

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

B E T W E E N:

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**

**RESPONDING MOTION RECORD AND CROSS-MOTION
RECORD OF THE ARM'S LENGTH CLAIMANTS OF
ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY
VOLUME 1 OF 2
(returnable September 11, 2013)**

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TAB 1

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**

NOTICE OF CROSS-MOTION

The Arm's Length Unit-holders (as defined below) of Rose of Sharon (Ontario) Retirement Community, will make a cross-motion to the Honourable Justice Mesbur on Tuesday, September 10, 2013 at 10:00 a.m., or as soon after that time as the Motion can be heard at 330 University Avenue, 8th Floor, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard orally.

THE MOTION IS FOR:

- (a) A Declaration that the Arm's Length Unit-holders (as listed in Schedule "A" to the Representative Counsel Order of the Honourable Justice Mesbur dated April 11, 2013) ("**ALU's**") have a life estate, subject to certain conditions, in the property municipally known as 15-17 Maplewood Avenue, Toronto, Ontario and/or in specific units in the building located on the property (the "**Property**");
- (b) An Declaration that so long as he/she is in compliance with his/her respective RTOA, as amended, each ALU is entitled to quiet possession of his/her respective Unit, in accordance with the RTOA, as amended;
- (c) An Order that Peoples Trust Company ("**Peoples**") enter into non-disturbance agreements ("**NDA's**") with each of ALU's, in a form to be agreed upon by counsel for Peoples and Representative Counsel for the ALU's, or by further order of this Court, which NDA's may be registered on title to the Property;
- (d) A Declaration that, following the registration of a condominium plan by Rose of Sharon (Ontario) Retirement Community ("**Rose of Sharon**") in respect of the Property, any ALU who has paid the full amount owing under his or her respective Right to Occupy Agreement(s) ("**RTOA**") is entitled to a partial discharge of the Peoples' charge with respect to the unit(s) referenced in the relevant RTOA;

- (e) An Order that, following the registration of a condominium plan by Rose of Sharon in respect of the Property, and upon payment to the Receiver of any amount owing under their respective RTOA's, an ALU shall be entitled to a partial discharge of the Peoples' charge with respect to his or her unit;
- (f) An Order that any ALU who is the holder of an outstanding promissory note made in its favour by Rose of Sharon shall be entitled to set-off the amount of the such note, together with interest calculated from the date of the note, against any amounts payable pursuant to the ALU's RTOA;
- (g) An Order that the ALU's shall, within 90 days of any Order herein, pay to the Receiver any arrears in respect of maintenance fees, taxes, and utilities, and any arrears of monthly charges of principal and interest owing on promissory notes made by such ALU in respect of the balance of the purchase price owing under an ALU's RTOA;
- (h) An Order that any dispute with respect to any amounts owing under an RTOA shall be determined by this Court;
- (i) Costs of this cross-motion against any party who opposes the relief sought herein; and,
- (j) Such further and other relief as to this Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

- (a) Rose is a not-for-profit Ontario corporation that sought to develop retirement residences and long-term care nursing home facilities for individuals of Korean heritage (the “**Project**”);
- (b) The plan for the Project was to have one building that would incorporate both long-term care nursing home facilities (“**LTC Unit**”) and retirement residences (the “**Residential Unit**”);
- (c) In 1995, Rose was granted a licence by the Ministry of Health and Long Term Care for a number of beds in the LTC Unit;
- (d) Rose planned to develop the Residential Unit by marketing and selling “life leases” to individuals of Korean heritage in the Greater Toronto Area;
- (e) Beginning in 1996, Rose entered into a number of pre-construction life lease agreements, entitled “Right to Occupy Agreement” (the “**RTOA’s**”), with various individuals for the purpose of securing deposits that would be used in the development of the Project;
- (f) Peoples agreed to finance the development of the Project, subject to certain conditions, and on March 10, 2005, Peoples issued a Commitment Letter (the “**Commitment Letter**”) to Rose setting out the terms and conditions of the loan to Rose (the “**Loan**”);

- (g) The Loan was insured by Canada Mortgage and Housing Corporation (“CMHC”);
- (h) The Commitment Letter provided, among other things, that:
 - (i) the purpose of the loan is to finance the construction a 12-storey building containing a 60 bed licenced nursing home and 89 individual condominium units which are to be sold on a life lease basis;
 - (ii) prepayment of the Loan is permitted on a unit-by-unit basis and Peoples will provide a discharge of its security on the respective unit provided that Peoples receives the proceeds from such sale;
 - (iii) Rose is required to provide documentation confirming that:
 - (1) 80 of the 89 life lease units have been sold at prices and terms satisfactory to Peoples;
 - (2) The required documents to confirm condominium status for the Project, so that the LTC Unit is one condominium corporation and the 89 life lease units will have individual condominium status, have been completed to the satisfaction of Peoples’ solicitors;
 - (iv) Rose is not permitted to accept an agreement of purchase and sale of a life lease unit without Peoples’ consent;
- (i) Following the issuance of the Commitment Letter, with Peoples’ consent and approval, Rose amended the form of the RTOA to provide, among other things,

that, upon occupation, or as soon as reasonably possible thereafter, any encumbrances in favour of lenders will be discharged or a non-disturbance agreement obtained in respect of the unit;

