chang Yong	416-993-3639,416-638-8800
1112	LP8	Park/ Choi	Hee J. / Na R.	647-209-7706,416-909-7706
PH6	UP5	Shin	Chang Hun	905-894-1507,289-686-6868 <i>contacted by phone "yes"</i>

Morgiana Lee, suite1009 and Robert Berg (ACC ), Suite 203 want to join in as well.

이름 Name	전화번호 phone number	E mail Email address	FEB. 24 (SUN)/2013 T.30PM UNITED	Signature
<del>BOG SHIM. SHIN</del>	416-553-2165			<del>Signature</del>
1. Yu Jun Jung	<del>647-999-6830</del>	ymj@att	#803	Signature
2. Soon Sup Lee	416 652-0117	esung@comcast.com	#707	Soon Sup Lee
3. Mansoo Jeon	<del>647-351-6863</del> 416-519-797-2996		909	Signature
4. Joonkie, Gye Soon Kim	(416) 651-6194	Kay10571@hotmail.com	1010	Signature
5. ALBERT YOON	albertyoon@gmail.com	647-780-4502	1000 #911	Signature
6. John D. Bae & Hyung Uk Hong	416) 739-0330		05 jbae@gmail.com	Signature
7. Jeon Young OK	416-963-5674	647-283-6939	APT. 709 711	Signature
8. Hee Jun Park	647-209-7706	hjpark15@hotmail.com	#1112	Signature
9. OLIVIA YOON	647-346-6365		#1107	Signature
10. SUNNY YOON	905-337-2262	Gmail.com GTHANADARA@	#706	Signature
11. Sean AN	416-993-3639	ahsean@hotmail.com	#1111	Signature
12. Dong U AN			#809	Signature
13. CHANG-YONG AHN	416-937-6889	chang.728@hotmail.com	#811	Signature
14. Sunhwa Lee	416 759-5311	Sunhwa2@gmail.com	#812	Signature
15. <del>Chang Jo-n Kim</del>	<del>647 985 9767</del>		#912	<del>Signature</del>
16. YOUNG SOHN	416-576-7820	ysohn@hotmail.com	#1005	Signature
17. MATTHEW LEE JUNGJA LEE	905-761-0516	MATTHEW.JJ.LEE@GMAIL.COM	#708	Signature
18. John Yoon	416-998-2777	john.yoon@sympatico.ca	#708, #712, #1011	Signature
19. <del>Richard Yoon</del>	<del>416-804-3558</del>	yoonej@gmail.com	#1005, #1005	<del>Signature</del>
20. Eunkyung Yim	416- <del>654</del> -8999	ekyim@hotmail.com	(806)	Signature
21. KYUNG YUL LEE	647-298-2939	kypaul.lee@gmail.com	#708	Signature
22. Mugungwha Hwang	416-998-2777	masyoon@sympatico.ca	#205	Signature
23. Lawrence Kim	277-2999 416-242-3653	Lawrence@Korea.net	#1109	Signature
24. Kim Klara	416-222-2207	times.net	#804	Signature
25. Jae Won Byun	416-293-7880	JaeWonByun@yahoo.com	#1108	Signature
26. Jane Kim	416 226 1265	jyk1265@hotmail.com	#802	Signature
27. Woo Sam Park	905-771-0604	wsamprk@HANMAIL.NET	#906	Signature

**TAB D**

**Blaney  
McMurtry**  
BARRISTERS & SOLICITORS LLP



EXPECT THE BEST

March 1, 2013

**DELIVERED**

Remaining Claimants (as defined in the attached letter)

Dear Sir/Madam:

**Re: Rose of Sharon (Ontario) Retirement Community**

I enclose a copy of the issued and entered Order of Justice Morawetz made February 28, 2013, and a copy of my letter to the Arm's Length Claimants dated March 1, 2013.

Yours very truly,

**Blaney McMurtry LLP**

Eric Golden  
EG/svs  
Encl.

cc. Mervyn Abramowitz  
Phillip Cho  
Daniel Weisz  
Hartley Bricks

2 Queen Street East  
Suite 1500  
Toronto, Canada M5C 3G5  
416.593.1221 TEL  
416.593.5437 FAX  
www.blaney.com

Eric Golden  
416.593.3927  
egolden@blaney.com



March 1, 2013

**DELIVERED**

Arm's Length Claimants (as defined below)

Dear Sir/Madam:

**Re: Rose of Sharon (Ontario) Retirement Community**

Further to my letter to you of February 22, 2013, I enclose a copy of the Order of Justice Morawetz which, in part, adjourned to March 12, 2013 the hearing on the issue of appointing Kronis, Rotsztain, Margles, Cappel LLP ("KRMC") as Representative Counsel for the Arm's Length Claimants.

Yesterday, I met with several of the Arm's Length Claimants at the Court prior to and following the hearing before Justice Morawetz, including Paul Lee (the President of the Rose of Sharon Life Lease Residents Korean Heritage Counsel).

I understand that Mr. Lee has already met with many of you, and he provided Justice Morawetz with the enclosed letter on behalf of several of the Arm's Length Claimants and others, which included the enclosed typed schedule titled "List of owners of Rose of Sharon Life Lease Retirement Residents Korean Heritage Community Members who want to have One Lawyer to represent the retirement community". He also provided me with the enclosed handwritten schedule, which I understand to be the attendees of a meeting with John Yoon on February 24, 2013.

The Receiver has scheduled a meeting for 7:00 pm on Monday March 4, 2013 at Rose of Sharon with the Arm's Length Claimants. Daniel Weisz and Hartley Bricks of Deloitte & Touche Inc. (the "Receiver") will be in attendance. I will attend as independent counsel to the Receiver. The Receiver will also have someone from its office attend who will translate into Korean on the Receiver's behalf. Mervyn Abramowitz and Phillip Cho of KRMC will be in attendance as well.

The purpose of the meeting is for the Receiver and I to answer any questions you may have concerning appointing KRMC as Representative Counsel for the Arm's Length Claimants, and the pending Priority Issue between Peoples Trust Company ("Peoples Trust") and the claims of the Arm's Length Claimants (and the Remaining Claimants), as well as for each of you to meet Mr. Abramowitz and Mr. Cho and for them to answer any questions you may have about their potential retainer and them acting on behalf of the Arm's Length Claimants.

2 Queen Street East  
Suite 1500  
Toronto, Canada M5C 3G5  
416.593.1221 TEL  
416.593.5437 FAX  
www.blaney.com

Eric Golden  
416.593.3927  
egolden@blaney.com



Finally, I would like to take this opportunity to clarify a few questions that were raised by some of you yesterday when we met.

