

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY , THE 13th DAY
)
JUSTICE MESBUR) OF DECEMBER, 2013

B E T W E E N:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

ORDER

THIS MOTION made by Peoples Trust Company ("**Peoples**") for an Order:

1. approving a settlement (the "**Settlement**") between Peoples and certain purchasers of units in the Property (the "**Settling Unitholders**" enumerated particularly below) as set out in the Fifth Report of the Receiver dated December 10, 2013 (the "**Fifth Report**").
2. declaring that Peoples is entitled to priority over the claims of certain persons, including without limitation the claims of certain life lessees against the Property (as defined below) or its proceeds, whether under Right to Occupy Agreements

(“RTOAs”) or otherwise, and any tenants of such life lessees (collectively, “**Life Lease Claimants**”), with respect to the property owned and operated by Rose of Sharon (Ontario) Retirement Community (“**Rose of Sharon**”) known municipally as 15-17 Maplewood Avenue, Toronto, Ontario and/or units in the said building (the “**Property**”), save and except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List); and

3. A declaration of priority over the following mortgages:

- a. a second mortgage for \$700,000.00 held registered on title on November 14, 2008 (and which was originally held IWOK Corporation (“**IWOK**”));
- b. a third mortgage for \$100,000.00 held by Turfpro registered on May 14, 1999 (and which was originally a first mortgage held by Mikal Construction Inc. that was transferred to Turfpro on January 19, 2006);
- c. a fourth mortgage for \$590,000.00 held by Turfpro, registered on title as a second mortgage on August 2, 2002; and,
- d. a fifth mortgage for \$150,000.00 held by IWOK registered on title January 19, 2006 (and which was originally a third mortgage held by Mijo Holdings Inc. and transferred to Unimac Group Ltd. (“**Unimac**”) On May 18, 2007, and subsequently transferred to IWOK on March 2, 2010).

(the “**Subordinate Mortgages**”)

ON READING Peoples’ Compendium and the documents contained therein, Peoples’ Factum and Supplementary Factum, the Fifth Report and on hearing the submissions of counsel for Peoples, ^{2383431 Ontario Inc ✓ he} ~~Representative Counsel~~, the Receiver, Unimac Group Ltd. and Trisura Guarantee Insurance Company, no one appearing for any other party although duly served as appears from the Affidavits of Service of Haddon Murray sworn September 4, 2013, September 6, 2013, October 25, 2013 and December 13, 2013.

SERVICE

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

SETTLEMENT

2. **THIS COURT ORDERS** that the Settlement^{by} by payment of the amounts set out in the table attached as Schedule "A" to this order in the column titled "Settlement Price" plus:

^{or} (a) the total amount of any unpaid sums for common area maintenance fees due and owing on the date this settlement is approved by the Court (the "Settlement Date"); and,

^{or} (b) the total amount of any unpaid interest required to be paid pursuant to RTOAs on the positive balances set out in the Payment Chart in the column entitled "Balance Owing After Notes"

^{or by} and compliance with the terms and conditions set out ^{or other} in ^{therein} ~~in the Fifth Report, a sample of which is attached at Schedule "B" to this order as between:~~

- (a) Steven Yu with respect to unit 801;
- (b) Jane Kim with respect to unit 802;
- (c) Klara Kim with respect to unit 804;
- (d) Sang-Hyun An/Chang Y An with respect to units 809, 811 and 1111;
- (e) Albert Yoon with respect to units 1001 and 1003;
- (f) Lawrence (Myung Kyou) Kim with respect to units 1007 and 1109;
- (g) Olivia Yoon with respect to unit 1107
- (h) Mugungwha Homes with respect to unit 205;
- (i) Robert Berg (ACC) with respect to unit 203; and,

(j) Assured Care Consulting Inc. with respect to unit 903,

(the "Settling Unitholders")

Re approved by [signature]
and Peoples and the Receiver, is hereby approved and the Receiver is hereby authorized and directed to take all steps necessary to implement the Settlement.

PRIORITY

3. THIS COURT ORDERS AND DECLARES that Peoples is entitled to priority over the claims of all persons claiming an interest in the following units in the Property and the proceeds thereof:

- (k) unit 902 with an RTOA held by Soon Ki Chang;
- (l) units 201, 910 and 1103 with a RTOAs held by Anne Marie Heinrichs;
- (m) units 204, 209, 210 and 211 with RTOAs held by Mike Ridley;
- (n) unit 206 with an RTOA held by Aaron & Helen Klassen;
- (o) units 208 and 214 with RTOAs held by Tim Schaner;
- (p) units 212 and 213 with RTOAs held by Hans Goetze;
- (q) unit 311 with an RTOA held by John Chon;
- (r) unit 701 with an RTOA held by Choo-Kook Chang;
- (s) unit 901 with an RTOA held by Yun Ok Lee; and,
- (t) unit 703 with an RTOA held by Jang Hoon Lee/Vivian Rhee (Lee).

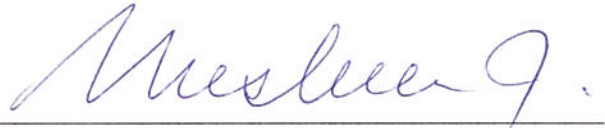
except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List).

4. **THIS COURT ORDERS AND DECLARES** that Peoples is entitled to priority over the claims of all persons claiming under the Subordinate Mortgages including without limitation any assignee of a Subordinate Mortgage.

GENERAL

5. **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.

6. **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.



ENTRÉES ET INSCRITS À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 17 2013

NB

SCHEDULE "A"

Units	Name of Unit Holder	Settlement Price
801	Steven Yu	\$48,438.00
802	Jane Kim	\$62,400.00
804	Klara Kim	\$37,908.00
809	Sang-Hyun An/Chang Y An	\$110,601.66
811	Sang-Hyun An/Chang Y An	\$144,698.34
1001	Albert Yoon	\$90,764.33
1003	Albert Yoon	\$83,509.08
1007	Lawrence (Myung Kyou) Kim	\$55,183.02
1107	Olivia Yoon	\$40,440.27
1109	Lawrence (Myung Kyou) Kim	\$79,224.00
1111	Sang-Hyun An/Chang Y An	\$75,622.80
205	Mugungwha Homes	\$74,368.70
203	Robert Berg (ACC)	\$50,400.00
903	Assured Care Consulting Inc.	\$78,949.40

Units: 14

PEOPLES TRUST COMPANY v. **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**
Applicant Respondent

**ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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
Facsimile: (416) 862-7661

Lawyers for the Applicant,
Peoples Trust Company