- (j) Prior to making any advances pursuant to the Commitment Letter, Peoples required that Rose obtain from each ALU who had already entered into an RTOA a signed Acknowledgment and Postponement (the “**Postponement**”);
- (k) The Postponement provides, among other things, that any deposits paid, or to be paid, by the ALU will be subordinated and postponed to, and shall not rank in priority to, the Loan and the Charge (as defined herein);
- (l) The Postponement does not provide for the subordination or postponement of the ALU’s interest in the Property and the Project;
- (m) On or about May 18, 2007, Peoples registered a charge (the “**Charge**”) against title to the Property, which was registered as Instrument Number AT1450426;
- (n) The Charge amended section 6 of the applicable Standard Charge Terms and provided that Peoples agrees to provide a discharge with respect to any unit for which net sale proceeds have been received by Peoples;
- (o) On or about May 18, 2007, Peoples began making partial advances from time-to-time to Rose pursuant to the Commitment Letter;
- (p) The RTOA’s grant to the ALU’s a life estate in his/her respective unit, subject to certain conditions;

- (q) Peoples' Charge does not affect the interests of the ALU's who entered into RTOA's prior to the registration of the Charge;
- (r) Peoples agreed to provide discharges or non-disturbance agreements to the ALU's who entered into RTOA's following the issuance of the Commitment Letter;
- (s) Section 97 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;
- (t) Such further and other grounds as counsel may advise and this Court deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be relied upon at the hearing of the Motion:

- (a) The Third Report to the Court of the Receiver, dated February 19, 2013;
- (b) Affidavit of Hae Jeong Kang, sworn May 28, 2013 and the Exhibits attached thereto;
- (c) Affidavit of Kyung Yurl Lee, sworn May 28, 2013 and the Exhibits attached thereto;
- (d) Affidavit of Young Sook Cha, sworn May 28, 2013 and the Exhibits attached thereto;
- (e) Affidavit of Mary Chon, sworn May 28, 2013 and the Exhibits attached thereto;
- (f) Affidavit of Sung-Sun Yoon, sworn May 28, 2013 and the Exhibits attached thereto;

- (g) Affidavit of Hyung-Gook Lee, sworn May 28, 2013 and the Exhibits attached thereto;
- (h) Affidavit of Stan Ha, sworn May 28, 2013 and the Exhibits attached thereto;
- (i) Affidavit of Young Sohn, sworn May 28, 2013 and the Exhibits attached thereto;
- (j) Affidavit of Mal Hwa Kim, sworn May 28, 2013 and the Exhibits attached thereto;
- (k) Affidavit of Morgiana Lee, sworn May 28, 2013 and the Exhibits attached thereto;
- (l) Affidavit of Gye-Soon Kim, sworn May 28, 2013 and the Exhibits attached thereto;
- (m) Affidavit of Jae Won Byun, sworn May 28, 2013 and the Exhibits attached thereto;
- (n) Affidavit of Hee Jun Park, sworn May 28, 2013 and the Exhibits attached thereto;
- (o) Affidavit of Young Ok Jeon, sworn May 29, 2013 and the Exhibits attached thereto;
- (p) Affidavit of Bog Shim Shin, sworn May 28, 2013 and the Exhibits attached thereto;
- (q) Affidavit of Eunkyung Yim, sworn May 28, 2013 and the Exhibits attached thereto;

- (r) Affidavit of Sun Hwa Lee, sworn May 28, 2013 and the Exhibits attached thereto;
- (s) Affidavit of Myung Hee Kim, sworn May 28, 2013 and the Exhibits attached thereto;
- (t) Affidavit of Hyang Ok Hong, sworn May 28, 2013 and the Exhibits attached thereto;
- (u) Affidavit of Chang Joon Kim, sworn May 28, 2013 and the Exhibits attached thereto; and,
- (v) Such further and other evidence as counsel may advise and this Court permit.

May 30, 2013

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Sharon (Ontario) Retirement Community

TAB 2

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

**AFFIDAVIT OF
HAE JEONG KANG
(sworn May 28th, 2013)**

I, HAE JEONG KANG, of the Town of Richmond Hill, in the Regional Municipality of York, MAKE OATH AND SAY:

1. My husband, Han Hyeong Lee, and I are the owners of Units 805 and 908 (the “Units”) in the Rose of Sharon housing project (the “Project”), which is owned by the respondent Rose of Sharon (Ontario) Retirement Community (“Rose”). I am also one of the Arms’ Length Unit-holders listed in Schedule “A” to the Representative Counsel Order of Justice Mesbur dated April 11, 2013 (the “Mesbur Order”). As such, I have knowledge, information and belief of the matters to which I hereinafter depose. Where matters are stated as being based on information, I verily believe such information to be true. Where matters are stated as being based on belief, I identify the fact and the reason for my belief.

INTRODUCTION

2. This affidavit is made in response to a motion brought by Peoples Trust Company (“Peoples”) for, among other things, an order that the Peoples mortgage ranks in priority over my interests as the unit-holder of my Units, and indeed over all other unit-holders’ interests.

3. This affidavit is also made in support of a cross-motion brought by the Arm’s Length Claimants for, among other things, a declaration that the Arm’s Length Unit-holders (“ALU’s”) have a life estate in the property municipally known as 15-17 Maplewood Avenue, Toronto, Ontario and/or in specific units in the building located on the property (the “Property”).