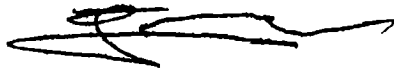
- The Receiver has categorized as Arm's Length Claimants those Unit-holders of Korean heritage who have no relationship to the Rose of Sharon corporate entity, and their tenants (which is why Unit-holders who are Rose of Sharon directors or former directors are **not** included in this category). It is being proposed that KRMC be appointed as Representative Counsel only for the Arm's Length Claimants;
- The Remaining Claimants are those persons and entities that are not Arm's Length Claimants or their tenants;
- Neither KRMC nor Mr. Abramowitz nor Mr. Cho act for Peoples Trust (nor have those two lawyers ever acted for Peoples Trust); and
- I am not acting for Peoples Trust (nor have I ever done so). I am independent counsel for the Receiver and my principal duty is to the Court. In fact, the Receiver's motion is, in part, to have Peoples Trust pay KRMC's reasonable legal costs in acting as Representative Counsel for the Arm's Length Claimants.

Peoples Trust will not be a part of the meeting at Rose of Sharon on Monday March 4, 2013 at 7:00 p.m. Please note that we also are not inviting any of the Remaining Claimants to the meeting, including the directors of Rose or former directors of Rose. That being said, if there are Remaining Claimants who are taking the position that they have been mis-categorized and should be included in the same category as the Arm's Length Claimants, they are welcome to attend.

I hope that you are able to attend the meeting on Monday, or can arrange for someone to attend on your behalf. In the interim, if you have any questions, please contact me.

Yours very truly,

**Blaney McMurtry LLP**



Eric Golden  
EG/svs  
Encl.

cc. Mervyn Abramowitz  
Phillip Cho  
Daniel Weisz  
Hartley Bricks

15 Maplewood Ave. Rose of Sharon Retirement Life Lease Residents for Korean Community

Feb 27 2013

To whom it may concern:

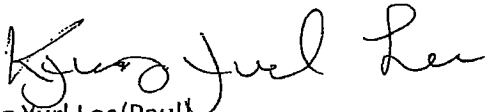
I would like to inform you that all the unit holders should be treated as one group. There may be special exceptions, for example, with the construction company UNIMAC and VACE INVESTMENTS GROUP .

Many of the purchasers are not in position to understand the documents without the help of lawyer.

We request the delay in proceedings of the motion. We are in the process of seeking a lawyer to represent the unit holders as a group. We understand that time given to us is not enough to consult with a lawyer.

We had two meetings with the unit owners of Rose of Sharon Retirement Life Lease Residents Korean Heritage. The significant number of unit holders signed to agree that we should be represented as single group.

Regards.



Kyung Yurl Lee(Paul)

President

Rose of Sharon Retirement Life Lease Residents Korean Heritage council

List of owners of Rose of Sharon Life Lease Retirement Residents Korean Heritage Community Members who want to have One Lawyer to represent our retirement community

NEW Unit #	OLD unit #	Surname	First Name	Telephone
205			Mugungwha Homes	647-285-2777 <del>647-285-2777</del> 647-225-2777
207			Mugungwha Honme	647-285-2777 (occupied by Unimac unfairly)
304	UM5	Chon	Mary	416-699-8070 contacted by phone "yes"
306	UM6	Chon	Mary	416-699-8070
308	UM8	Cha	Youngsook	905-510-8989, -764-2280
703	502	Lee	Jang Hoon	905-886-4653
706	507	Yoon	Sung-Sun/ Mikyung	905-337-2262
707	506	Lee	Soon-Sup	416-653-0117
708	508	Lee/Lee	Kyung Yuri/Jung Ja	647-298-2939
710	509	Hwang	Hyun Sook/ M. YOON	416-445-6930
709	512	Jeon	Young Ok	647-283-6939, 416-963-5627
711	511	Jeon	Young Ok	647-283-6939, 416-963-5627
712	510	Yoon	Daniel /Moon	416-445-6930
801	601	Yu	Steve	416-536-5530 647-210-5530 contacted by phone "yes"
802		Kim	Jane	416-226-1265
803	602	Shin	Bog Shim	416-553-2165
804	604	Kim	Klara	416-277-7999/416-222-2207
805	605	Kang	Hae J/ Han H.	905-771-7025 contacted by phone "yes"
806	607	Yim	Eunkyung	416-721-5492
807	606	Kim	Jong Ran	519-941-0075/519-362-2882 contacted by phone "yes"
810	609	Lee	Sun Hwa	416-755-0091
812	610	Lee	Sun Hwa	416-755-0091
811	611	Ahn	Chang Yong	416-993-3639, 416-638-8800
809	612	Ahn	Chang Yong	416-993-3639, 416-638-8800
906	707	Park	Woo Sam	905-771-0604, 905-887-0448
907	706	Kim/Sung	Myung H. /Jun D.	905-338-7783, 416-951-8407
908	708	Kang	Hae J/ Han H.	416-467-9565
909	712	Chun	Mansoo	519-884-8328, 519-897-7959
911	711	Hong	Hyang O.	416-888-7712, 416-739-0330
912	710	Kim	Chang Joon	506-547-9197, 226-0427 will decide soon
1001	801	Yoon	Albert	416-322-9081, 647-780-4502
1003	802	Yoon	Albert	416-322-9081, 647-780-4502
1002	803	Ha	Chun Ja	416-227-2411 on a trip
1005	804	Sohn	Young	416-576-7820
1007	806	Kim	Lawrence	416-277-7999/ 416-242-3655
1010	808	Kim	Joon Kie	416-651-6194
1011	809	Yoon	John	416-998-2777
1107	LP6	Yoon	Olivia	647-346-6365
1108	LP5	Byun	Jae Won	416-293-7888
1109	LP10	Kim	Lawrence	416-277-7999/416-242-3655
1110	LP7	Kim	Mal Hwa	416-535-4511, 647-998-7047 will decide later
1111	LP9	Ahn	Chang Yong	416-993-3639, 416-638-8800
1112	LP8	Park/ Choi	Hee J. / Na R.	647-209-7706, 416-909-7706
PH6	UP5	Shin	Chang Hun	905-894-1507, 289-686-6868 contacted by phone "yes"

Morgiana Lee, suite1009 and Robert Berg (ACC ), Suite 203 want to join in as well.