4. In the course of my involvement in these proceedings, I have been advised by the Representative Counsel and now understand that Peoples has a mortgage registered against the Property, arising out of a construction loan provided by Peoples to Rose in connection with the construction of the Project.

5. I also now understand that the agreements entered into between the ALU’s and Rose are considered “life lease” agreements, and according to Peoples, do not transfer any ownership interest to the ALU’s. Instead, Peoples’ position, as I understand it, is that the “life lease” agreements are contracts only as between Rose and the ALU’s, and that further, if Peoples has the right to take over control of the Property (as a result of Rose’s default under its mortgage with Peoples), then the ALU’s will have no rights to remain in possession of their respective units.

6. As I will explain in more detail in my affidavit, I was not aware of this risk that the Units I purchased could be taken from me because of something Rose failed to do. I believed

that in purchasing these Units, I owned them. If I knew about this risk, I would not have purchased these Units, and paid significant sums of money.

7. In my view, Peoples knew at all times that the Project which Peoples funded through its construction loan would be used as a residence for individuals to live in, and that these individuals were paying significant sums of money for their units. In fact, I understand that several units had already been sold before Peoples even registered its mortgage interest and advanced any funds to Rose.

8. Peoples also would have known, based on the very nature of the Project, that many, if not most, of these individuals were elderly and were of Korean heritage, Korean speaking and that many if not most of them would have difficulty understanding the English language, not to mention Canadian laws and particular concepts regarding interests in land.

9. I also believe that Peoples had control over and the ability to approve the form of documents used by Rose in selling the units at the Project and the manner in which Rose represented the Project and the units for sale.

10. Therefore, I believe that it is unfair for Peoples to expect that its interests in the Project and the building would be entitled to priority over the interests of the individual ALU's who complied with their respective obligations under their agreements, and who misunderstood or were misled in respect of the nature of the transactions through which they purchased their units.

11. As I set out below, Peoples knew the nature of the Project, the documentation that was to be used, the fact that everything was in the English language, and that few steps were being taken by Rose to ensure that the ALU's had a real understanding of what they were

purchasing, and what they were signing. I never had any contact with anyone associated with Peoples and it is my belief that Peoples is now trying to take advantage of the ALU's, and their vulnerability in this matter.

12. I understand that other ALU's will also be providing affidavits in support of our common position, and that my affidavit will serve as one of the "principal" affidavits, such that other affiants may adopt portions of my affidavit, where appropriate. This is being done in an effort to be more efficient, to reduce the number of similar affidavits to be filed, and to save time and expense. I understand that those other affiants will provide additional information to the Court where necessary to set out how their experiences differ from my own.

13. My affidavit will deal with the following areas:

- a. My personal information and background;
- b. The nature of the Project;
- c. The marketing and selling of the Project;
- d. The initial documentation, including the Right to Occupy Agreement;
- e. The deposits we paid;
- f. The Peoples Trust mortgage commitment and the CMHC insurance;
- g. The Acknowledgement and Postponement agreement;
- h. The registration of the Peoples Trust mortgage and Rose's need for further funds;
- i. The Amended Right to Occupy Agreement and the "mortgage"; and,

- j. The account summary and the substantial prejudice we would suffer.

PERSONAL INFORMATION AND BACKGROUND

14. My husband and I are both of Korean heritage. We were both born in South Korea, he in 1962 and myself in 1965. We immigrated to Canada in 2002, when we were already adults, with a view to starting a new life here for ourselves and our family.

15. Before coming to Canada, I had attended university in Korea and had obtained a master's degree in hospital administration. My husband was also educated in Korea. He had obtained a bachelor's degree in public administration and was later employed as a public official at the municipal level.

16. Following our arrival in Canada, we were not able to obtain employment in our chosen areas. As a result, my husband and I decided to operate a sushi restaurant in Richmond Hill, something we did for approximately 8 ½ years.

17. I also decided to volunteer at a nursing home in Toronto, near Leslie Street and Steeles Avenue. I have always had a special interest in working with and caring for seniors. This became an important consideration in our decision to later support and eventually purchase our interests in the Project.

18. My command of the English language is somewhat limited. I am able to converse in English with our restaurant customers for the purpose of serving them. However, when I met with Philip Cho ("**Cho**"), of the law firm Kronis Rotsztain Margles Cappel LLP ("**KRMC**") (who was appointed as Representative Counsel under the Mesbur Order), for the purpose of providing information to him with respect to this matter, and for the purpose of preparing this

affidavit, the interview was conducted primarily in the Korean language. This is because it is often difficult for me to understand and express myself properly in English. Indeed, this affidavit was translated into Korean for me, so that I could fully understand the contents, before I agreed to swear it. I am advised by Cho that KRMC retained a translation service to translate this affidavit into Korean for the purposes of having it available for myself and others to similarly use when making their own affidavits.

19. I should also point out that my command of the English language, though limited, is better than that of my husband.

20. In any situations where there are financial arrangements to be made, or more detailed information required, we often struggle to fully understand what is being asked of us, and we are obliged to rely primarily on what we are told by the person with whom we are dealing, rather than any written documentation. While this is not an ideal situation, it is a reality of our living in Canada. Of course, if we were able to obtain documentation or speak with people in Korean, that would be much better for us.