이름 Name	전화번호 phone number	E mail Email address	FEB. 24 (SUN)/2013 T.30PM UNIT#	Signature
<del>BOG SHIM. SHIN</del>	416-583-2165			<del>Signature</del>
1. Yu Jun Jung	<del>647-999-6830</del>	416-999-6830	#803	Signature
2. Soon Sup Lee	416 653-0117	esung@comda.com	#707	Soon Sup Lee
3. Mansoo Jeon	<del>647-351-6863</del> 1-519-797-2996		909	Signature
4. Joonkie, Gye So on Kim	(416) 651-6194	Kay1057@hotmail.com	1010	Signature
5. ALBERT YOON	albertyoon@gmail.com	647-780-4502	1002	Signature
6. John D. Bani	Hyung Uk Hanj (416) 739-0330		#911	05 j bani@gmail.com
7. Jeon Young OK	416-963-5674	647-283-6939	APT. 709	711 Signature
8. Hee Jun Park	647-209-7706	hjpark15@hotmail.com	#1112	Signature
9. OLIVIA YOON	647-346-6365		#1107	Signature
10. SUNNY YOON	905-337-2262	Gmail.com GHANADARA@	#706	Signature
11. Sean AN	416-993-3639	ahnsean@hotmail.com	#1111	Signature
12. Dong U AN			#809	Signature
13. CHANG-YONG AHN	416-937-6889	chang.72@hotmail.com	#811	Signature
14. Sunhwa Lee	416 759-5311	Sunhwa2@gmail.com	#812	Signature
15. <del>Chang Jun Kim</del>	<del>647 985 9767</del>		#912	<del>Signature</del>
16. YOUNG SOHN	416-576-7820	ysohn@hotmail.com	#1005	Signature
17. MATTHEW LEE JUNGJA LEE	905-761-0516	MATTHEW.JJ.LEE@GMAIL.COM	#708	Signature
18. John Yoon	416-998-2777	John.yoon@sympatico.ca	#707, 712, 1011	Signature
19. <del>Richard Yoon</del>	<del>416-804-3658</del>	<del>yooneng@gmail.com</del>	<del>1001, 1005</del>	<del>Signature</del>
20. Eunkyung Yim	416- <del>654</del> -8999	ekyim@hotmail.com	(806)	Signature
21. KYUNG YUK LEE	647-238-2939	kypaul.lee@gmail.com	#708	Signature
22. Mugungwa Hwang	416-998-2777	masyoon@sympatico.ca	#205	Signature
23. Lawrence Kim	277-7999 416- <del>212</del> -3658	(Lawrence@Korea)	#1109	Signature
24. Kim Klara	416-222-2207	times.net	#804	Signature
25. Jae Won Byun	416-293-7880	JaeWonByun@yahoo.com	#1108	Signature
26. Jane Kim	416 226 1265	JK1265@hotmail.com	#802	Signature
27. Woo Sam Park	905-771-0604	wsamp771@HANMAIL.NET	#906	Signature

# **TAB E**









# TAB F

Rose of Sharon (Ontario) Retirement Community  
 Schedule of Life Lease Units  
 Amended as at March 8, 2013

Unit #	Old Unit #	Bath-rooms	Bedroom/Studio	Terrace	Parking	Name of Life Lease Unit Holder	Occupancy Status (1)	Date of Right to Occupy Agreement (RTOA)	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loan(s) to Rose/ Promissory Note(s) from Rose	Other Loans	Balance Owed After Loan(s)/Note(s) (5)
<b>Arm's Length Units</b>															
304	UM5	1	studio			Mary Chon	R	24-Aug-05	\$ 137,685	\$ (41,305)	\$ (13,769)	\$ 82,611	\$ (82,612)	\$ -	\$ -
306	UM6	1	1			Mary Chon	T	10-May-06	189,610	(93,261)	(18,961)	77,388	(77,388)	-	-
308	UM8	1	1			Youngsook Cha	T	18-Aug-05	182,240	(54,672)	-	127,568	-	-	127,568
706	507	1	1	x		Sung Sun Yoon/Mi-Kyung Yoon	T	22-Sep-03	111,185	(31,770)	-	79,425	(74,561)	-	4,864
707	508	1	1	x		Soon Sup Lee / Hyung Good Lee	O	6-Aug-09	177,845	(95,403)	-	82,242	(73,935)	-	8,307
708	508	1	1	x		Kyung Yur Lee/Jung Ja Lee	O	6-Nov-09	196,000	(76,300)	-	119,700	(119,700)	-	-
709	512	2	1	x		Young Jeon	O	26-Oct-96	132,407	(69,804)	-	62,603	(62,603)	-	-
711	511	1	1	x		Young Jeon	R	26-Oct-96	114,439	(69,804)	-	44,635	(52,347)	(25,000)	(62,712)
803	602	1	1	x	x	Bog Shim Shin	T	30-Dec-99	143,000	(94,000)	-	49,000	-	-	49,000
805	605	2	2			Han Hyeong Lee/Hae Jeong Kang	O	31-Dec-03	195,000	(195,000)	-	-	(25,000)	-	(25,000)
806	607	1	1			Eunkyung Yim	T	13-Mar-05	182,838	(54,851)	(9,142)	118,845	-	-	118,845
807	606	1	1	x		Jong Ran Kim	T	10-Dec-07	214,500	(233,966)	-	(19,466)	-	-	(19,466)
810	609	1	1			Sun Hwa Lee	T	5-Sep-03	100,000	(23,268)	-	76,734	(105,354)	(25,000)	(53,620)
812	610	1	1	x	x	Sun Hwa Lee	R	5-Sep-03	197,000	(45,634)	-	151,366	(207,546)	-	(56,180)
906	707	1	1			Woo Sam Park	T	6-Apr-06	163,000	(48,900)	(16,300)	97,800	(25,000)	-	72,800
907	706	1	1			Myung Hee Kim/Jun Do Sung	V	27-Nov-04	221,000	(66,300)	(22,100)	132,600	-	-	132,600
908	708	1	1			Han Hyeong Lee/Hae Jeong Kang	R	22-Sep-03	107,600	(107,600)	-	-	-	-	-
909	712	1	studio			Mansoo Chun	R	21-Jul-08	150,000	(24,400)	-	125,600	-	-	125,600
911	711	1	1		x	Hyang Ok Hong/John Bai	R	23-Dec-02	182,600	(44,260)	-	138,340	(40,000)	-	98,340
912	710	1	1		x	Chang Joon Kim/Soon Ja Kim/Sang Hyeon Kim	O	9-Nov-10	217,980	(123,280)	-	94,700	(90,600)	-	4,100
1002	803	2	2			Brenda (Chun Ja) Ha	T	31-Oct-96	158,319	(103,552)	-	55,767	-	-	55,767
1005	804	2	2			Young Sohn	V	30-May-07	320,900	(96,270)	-	224,630	-	-	224,630
1008	LP7	1	studio			Mai Hwa Kim/Ellen Kim	R	30-May-07	150,000	(25,000)	-	125,000	-	-	125,000
1010	808	1	1		x	Gye-Soon Kim/Joan Kie Kim	R	14-Jun-11	155,000	(65,000)	-	90,000	-	-	90,000
1108	LP5	2	2			Jee Won Byun	T	12-Mar-10	148,200	(148,200)	-	78,800	(50,000)	-	28,800
PH6	UP5	2	2			Hee Jun Park/Ara Rae Choi	T	27-Sep-04	325,810	(98,948)	(32,981)	197,863	(186,555)	-	11,328
PH6	UP5	2	2		x	Jong Rye Lee/Chang Hun Shin	T	29-Mar-00	209,600	(62,880)	-	146,720	-	-	146,720
PH6	UP5	2	2		x	Jong Rye Lee/Chang Hun Shin	T	29-May-07	441,000	(44,100)	-	396,900	(44,000)	-	352,900
									\$ 5,308,368	\$ (2,237,924)	\$ (113,253)	\$ 2,957,191	\$ (1,267,201)	\$ (100,000)	\$ 1,589,990

<b>Director Units</b>															
703	502	1	1	x		Lang Hoon Lee/Vivian Rhee (Lee)	V	26-Jan-07	200,000	(15,000)	-	185,000	(30,000)	-	155,000
710	509	1	1	x	x	Hyun Soek Hwang/Moon A. Yoon	T	1-Aug-00	74,550	(68,087)	-	8,463	-	-	8,463
712	510	1	1	x	x	Daniel Yoon/Moon Yoon	R	7-Jan-01	146,000	(99,167)	-	46,833	(30,000)	-	16,833
801	601	1	1			Steven Yu	T	26-Apr-05	201,825	(60,547)	(20,183)	121,095	(150,000)	(25,000)	(28,905)
802	603	1	studio			Jane Kim	T	30-Mar-09	145,000	-	-	145,000	(100,000)	-	45,000
804	604	1	1		x	Klara Kim	T	28-Apr-05	157,950	(47,388)	(7,897)	102,665	(400,000)	-	(297,335)
809	612	1	studio			Sang-Hyun An/Chang Y An	R	31-Dec-03	117,100	(35,130)	-	81,970	(6,498)	-	75,472
811	611	1	1		x	Sang-Hyun An/Chang Y An	R	31-Dec-03	153,200	(45,960)	-	107,240	(8,502)	-	98,738
902	703	1	1			Soon Ki Chang	V	14-May-05	127,160	-	-	127,160	-	-	127,160
1001	801	1	1		x	Albert Yoon	T	1-Nov-00	93,877	(33,512)	-	60,365	(45,181)	-	15,183
1003	802	1	1	x	x	Albert Yoon	O	1-Nov-00	93,123	(33,244)	-	59,879	(44,819)	(30,000)	(14,939)
1007	806	1	1			Lawrence (Myung Kyou) Kim	T	31-Oct-96	98,202	(76,643)	-	31,559	(31,599)	-	(40)
1011	809	1	1		x	John Yoon	T	1-Nov-00	99,000	(29,263)	(9,900)	59,837	(55,000)	(25,000)	(20,163)
1107	LP6	1	1			Olivia Yoon	O	4-Nov-00	103,683	(75,936)	-	27,747	(30,000)	-	(2,253)
1109	LP10	1	studio		x	Lawrence (Myung Kyou) Kim	V	14-Jul-08	170,000	(17,000)	-	153,000	(74,276)	(25,000)	53,724
1111	LP9	1	1			Sang-Hyun An/Chang Y An	T	12-Oct-96	114,580	(97,393)	-	17,187	-	-	17,187
									\$ 2,105,260	\$ (732,270)	\$ (37,980)	\$ 1,335,010	\$ (1,005,875)	\$ (105,000)	\$ 224,135

<b>Mugungwha Units (2)</b>															
205	LM4	1	studio		x	Mugungwha Homes	V	12-Dec-10	\$ 210,430	\$ (155,000)	\$ -	\$ 55,430	\$ -	\$ -	\$ 55,430
207	LM11	1	1	x		Mugungwha Homes	T	1-Dec-10	224,912	-	-	224,912	(124,912)	-	100,000
									\$ 435,342	\$ (155,000)	\$ -	\$ 280,342	\$ (124,912)	\$ -	\$ 155,430

Rose of Sharon (Ontario) Retirement Community  
 Schedule of Life Lease Units  
 Amended as at March 8, 2013

Unit #	Old Unit #	Bath-rooms	Bedroom/Studio	Terrace	Parking	Name of Life Lease Unit Holder	Occupancy Status (1)	Date of Right to Occupy Agreement (RTOA)	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loan(s) to Rose/ Promissory Note(s) from Rose	Other Loans	Balance Owed After Loan(s)/Note(s) (5)
<b>Non-Arm's Length Units (4)</b>															
201	LM2	1	1			Anne Marie Heinrichs (Vace)	V	8-Apr-04	\$ 181,570	\$ (54,471)	\$ -	\$ 127,099	\$ -	\$ -	\$ 127,099
203	LM3	1	1	x	x	Robert Berg (ACC)	O	8-Nov-03	169,000	(30,042)	(142,493)	(4,535)	-	-	(4,535)
204	LM5	1	2	x		Mike Ridley (Vace)	V	8-Apr-04	137,685	(41,306)	-	96,379	-	-	96,379
206	LM6	1	1			Aaron & Helen Klassen (Vace)	V	8-Apr-04	192,610	(63,683)	-	128,927	-	-	128,927
208	LM7	1	1			Tim Schaner (Vace)	V	8-Apr-04	184,250	(55,275)	-	128,975	-	-	128,975
209	LM8	1	1			Mike Ridley (Vace)	V	8-Apr-04	182,240	(54,672)	-	127,568	-	-	127,568
210	LM9	1	2			Mike Ridley (Vace)	V	8-Apr-04	308,870	(65,774)	-	243,096	-	-	243,096
211	LM10	1	studio			Mike Ridley (Vace)	V	8-Apr-04	159,795	(31,960)	-	127,835	-	-	127,835
212	LM12	1	studio			Hans Goetze (Vace)	V	8-Apr-04	174,200	(52,260)	-	121,940	-	-	121,940
213	LM13	1	studio			Hans Goetze (Vace)	V	8-Apr-04	157,115	(31,424)	-	125,691	-	-	125,691
214	LM14	1	1			Tim Schaner (Vace)	V	8-Apr-04	187,935	(37,587)	-	150,348	-	-	150,348
311	UM12	1	studio			John Chon (Vace)	V	14-Jun-05	174,200	(56,615)	-	117,585	-	-	117,585
701	501	1	1			Choo-Koak Chang (Vace)	V	21-Apr-05	203,905	(80,603)	-	123,303	-	-	123,303
901	701	1	1			Yun Ok Lee (Vace)	V	12-May-05	203,320	(66,079)	-	137,241	-	-	137,241
903	702	1	1	x	x	Assured Care Consulting Inc.	O	8-Nov-03	207,358	(190,616)	-	16,742	-	-	16,742
910	709	1	1			Anne Marie Heinrichs (Vace)	V	8-Apr-04	145,562	(33,169)	-	112,393	-	-	112,393
1103	LP2	1	1	x		Anne Marie Heinrichs (Vace)	V	1-Nov-10	244,250	(81,170)	-	163,080	-	-	163,080
1105	LP12	2	2		x	Leon Hui	T	24-Feb-07	320,000	(96,000)	-	224,000	-	-	224,000
Units = 18									\$ 3,532,866	\$ (1,122,705)	\$ (142,493)	\$ 2,267,667	\$ -	\$ -	\$ 2,267,667