JOHN YOON AND THE ROSE OF SHARON PROJECT

21. Unless otherwise noted, all of my discussions with Rose were through an individual named John Yoon (“**John**”), whose Korean name is “Yoon Jung Rim”. To my knowledge, John was a director of Rose, and he dealt with my husband and me, as I will explain below. All of our conversations and discussions took place in the Korean language.

22. I first heard about the Project from John. I had met John at the nursing home where I volunteered and where John was also a volunteer. John was very helpful to me and my

husband upon our arrival in Canada, and he often provided me with general advice about living in Canada.

23. John also told me about his vision for a Korean-focused nursing home and retirement community – a real community that would be primarily comprised of Korean-speaking seniors, both those living independently and, when it became necessary, in a nursing home. The community would have Korean-speaking staff, and would offer services that could be purchased from the nursing home as the residents grew older and their needs changed.

24. Also important would be the fact that Korean food would be offered on the menus offered to the residents, as the Korean diet is quite different from the regular Canadian diet, and many Koreans, particularly those who have not been in Canada very long, still prefer the Korean foods to those offered in a standard Canadian or western diet.

25. I believed passionately in John's vision as I believed that it was important to have a Korean-heritage based nursing home and retirement community. Through my own personal experience volunteering, I was acutely aware that many elderly Korean-Canadians have a very difficult time in a typical nursing home in Canada. I have noted that many patients are quite concerned about their inability, or perceived inability, to effectively communicate with the staff members and express his or her needs.

26. In addition, I am aware that many residents have difficulty forming relationships with other, non-Korean residents because of the language barrier, and some become quite lonely and depressed. I also know from working with Korean seniors that they have difficulty with the food offered at a typical nursing home, as their palates are unaccustomed to some of the non-Korean foods.

27. John told me that he and Rose had already started to develop his vision and that he needed help from within the Korean-Canadian community to implement and fulfill it. I told John that I would be very interested in helping him and Rose realize their vision.

28. John then went on and told me about the Project that was being developed by Rose at the property at 15-17 Maplewood Avenue, in Toronto (the “**Property**”).

29. In particular, John advised me that:

- a. the Project had already received a commitment for financial support from the Ontario government;
- b. the Project had two components – a nursing home facility and an independent-living retirement residence;
- c. the nursing home and the retirement residence would be Korean heritage focused, meaning that the majority of the patients and residents would be of Korean heritage;
- d. the Project would employ Korean-speaking staff so that patients could communicate in the Korean language;
- e. the food served at the Project would feature many Korean items;
- f. the residence section of the Project would be connected to the nursing home facility, such that one could move easily from one section to the other;
- g. residents in the retirement residence would be able to purchase various services, such as meal service and attendant services, from the nursing home;

- h. residents could easily be transferred to the nursing home facility, if and when the need arose;
- i. individuals would purchase units in the building that they would live in and, once the building was complete, would become condominium units; and
- j. we would also pay monthly charges, in the nature of condominium fees, to cover the cost of taxes, utilities, maintenance and common area charges;

30. I told John that my husband and I would be happy to participate personally in the Project and that my plan was to purchase two units – one for my husband and me, and a second unit for my parents, who were then still living in South Korea, but whom we wanted to bring to Canada.

31. John was pleased with my response and said that he would make the arrangements for me to sign the necessary documents to acquire the two units.

ROSE MARKETING MATERIALS

32. I have learned from my discussions with Cho that the Receiver's reports in this proceeding note that Rose produced some marketing materials and brochures about the Project in the English language. I also understand that Rose placed certain advertisements in various community newspapers and conducted sales presentations. I did not receive or read any such brochures or newspaper advertisements, nor did I attend any sales presentations. My interest and information with respect to the Project was solely as a result of my dealings with John.

33. However, in reviewing the marketing materials produced by the Receiver, at Appendix H to its Third Report to the Court, a copy of which I have attached and marked as

Exhibit “A” to my affidavit, there is some important factual information that I believe is relevant for the Court to know and appreciate, as some of it is consistent with what I was told and led to believe we would be purchasing and receiving for our money. However, there is also a good deal of information that John Yoon did not explain to us clearly, or, in some cases, at all.

34. In particular, the marketing materials state that:

- a. the Project (referred to as the “community” in the marketing materials) is developed by a “Korean-Canadian non-profit organization”;
- b. Rose received an award from the Province of Ontario to develop a 50 resident long-term care facility;
- c. Rose had obtained planning approvals from the City of Toronto to build the community;
- d. Rose had been working closing with the Province of Ontario and the City of Toronto on the Project;
- e. That a purchaser would receive “A life lease apartment [that] provides a purchaser with the right to occupy their suite for the remainder of their life. Through a monthly maintenance fee, owners of life lease suites help maintain the common areas, similar to the operation of a condominium”; and,
- f. Apartment Monthly Charges would include “Standard Condo Fees”, utilities, property tax, and telecom charges.

35. Though I did not receive or review those marketing materials, the wording in them is largely consistent with what my husband and I were told by John and, therefore, with what we believed we would be receiving, if we purchased units at the Project.

36. However, I do not specifically recall if John explained or even mentioned the concept of a “life lease” to me. Further, even if John had told me that I was acquiring a “life lease”, I would not have known what that meant. What I was told, and what mattered to me, was that I was purchasing two units in a Korean heritage retirement community that I would own and that I would be able to use and occupy.

37. In addition, John did say that the building would be constructed, and that thereafter, it would be converted to a condominium. As a result, we believed that we would be purchasing two condominium units – units that we would own outright. We did not know about or understand that we may only be acquiring a “right to occupy” our Units.

38. I was also not advised of any restrictions on who could live in our Units, or whether or not we could arrange for tenants to live in them. As I already had plans on who would be residing in these Units, as I noted above, these issues did not concern me.

THE INITIAL DOCUMENTATION

39. Based on our belief in John and Rose’s vision for a Korean seniors’ community, and what John told us, I signed two documents entitled Right to Occupy Agreement (“**RTOA**”), one dated September 22, 2003, and the second dated December 31, 2003. Attached and marked as Exhibit “B” and “C” respectively to my affidavit are copies of the two RTOA’s.

40. I also signed two documents entitled Letter of Acknowledgment (“LOA”), one dated September 22, 2003 and the second dated January 15, 2004. Attached and marked as Exhibit “D” and “E” respectively are copies of the two LOA’s.

41. I believe that I signed both RTOA’s and LOA’s in John’s office near the Rosedale subway station in Toronto, on or about the dates indicated.

42. We did not consult a lawyer or any other professional adviser before signing the RTOA’s or the LOA’s. No one, including John, ever suggested that we seek legal advice, or any other advice, before signing the documents.

43. In addition, John did not ask us to provide any financial documents or information to him or Rose, nor did he even ask whether we could afford the two Units. There was no discussion about financing the purchase of the Units, and in particular, the fact that, due to the structure of the Project, and the fact of the life leases, that traditional financing may be unavailable to us.

44. I did not read the RTOA’s in any detail, and unless it had been translated into Korean, I would not have been able to understand the concepts and details set out in any event. In fact, to my knowledge, none of the documents were printed or available in Korean, and neither John nor anyone else explained the documents to me, beyond saying that they were in accordance with our earlier discussions.

45. However, I did note that the following specific information written onto the documents was consistent with our earlier discussions as well and was what we thought we were purchasing:

- a. my name and address;
- b. the unit numbers that I was purchasing;
- c. the purchase price for each of the two units; and,
- d. the deposit amounts and the schedule for payment of the deposits toward the purchase price for each unit.

46. I do not recall John reviewing with me or pointing out to me or discussing any of the other terms and conditions contained in the RTOA's.

47. I will now go through some of what appear to be the more important clauses in the RTOA's and provide my comments on them.

48. I note that paragraph 2 of the RTOA states:

The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of \$107,600.

At all times, I believed that I was purchasing the unit (or in my case, two units). I was not advised by John or anyone else at any time that I was purchasing something other than outright ownership of the Units.

49. I believe that if I "purchase" something, then I own it outright. Similarly with the Units, I believed that upon purchasing them, I owned them. I would not have purchased the Units (or indeed anything else) if they could just be taken away from me in the way Peoples is asking this Court to permit. More specifically, in this case, Peoples is asking the Court to give it priority over my Units, because Rose (a third party) has not complied with its obligations to

Peoples, not because of anything I have done. I have complied with all of my obligations under the RTOA.

50. This is a risk that I was never made aware of, nor did I even understand could be a possibility. I would not have purchased the Units if this risk had been explained to me.

51. Paragraph 9 of the RTOA states:

The term of this Agreement is the lifetime of the Purchaser or if there are two purchasers, upon the death of the survivor.

I was not aware, nor made aware, of this provision. I was not aware that my purchase of the Units had a term. I believed that my Units would be sold if I died while at the Project, or that I could sell them if I wanted to before then, but I always believed that I owned the Units.

52. Paragraph 12 of the RTOA states:

This Agreement shall not create any ownership in the real property or building of the Community and the Purchaser agrees not to register this Agreement against title to the lands upon which the building sits.

I was not made aware of this provision by John when I signed the Agreement. I always believed that I was purchasing units that I would own in the building, just like a condominium.

53. I have also been advised by Cho that the LOA's deal with, among other things, the use of my deposits by Rose in the construction of the Project. I also understand from Cho that these deposits were not insured under the Ontario New Homes Warranty Plan. I was not advised as to what this document means. I do not recall John advising me that my deposits could be at risk, or that there was no insurance available for them.

54. I do remember that John basically showed me where to sign on the various documents, which I did. He did not explain the content of the documents and I believed that the documents were simply standard agreements to sign for purchase of my Units.

55. As I noted above, I was not provided with a Korean version of the indicated documents or a translation of them. I have since tried to read the RTOA but still do not understand what it says exactly about what I have purchased, or what it means.

56. Finally, I note that I was never advised about Peoples or its mortgage at that time. I was never told that they would have any ability or right to try to take my Units or have me removed from the Project, or claim any superior rights to mine, such that I could be removed from the Project.

57. The fact that they have even been able to commence these proceedings and claim the right to have us removed from the Units and the Project, after we have paid what we have, has left me completely dumbfounded and shocked.

DEPOSITS PAID

58. Pursuant to the September RTOA I signed in respect of Unit 908, I paid to Rose the following amounts on the following dates, as deposits toward what I believed to be the purchase price for the unit:

- a. on September 22, 2003, I paid the sum of \$10,760;
- b. on January 8, 2004, \$10,760; and
- c. on August 2, 2006, \$10,760.