Unit #	Old Unit #	Bath-rooms	Bedroom/Studio	Terrace	Parking	Name of Life Lease Unit Holder	Occupancy Status (1)	Date of Right to Occupy Agreement (RTOA)	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loan(s) to Rose/ Promissory Note(s) from Rose	Other Loans	Balance Owed After Loan(s)/Note(s) (5)
<b>Released &amp; Vacant Units</b>															
202	LM1	1	studio			Chang-Yong An (Vace)	V	16-Jun-05	127,300	(41,373)	-	85,927	-	-	85,927
302	UM1	1	studio			Meeral Cho (Vace)	V	26-May-05	149,405	(48,232)	-	100,173	-	-	100,173
307	UM7	1	1			Kim Hong Yang (Vace)	V	4-Jun-05	184,250	(59,881)	-	124,369	-	-	124,369
310	UM10	1	studio			Myunghee Yu (Vace)	V	14-Jun-05	159,756	(51,833)	-	107,923	-	-	107,923
312	UM13	1	studio			Tae-Young Kim (Vace)	V	4-Jun-05	157,115	(51,064)	-	106,051	-	-	106,051
313	UM11	1	studio	x	x	Esther Yoon	V	30-Sep-04	196,378	-	-	196,378	-	-	196,378
314	UM14	1	1			Richard Yoon (Vace)	V	26-May-05	210,935	(62,054)	-	148,881	-	-	148,881
702	503	1	studio	x		Sang-Hoon Lee (Vace)	V	3-Jun-05	135,005	(43,877)	-	91,128	-	-	91,128
704	504	1	studio	x	x	Sang-Hoon Lee (Vace)	V	3-Jun-05	157,335	(51,134)	-	106,201	-	-	106,201
705	505	2	2	x	x	Eun Y. Lee/Hee K. Lee (Vace)	V	30-Sep-04	306,005	(100,982)	-	205,023	-	-	205,023
904	704	1	1			Kyung Hwan Lee (Vace)	V	12-May-05	159,120	(51,714)	-	107,406	-	-	107,406
905	705	2	2	x	x	Jiang Hoon Lee (Vace)	V	27-Nov-04	301,860	(99,614)	-	202,246	-	-	202,246
1006	805	1	1			Jim Sook Park (Vace)	V	24-Jun-05	234,773	(76,301)	-	158,472	-	-	158,472
1008	807	1	1	x		Mi Kyung Lee (Vace)	V	4-Oct-04	255,298	(84,248)	-	171,050	-	-	171,050
1101	LP1	1	1			Byung Cho (Vace)	V	17-Jun-05	206,310	(81,527)	-	124,783	-	-	124,783
1102	LP3	2	1			John Cho (Vace)	V	4-Oct-04	327,740	(120,543)	-	207,197	-	-	207,197
Units = 16									\$ 3,267,524	\$ (1,024,477)	\$ -	\$ 2,243,047	\$ -	\$ -	\$ 2,243,047

Rose of Sharon (Ontario) Retirement Community  
 Schedule of Life Lease Units  
 Amended as at March 8, 2013

Unit #	Old Unit #	Bath-rooms	Bedroom/Studio	Terrace	Parking	Name of Life Lease Unit Holder	Occupancy Status (1)	Date of Right to Occupy Agreement (RTOA)	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loan(s) to Rose/ Promissory Note(s) from Rose	Other Loans	Balance Owning After Loan(s)/Note(s) (5)
<b>Unimac Units (3)</b>															
207	LM11	1	1	x		Unimac Group Ltd.	T	1-Nov-08	\$ 281,140	\$ -	\$ -	\$ 281,140	\$ -	\$ -	\$ 281,140
301	UM2	1	2			Unimac Group Ltd.	T	1-Nov-08	269,900	-	-	269,900	-	-	269,900
303	UM3	1	1	x		Unimac Group Ltd.	T	1-Nov-08	249,740	-	-	249,740	-	-	249,740
309	UM9	1	2			Unimac Group Ltd.	T	2-Sep-09	351,000	-	-	351,000	-	-	351,000
PH1	UP3	2	1			Unimac Group Ltd.	T	2-Sep-09	457,930	-	-	457,930	-	-	457,930
PH8	UP7	2	2		x	Unimac Group Ltd.	T	2-Sep-09	661,000	-	-	661,000	-	-	661,000
Units = 6									\$ 2,300,710	\$ -	\$ -	\$ 2,300,710	\$ -	\$ -	\$ 2,300,710
<b>Turpro RTOA Units</b>															
305	UM4	1	2	x	x	William Campbell	V	8-Apr-05	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
PH5	UP6	1	1		x	Turpro Investments	V	15-Dec-05	332,000	-	(48,800)	282,200	-	-	282,200
PH7	UP8	2	2			Turpro Investments	V	15-Dec-05	529,290	-	(79,392)	449,898	-	-	449,898
Units = 3									\$ 1,111,290	\$ -	\$ (128,192)	\$ 982,098	\$ -	\$ -	\$ 982,098
<b>Turpro Option Units</b>															
310	UM10	1	studio			Turpro Investments	V		\$ 159,975	\$ -	\$ -	\$ 159,975	\$ -	\$ -	\$ 159,975
802	603	1	studio			Turpro Investments	T		147,900	-	-	147,900	-	-	147,900
PH3	UP4	2	1	x		Turpro Investments	V		530,000	-	-	530,000	-	-	530,000
PH8	UP7	2	2			Turpro Investments	T		589,226	-	(117,845)	471,381	-	-	471,381
Units = 4									\$ 1,427,101	\$ -	\$ (117,845)	\$ 1,309,256	\$ -	\$ -	\$ 1,309,256
<b>Unsold &amp; Vacant Units</b>															
808	608	1	1				V		\$ 236,000	\$ -	\$ -	\$ 236,000	\$ -	\$ -	\$ 236,000
Units = 1									\$ 236,000	\$ -	\$ -	\$ 236,000	\$ -	\$ -	\$ 236,000
									\$ 18,546,310	\$ (5,272,377)	\$ (422,918)	\$ 12,851,015	\$ (2,397,988)	\$ (205,000)	\$ 10,248,027