59. Further, pursuant to the December RTOA that I signed for Unit 805, I paid the following amounts on the following dates, as deposits toward the purchase price for the unit:

- a. on January 15, 2004, I paid the sum of \$1,950;
- b. on February 12, 2004, \$19,500;
- c. on May, 19, 2005, \$17,750; and
- d. on August 2, 2006, \$19,500.

60. On each occasion, we paid the deposit payments, as required under the agreements. On each occasion, we provided the payments to John. Attached hereto and marked as Exhibit "F" are copies of the receipts that John provided to us in respect of each payment we made, except that we have been unable to locate a copy of the receipt for the May 19, 2005 payment.

61. At all times, we believed that we were current with our deposit payments, and that the deposits were being credited to the overall purchase price we paid in respect of each of the two Units. At no time did we ever know or believe that we were behind in respect of any of the required deposits, or that the deposits were in danger of being lost, in any way.

PEOPLES MORTGAGE COMMITMENT

62. Although I was not aware at the time, I understand now that on or about March 17, 2005, Peoples entered into a loan commitment with Rose. The Commitment Letter dated March 17, 2005 (the "**Commitment Letter**") is attached as Exhibit "C" to the Affidavit of Martin Mallich sworn April 4, 2013 (the "**Mallich Affidavit**"), and is contained in Peoples Motion Record for the within motion.

63. The Commitment Letter provides, among other things:
- a. in item 4, the loan amount is \$17,300,162.50 and includes a CMHC premium and application fee;
 - b. in item 5, the purpose of the loan is to facilitate the construction of a 12 storey building containing a 60 bed licensed nursing home and 89 individual condominium units;
 - c. in item 7, prepayment was permitted on a unit-by-unit basis and Peoples agreed to provide discharges of the security over certain units, subject to certain conditions;
 - d. in item 11(i), there must be compliance with CMHC's undertaking to insure and special conditions, Certificate of Insurance #90-260-530;
 - e. in item 11(ix), there must be confirmation that 80 of the proposed 89 life lease units have been sold at prices and terms satisfactory to Peoples;
 - f. in item 11(xix), there must be confirmation that the required documents to confirm condominium status for the project has been completed to the satisfaction of Peoples' solicitors;
 - g. in item 12(c), Rose could not accept an agreement of purchase and sale of a life lease unit without Peoples consent; and
 - h. in item 30, all other terms and conditions required by CMHC in its Special Conditions must be met.

64. I am advised by Cho that he requested from the Receiver and was provided with a copy of CMHC's Special Conditions ("**Special Conditions**") attached to Certificate of Insurance #90-260-530. Attached hereto and marked as Exhibit "G" is a copy of the Certificate of Insurance and the Special Conditions that Cho received from the Receiver.

65. The Special Conditions are dated March 9, 2005, and provides, among other things:

- i. in article 7.3(b)(iv), that before the final advance, Peoples is to confirm that the life lease agreements have been closed or closing is imminent, such that the loan for the long-term care facility will not be greater than \$4,466,000;
- j. in article 9.1(a), prior to any advance, Peoples is to obtain satisfactory documentation reasonably evidencing the purchasers' ability to close the transaction; and
- k. in article 9.1(b), prior to any advance, Peoples is obtain a certificate of independent legal advice from each purchaser, and a consent and acknowledgement agreement, acceptable to Peoples and CMHC, acknowledging and agreeing that:
 - i. the Project will not be registered under the Tarion New Home Warranty Plan;
 - ii. advising the purchasers of the risk of Rose using the deposits in the construction of the Project;

- iii. the deposits and any interest of the life lease purchaser in respect of the lands and the Project are subordinated to and shall not rank in priority to the insured housing loan; and,
- iv. the Project will be registered as individual condominium units and the agreements of purchase and sale of life lease interests will be binding on purchasers as life lease interests only, notwithstanding the description of the apartments as condominium units.

66. No one ever advised me of the People's mortgage commitment, the Commitment Letter, or any of its terms. Further, no one ever advised me of the Special Conditions or any of those terms and conditions.

67. No one from Peoples Trust ever contacted me or requested any information from me, and again, John never asked me for financial information of the type set out in the Special Conditions, and by incorporation, into the Commitment Letter.

68. If I had known or been made aware of any of the risks associated with the Project, and in particular, the financial risks, including those to the deposits we would be making toward what we believed to be the purchase prices for the Units, we would not have agreed to proceed. We would not have agreed to risk approximately \$100,000 in deposits alone, nor would we have agreed to pay any amount for something that we would not have owned, namely the Units.

THE ACKNOWLEDGEMENT AND POSTPONEMENT

69. It also appears that on April 26, 2007, I signed an Acknowledgment and Postponement, that I am advised by Cho, is directed to Peoples and the law firm of Traub Moldaver LLP. Attached hereto and marked as Exhibit "H" is a copy of that document.

70. I recall that John came to our restaurant around that time to have us sign another document dealing with the Project, though I don't specifically recall this document.

71. In the document, it says that I acknowledge that Rose has assigned its interest in the RTOA that I previously signed to Peoples, and that, further, I have subordinated and postponed my deposits, paid or to be paid, to Peoples' loan to Rose and Peoples' mortgage on the Property.

72. Again the document is in English and I did not know what the document meant or that it affected any of my rights or interests. John did not explain the document to me, other than to say that it dealt with the Project and that we needed to sign it.