Notes:

- Occupancy Status is as follows (the effect of units listed twice on this schedule per Note 2 has been removed):  
 O = Owner Occupied (9 units)  
 R = Relative (11 units)  
 T = Tenant (28 units)  
 V = Vacant (42 units)
- The following units are subject to the interests of more than one party and are shaded in the schedule:  
 i) Unit 207 is being claimed by Mduqunqwa Homes and Unimac  
 ii) Unit 802 is being claimed by Jane Kim and Turpro (through a pledge of security and option to purchase)  
 iii) Unit PH8 is being claimed by Unimac and Turpro (through a pledge of security and option to purchase)  
 iv) Unit 310 is a released unit and is claimed by Turpro (through a pledge of security and option to purchase)

For purposes of this schedule, and in order to remove the effect of the apparent duplicate interest in units on this schedule, the totals do not reflect the amounts relating to the following units:

- i) Unit 207 (Unimac Unit)
- ii) Unit 802 (Turpro Option Unit)
- iii) Unit PH8 (Turpro Option Unit)
- iv) Unit 310 (Turpro Option Unit)

3. Unimac has taken possession of six units as it has claimed that Rose of Sharon defaulted on certain agreements to pay amounts owing to Unimac under the Construction Contract. Rose of Sharon is disputing Unimac's rights to the units.

4. There are 11 Non-Arm's Length Units (the First Vace Purchasers) with an RTOA dated April 8, 2005. However, Rose of Sharon's records include an amending letter which amends the year of the RTOA to 2004. While Rose of Sharon's records do not include an amending letter for unit 910, given that this purchaser is a First Vace Purchaser, for the purposes of this schedule, it is assumed that an amending letter exists for this unit.

5. This schedule does not reflect the purchase of any unit options, "extras" or appliances by the Unit-holders or amounts paid by Unit-holders for such unit options, "extras" or appliances.

**TAB G**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

THE HONOURABLE ) DAY, THE DAY  
 )  
JUSTICE ) OF , 2013

**B E T W E E N:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**O R D E R**

**THIS MOTION** made by Deloitte & Touche Inc. in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent Rose of Sharon (Ontario) Retirement Community (in that capacity, the “**Receiver**”) for an Order appointing Kronis, Rotsztain, Margles, Cappel LLP (“**KRMC**”) as representative counsel in this proceeding for the Arm’s Length Claimants (as defined in the Notice of Motion), was heard this day at 330 University Avenue, Toronto, Ontario

**ON READING** the Receiver's Motion Record dated February 22, 2013, the Third Report of the Receiver dated February 19, 2013 (the "**Third Report**"), the Fourth Report of the Receiver dated March , 2013, the Receiver's Factum dated March , 2013, and upon hearing submissions of counsel for the Receiver, counsel for Peoples Trust Company ("**Peoples**") and KRMC,

1. **THIS COURT ORDERS** that the timing and method of service of the Receiver's Notice of Motion returnable February 28, 2013 (the "**Notice of Motion**"), and related motion material filed in support of that Notice of Motion (the "**Motion Material**") be and is hereby abridged, that service of the Notice of Motion and Motion Material is hereby validated such that service effected on the parties served with the Notice of Motion and Motion Material shall be good and sufficient notice thereof, and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** that subject to paragraphs 4, 5 and 6 below, KRMC is hereby appointed in this proceeding as representative counsel ("**Representative Counsel**") for the Arm's Length Claimants (as set out in **Schedule "A"** attached hereto) with respect to the Arm's Length Claims (as defined in the Notice of Motion), the issue of the priority between the Construction Mortgage (as defined in the Notice of Motion) and the Arm's Length Claims, and Peoples' motion seeking an Order that (i) the Right to Occupy Agreements relating to the Arm's Length Units (as defined in the Notice of Motion) of the Arm's Length Unit-holders (as defined in the Notice of Motion) are terminated; and (ii) that the Arm's Length Claimants deliver up vacant possession of their Life-Lease Units upon written demand from the Receiver (collectively the "**Mandate**").

3. **THIS COURT ORDERS** that no individuals who were directors of Rose prior to June, 2011, and/or related family members of those individuals, be included in the Arm's Length Claimants to be represented by KRMC, without leave of the Court.

4. **THIS COURT ORDERS** that the role of Representative Counsel for the Arm's Length Claimants shall be limited to the Mandate.

5. **THIS COURT ORDERS** that any individual Arm's Length Claimant who does not wish to be represented by KRMC and be bound by this Order and all other orders which may subsequently be made in these proceedings related to the appointment of Representative Counsel, shall by April , 2013 (the "**Opt-Out Date**") notify KRMC and the Receiver by facsimile, email or delivery, in the form attached hereto as **Schedule "B"** (the "**Opt-Out Letter**"), and shall thereafter not be represented by KRMC and shall represent themselves as an independent individual party (with or without counsel) at his or her own expense to the extent they wish to appear in any or all matters relating to this proceeding.

6. **THIS COURT ORDERS** that if more than one-third of the Arm's Length Claimants opt-out of this Order by the Opt-Out Date, KRMC shall be automatically and immediately discharged from its role and duties as Representative Counsel, and forthwith upon the Receiver notifying the Arm's Length Claimants by mail or email at their address(es) set out in Schedule "A" hereto of KRMC's discharge as Representative Counsel the Arm's Length Claimants shall represent themselves as an independent individual party (with or without counsel) at their own expense to the extent they wish to appear in any or all matters relating to this proceeding.



7. **THIS COURT ORDERS** that Representative Counsel shall pass its accounts from time to time, and for this purpose the accounts of Representative Counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice. At such passing of accounts, Representative Counsel shall be allowed its reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court, for work done as Representative Counsel, up to a maximum amount of \$150,000.00 plus disbursements actually incurred and applicable taxes, subject to further Order of this Court obtained on notice to Peoples and the Receiver.