73. We were not advised to and did not consult a lawyer about the document or its significance.

74. As with the prior documents, Peoples never contacted me about this document either.

75. If someone had explained this document to me, I would never have signed it. I would not have agreed to risk my deposits and permit Peoples' mortgage to have priority over any of my interests.

76. As it turns out, the document only refers to Peoples having priority over the deposits I paid or would later pay, but I would not have agreed to that either. Again, we were required to pay approximately \$100,000 in deposits on the two Units we were purchasing. I would not have agreed to risk those deposits and give Peoples priority over those deposits.

PEOPLES MORTGAGE IS REGISTERED

77. I am advised by Cho that on May 18, 2007, the Peoples mortgage was registered on title to the Property. A copy of the registered mortgage appears as Exhibit "D" to the Mallich Affidavit in the Peoples motion record.

78. The registered mortgage contains a schedule that amends the Standard Charge Terms and provides at clause 5:

The Chargor shall be required to pay the net proceeds received on the closings of the Right to Occupy Agreements ... and the Chargee, upon receipt of such net proceeds ... will provide a partial discharge of this Charge with respect to such apartment units for which net proceeds have been received."

79. I am advised by Cho that this clause requires Peoples to release its interest in my Units, once the closing proceeds (together with some other minor fees and expenses) are paid by Rose to Peoples. As I will explain below, I have already paid the full balance owing on the purchase prices for my two Units to Rose; however, it is clear that Peoples has not released its interest in my Units. I am not aware as to why that is the case.

THE KOREAN CREDIT UNION LOAN TO ROSE

80. In 2009, long after we signed the documents referred to above, and during the construction of the Project, John advised me that Rose needed additional funds to ensure that the Project could be completed. He mentioned that there had been construction delays and cost overruns, but nothing more than that.

81. In that regard, he asked my husband to seek out a personal loan in the amount of \$30,000 from the Korean Credit Union (“KCU”), which funds we would then provide to Rose. John promised that Rose would repay the loan to KCU.

82. As a result of John’s request, my husband did seek out and obtained a personal loan from KCU. We did this as a favour to John, as it did not seem like a very large sum and we were anxious to have the Project completed. We wanted to be able to move into the Project and have my parents come to Canada, but we couldn’t do that while the Project remained unfinished. The construction was ongoing, and we believed that this was the best way to ensure that the Project could be completed, after what seemed to be a long time.

83. We also understood that John had asked others in the Korean community to do likewise, and that those others were also trying to help complete the Project.

84. My husband and I never saw this money; the funds were provided directly to Rose. It appeared to us that the funds did assist Rose as the construction of the Project was then completed, the nursing home was opened and residents did begin moving into the retirement part of the building. In that regard, we were pleased that we were able to help out Rose, and thus indirectly ourselves.

85. However, Rose's financial problems continued and it never was able to repay the loan to the KCU. In fact, my husband and I have since repaid the loan from the KCU because Rose was not in a position to do so and KCU made demand upon us. We did not want the loan to be in default, even if Rose should have been the one to repay the loan.

ROSE'S ONGOING FINANCIAL PROBLEMS AND THE LIFE LEASE ISSUE

86. As noted above, following our signing of the initial documentation, it took a long time for construction to be completed on the Project. I continued to see John at the nursing home where we both volunteered on an at least monthly basis. Throughout this time period, John told me that the Project construction was suffering from frequent delays and financial issues and he complained on numerous occasions that Rose was always short of funds.

87. Rose's financial problems were also the subject of a number of articles in the Korean-language newspaper in Toronto. I recall reading in one of these articles at that time that what we had purchased was only a long-term lease, and that in fact, we would not own our Units. This was the first time that we had ever heard of or read this. It was also the first time I recall becoming aware of the concept of a life lease. In my view, a lease is significantly less than ownership because at the end of a lease, I would be left with nothing.

88. My husband and I immediately became very concerned. I recall my husband being particularly upset about this and we called John. My husband told me that John acknowledged that there were some problems, but that he explained to my husband that once the financial issues were resolved, everything would be alright. In particular, John explained to him that once Rose got past this difficult part, the Project would become a condominium, and that everything would be fine.

89. Based on that conversation, and John's comments, our concerns were allayed. We continued to believe that, once construction of the Project was completed, we would own our two condominium Units and everything would be fine, just as we had believed before.

90. We did not think anything further about the life lease issue or the long-term lease issue. We believed that once the Project became a condominium, we would own two units in that condominium complex.

THE AMENDED RTOA AND THE "MORTGAGE"

91. On or around April 1, 2010, John came to our restaurant to have us sign certain additional documents. Attached hereto and collectively marked as Exhibits "I" and "J" are copies of the Amended Right to Occupy Agreements ("**Amended RTOA's**") for each of the Units.

92. I do not recall John explaining the nature of these documents to us, though he may have explained that when we took possession of the Units, we would either have to pay the balance of the purchase price in full, or that we would pay interest on any amount not paid in full. However, I did not know or understand what the Amended RTOA meant, or why were required to sign them, or what we were receiving in response for signing these documents.

93. I did know what a mortgage was, and to me, the requirement to pay monthly payments of principal and interest meant that we were taking a mortgage from Rose. Rose would let us move in and occupy our Units and in exchange, we agreed to make monthly payments for principal and interest on the mortgage granted to us by Rose. We thought that was a good arrangement and we agreed to proceed on that basis.