8. **THIS COURT ORDERS** that subject to paragraph 7 above, the reasonable fees and disbursements incurred by Representative Counsel shall be paid by the Receiver out of the Rose estate in a timely manner to allow Representative Counsel to fulfill its mandate in accordance with this Order, after the rendering of accounts to the Receiver, and that in the event of any disagreement regarding such fees and disbursements such matters will be dealt with on the passing of accounts.

9. **THIS COURT ORDERS** that Representative Counsel shall have the benefit for its fees and disbursements of the Receiver's Charge, established pursuant to the Amended and Restated Appointment Order of Justice Campbell dated September 27, 2011 in this proceeding.

10. **THIS COURT ORDERS** that, subject to further order of the Court, and without limitation to any other right or protection in favour of Representative Counsel, KRMC shall not be required to take any step or action if it reasonably believes that there will not be sufficient funds available to it to complete such step or action, and KRMC may apply to be discharged from its role as Representative Counsel at any time in its sole discretion, including, without limitation, on the basis that it reasonably believes that there are insufficient funds available to it to carry out the terms of this Order or otherwise fulfill its role as Representative Counsel.

11. **THIS COURT ORDERS** that the Receiver shall provide notice of this Order to the Arm's Length Claimants set out in Schedule "A" hereto by (a): emailing or mailing a copy of the Receiver's Notice attached as **Schedule "C"** hereto, together with a copy of this Order, after the granting of this Order, to the Arm's Length Claimants at their address(es) set out in Schedule "A" hereto; and by (b) posting a copy of the Receiver's Notice on the Receiver's website as soon as practicable after the granting of this Order.

12. **THIS COURT ORDERS** that Representative Counsel shall have no liability for any act or omission as a result of its appointment or the fulfillment of its duties in carrying out the provisions of this Order, save and except for any gross negligence or unlawful and willful misconduct on its part, and that no action or other proceedings shall be commenced against Representative Counsel relating to its acting as such, except with prior leave of this Court to be obtained on at least (7) seven days' notice to Representative Counsel and upon further order in respect of security for costs on a substantial indemnity basis of Representative Counsel in connection with any such action or proceeding.

13. **THIS COURT ORDERS** that Representative Counsel shall be at liberty and is authorized at any time to apply to this Honourable Court for advice and directions in the discharge and variations of its powers and duties, including but not limited to whether or not any individual Arm's Length Claimant should be represented by Representative Counsel because of a potential conflict of interest or otherwise.

14. **THIS COURT ORDERS** that in the event this Order is later amended by further Order of the Court, the Receiver may post such further Order on the Receiver's website and such posting will constitute adequate notice to the Arm's Length Claimants of such amended Order.

**SCHEDULE "A"**

**Arm's Length Claimants**

<b>Unit #</b>	<b>Unit Occupant/Tenant</b>	<b>Address</b>	<b>Life Lease Unit Purchaser</b>	<b>Address/Contact Information</b>
304	Occupant (relative)	15 Maplewood Ave., Unit# 304, Toronto, ON, M6C 4B4	Mary Chon	430 McLevin Ave. #1503, Scarborough, ON M4E 1Y8
306	Occupant (tenant)	15 Maplewood Ave., Unit# 306, Toronto, ON, M6C 4B4	Mary Chon	430 McLevin Ave. #1503, Scarborough, ON M4E 1Y8
308	Occupant (tenant)	15 Maplewood Ave., Unit# 308, Toronto, ON, M6C 4B4	Youngsook Cha	162 Pinewood Dr., Vaughan, ON L4J 5P5
706	Occupant (tenant)	15 Maplewood Ave., Unit# 706, Toronto, ON, M6C 4B4	Sung-Sun Yoon / Mi-Kyung Yoon	86 Ironwood Cres., Hamilton, ON L8W 3B8
707	Soon Sup Lee / Hyung Gook Lee	15 Maplewood Ave., Unit# 707, Toronto, ON, M6C 4B4	Soon Sup Lee / Hyung Gook Lee	
708	Kyung Yurl Lee / Jung Ja Lee	15 Maplewood Ave., Unit# 708, Toronto, ON, M6C 4B4	Kyung Yurl Lee / Jung Ja Lee	
709	Young Jeon	15 Maplewood Ave., Unit# 709, Toronto, ON, M6C 4B4	Young Jeon	
711	Occupant (relative)	15 Maplewood Ave., Unit# 711, Toronto, ON, M6C 4B4	Young Jeon	15 Maplewood Ave., Unit# 709, Toronto, ON M6C 4B4
803	Yu Jin Jung	15 Maplewood Ave., Unit# 803, Toronto, ON, M6C 4B4	Bog Shim Shin	416-553-2165
805	Occupant (tenant)	15 Maplewood Ave., Unit# 805, Toronto, ON, M6C 4B4	Han Hyeong Lee / Hae Jeong Kang	16 Eleanor Circle, Richmond Hill, ON L4C 6K7
806	Eunkyung Yim	15 Maplewood Ave., Unit# 806, Toronto, ON, M6C 4B4	Eunkyung Yim	
807	Irina Abrahams	15 Maplewood Ave., Unit# 807, Toronto, ON, M6C 4B4	Jong Ran Kim	21 Passmore Ave, Orangeville, ON L9W 4E1
810	Occupant (tenant)	15 Maplewood Ave., Unit# 810, Toronto, ON, M6C 4B4	Sun Hwa Lee	8 Eastgate Cres., Scarborough, ON MIL 1W9
812	Occupant (relative)	15 Maplewood Ave., Unit# 812, Toronto, ON, M6C 4B4	Sun Hwa Lee	8 Eastgate Cres., Scarborough, ON MIL 1W9

Unit #	Unit Occupant/Tenant	Address	Life Lease Unit Purchaser	Address
906	Occupant (tenant)	15 Maplewood Ave., Unit# 906, Toronto, ON, M6C 4B4	Woo Sam Park	#1705-88 Promenade Circle, Thornhill, ON L4J 9A4
907	Vacant		Myung Hee Kim / Jun Do Sung	No current address available
908	Occupant (relative)	15 Maplewood Ave., Unit# 908, Toronto, ON, M6C 4B4	Han Hyeong Lee / Hae Jeong Kang	No current address available
909	Occupant (relative)	15 Maplewood Ave., Unit# 909, Toronto, ON, M6C 4B4	Mansoo Chun	161 High St, Southampton, ON N0H 2L0
911	Occupant (relative)	15 Maplewood Ave., Unit# 911, Toronto, ON, M6C 4B4	Hyang Ok Hong / John Bai	6 Kinmie Court, Toronto, ON M3H 2S9
912	Chang Joon Kim / Soon Ja Kim / Sang Hyon Kim	15 Maplewood Ave., Unit# 912, Toronto, ON, M6C 4B4	Chang Joon Kim / Soon Ja Kim / Sang Hyon Kim	
1002	Occupant (tenant)	15 Maplewood Ave., Unit# 1002, Toronto, ON, M6C 4B4	Brenda (Chun Ja) Ha	27 William Pooleway, Toronto, ON M2N 7A6
1005	Vacant		Young Sohn	905-28 William Carson Cres., North York, ON M2P 2H1
1008	Occupant (relative)	15 Maplewood Ave., Unit# 1008, Toronto, ON, M6C 4B4	Mal Hwa Kim / Ellen Kim	bobmosey@yahoo.ca
1009	Occupant (tenant)	15 Maplewood Ave., Unit# 1009, Toronto, ON, M6C 4B4	Morgiana Lee	1709-30 Charles St. West, Toronto, ON M4Y 1R5
1010	Occupant (relative)	15 Maplewood Ave., Unit# 1010, Toronto, ON, M6C 4B4	Gye-Soon Kim / Joon Kie Kim	42 Angus Dr. Toronto, ON M2J 2X1
1108	Occupant (tenant)	15 Maplewood Ave., Unit# 1108, Toronto, ON, M6C 4B4	Jae Won Byun	6 Colinayre Cres., Scarborough, ON M1T 3A8
1111	Occupant (tenant)	15 Maplewood Ave., Unit# 1111, Toronto, ON, M6C 4B4	Sang-Hyun An / Chang Y An	341 Apple Blossom Dr., Vaughan, ON L4J 8W5
1112	Occupant (tenant)	15 Maplewood Ave., Unit# 1112, Toronto, ON, M6C 4B4	Hee Jun Park / Na Rae Choi	15 Holmes Ave., Unit #2, Toronto, ON M2N 4L8
PH6	Occupant (tenant)	15 Maplewood Ave., Unit# PH6, Toronto, ON, M6C 4B4	Jong Rye Lee / Chang Hun Shin	74 Queen's Circle, Crystal Beach, ON L0S 1B0

**SCHEDULE "B"**

Court File No. CV-11-9399-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**BETWEEN:**

**PEOPLES TRUST COMPANY**

Applicant

- and -

**ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Respondent

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended and under Section 101 of the  
*Courts of Justice Act*, R.S.O. 1990, c. C.43**

**OPT-OUT LETTER**

**DELOITTE & TOUCHE INC.**

Brookfield Place  
Suite 1400  
181 Bay Street  
Toronto ON M5J 2V1

**Attention: Daniel R. Weisz/Hartley Bricks**

(416) 775-4724 / (416) 775-7326 (Tel)  
(416) 601-6690 (Fax)  
Email: [dweisz@deloitte.ca](mailto:dweisz@deloitte.ca) /  
[hbricks@deloitte.ca](mailto:hbricks@deloitte.ca)

**KRONIS, ROTSZTAIN, MARGLES,  
CAPPEL LLP**

Barristers and Solicitors  
8 King Street East  
Suite 1000  
Toronto, ON M5C 1B5

**Attention: Mervyn Abramowitz/Philip Cho**

(416) 218-5620/(416) 218-5494 (Tel)  
(416) 306-9874 (Fax)  
Email: [mabramowitz@krmc-law.com](mailto:mabramowitz@krmc-law.com) /  
[pcho@krmc-law.com](mailto:pcho@krmc-law.com)

I, \_\_\_\_\_, am an Arm's Length Claimant as defined in the Order of Justice dated April \_\_\_\_\_, 2013 (the "**Representative Counsel Order**"). My Arm's Length Claim relates to Unit \_\_\_\_\_ at the Rose of Sharon Life Lease Residence.

Under paragraph 5 of the Representative Counsel Order, Arm's Length Claimants who do not wish Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**") to act as their Representative Counsel may opt out.

I hereby notify KRMC and the Receiver that I do not wish to be bound by the Representative Counsel Order, and will be represented as an independent individual party at my own expense to the extent I wish to appear in these proceedings.

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Date

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Signature

Name:

Telephone Number:

Email Address:

Contact Address:

DRAFT

## SCHEDULE "C"

### RECEIVER'S NOTICE

Pursuant to an Order (the "**Appointment Order**") of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 27, 2011 (the "**Appointment Date**"), Deloitte & Touche Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community ("**Rose**").

Pursuant to an order of the Court dated April , 2013 (the "**Representative Counsel Order**"), Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**") was appointed as representative counsel ("**Representative Counsel**") of all Arm's Length Claimants (as set out in Schedule "A" to the Representative Counsel Order) in all matters relating to the Mandate (as defined in the Representative Counsel Order). Schedule "A" to the Representative Counsel Order does not include Unit-holders who were Directors of Rose prior to June, 2011, and the related family members of such Unit-holders (collectively, the "**Directors**"), as the Receiver is of the view that the interest of those parties may be different from the interests of the Arm's Length Claimants. Any Director seeking to be categorized as an Arm's Length Claimant must first obtain leave of the Court before KRMC can act for them as Representative Counsel.

The reasonable fees of and disbursements incurred by the Representative Counsel shall be paid by the Receiver on a periodic basis up to a limit of \$150,000.00 plus disbursements and applicable taxes. Accordingly, **you are not required to contribute to the costs of the Representative Counsel, subject to further Order of the Court.**

**If you do not wish to be bound by this order**, you must notify Deloitte and KRMC in writing, by mail, e-mail or delivery on or before **April , 2013**. If more than one-third of the Arm's Length Claimants opt-out by April 12, 2013, KRMC will be automatically and immediately discharged as Representative Counsel for the Arm's Length Claimants, including those who do not opt out, and all Arm's Length Claimants will have to represent themselves as an independent individual party (with or without counsel) at their own expense. Your notice that you do not wish to be bound by the Representative Counsel Order must be in the form of a fully completed and enclosed "Opt-Out Letter" attached as Schedule "B" to the Representative Counsel Order and also available on the Receiver's website at:

<http://tinyurl.com/bex6rxy>

[http://www.deloitte.com/view/en\\_CA/ca/specialsections/insolvencyandstructuringproceedings/6a6abed46e0b2310VgnVCM3000001c56f00aRCRD.htm](http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandstructuringproceedings/6a6abed46e0b2310VgnVCM3000001c56f00aRCRD.htm)

Additional information concerning the Rose receivership, including previous Orders granted in the receivership, can be also found on the Receiver's website at the same links. Arm's Length Claimants may contact KRMC in confidence directly at:

**Mervyn D. Abramowitz**  
(416) 218-5620 (Tel)  
(416) 306-9874 (Fax)  
Email: [mabramowitz@krmc-law.com](mailto:mabramowitz@krmc-law.com)

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