94. Of course, those monthly payments were in addition to the regular, expected monthly payments that were in the nature of condominium fees, for taxes, maintenance, utilities, and common expenses.

95. Again, the documents were in English and no one translated the documents or advised us to take them to a lawyer to have someone else explain their meaning.

96. In reality, we trusted John and signed what he asked us to sign, believing that these additional documents were just formalities prior to us taking possession of the Units.

97. In or around November 2010, we finally took possession of our two Units. As set out above, we closed the transaction by agreeing to finance the balance owing by way of a mortgage from Rose, agreeing to make monthly payments of principal and interest to Rose. As I recall, we did not make the monthly payments of principal and interest and the maintenance payments right away, but made a lump sum payment in April 2011.

98. Unfortunately, we were no longer able to move into the Units with our parents as originally planned. After all, almost 7 years had passed since we signed the RTOA's. During that time, we had purchased a home in Richmond Hill to be close to our business, my father's health had deteriorated and our parents were living with us so that we could care for them.

99. As a result, we arranged for our daughter to move into one of the Units right away, while the other unit remained vacant for more than a year.

100. In the summer of 2011, John approached us and advised that Rose was once again in need of money to pay for costs related to the Project. I do not recall John telling us why this

was so, but I am advised by Cho that the Third Report indicates that the construction company had not been paid, even though the work had been completed.

101. John asked us if we could we pay off the balances of the purchase price for each of our two Units, as this would assist Rose with its financial problems. As we were in a position to do so, and rather than continuing to pay interest on these amounts, we agreed to and did pay the balances on the Units to Rose.

102. Thus, on or about July 1, 2011, we paid \$74,108 on account of the balance of the purchase price for Unit 908 and \$134,107 on account of the balance of the purchase price for Unit 805. In our minds, we had now paid the balances owing on the mortgages with Rose for each of the two Units. Accordingly, we believed that we had paid all amounts owing in respect of the two Units, and that we now owned our two Units outright.

103. We were not notified of any requirement to pay the funds noted above to Peoples. We do not know what obligations Rose had to pay these amounts to Peoples, or what Rose did with the closing funds that we provided to it. This was not our concern. Our only obligation was to pay the amounts required under the RTOA's, which we had now done.

104. As noted above, we have not received any release by Peoples of their interest, if any, against our two Units. On the other hand, no one from Peoples, or anyone else, ever advised us that they had any interest in our Units.

105. While it may be the case that the Project has not yet been converted into a condominium, nevertheless, we have paid everything expected of us, in respect of our two Units, and we have been occupying, or others have been occupying the Units on our behalf for some time now.

106. We have also paid and continue to pay the monthly payments required with respect to taxes, maintenance, utilities and the common expenses, as invoiced to us.

107. We have complied with all of our obligations and it would be extremely unfair if we were somehow required to vacate the Units and lose all of the money that we have paid for the Units.

SUMMARY OF ACCOUNTS FOR UNITS

108. I am advised by Cho that he has received a summary from the Receiver of amounts paid and payable with respect to each of the Arms' Length Units. Attached hereto and marked as Exhibit "K" is a copy of this summary (the "**Payment Summary**").

109. The Payment Summary for Units 805 and 908 confirms that we have paid the amounts totaling the purchase price for the Units.

110. The Payment summary also shows that we pay and continue to pay the maintenance fees. There appears to be some discrepancies – Unit 805 shows a credit in the maintenance fees account, whereas Unit 908 shows a balance owing for maintenance fees arrears. I am not able to explain what and where the Receiver recorded these numbers.

111. However, if it is determined that we still owe any amounts, we are willing and able to bring any arrears up to date, and certainly would comply with any court order to that effect right away.

SIGNIFICANT PREJUDICE IF WE WERE TO LOSE OUR UNITS

112. As noted above, if we are somehow not able to keep our Units and are unable to recover the monies that we have paid to Rose in respect of our Units, my husband and I and my

parents will suffer significant financial loss and our daughter will be forced to find a new place to live. We will all suffer significant prejudice.

113. My parents, husband and I will lose the significant sums we have paid for the purchase of our Units, being in excess of \$300,000. We have all provided funds toward the purchase of the Units.

114. Our daughter currently resides in Unit 908. She will be forced to find a new place to live.

115. Further, as we have been unable to move into the other unit to this point, Unit 805, we have a tenant living there who pays us a rental amount of \$1600 per month. This too would be lost. The rental funds are used by us to help sustain us.

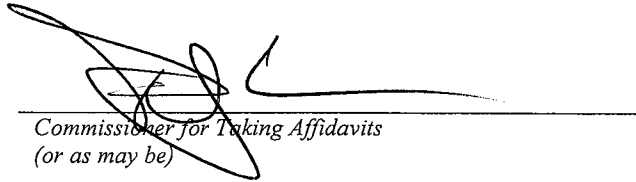
116. We still want to move into our Units in the future. We hope to be able to make appropriate arrangements for my father, who needs care and assistance at this point, and then move in. This is precisely what Rose was intended for.

117. We are still the ones who would benefit most from the Project and what is offered there. If we are unable to move into the Project, we will be prejudiced in that respect as well.

118. We have paid everything that was asked of us, and then some, in respect of our Units. While we understand that Peoples' mortgage may be outstanding, it cannot be that we, the innocent unit purchasers, who have paid all along, can be forced out without any compensation whatsoever.

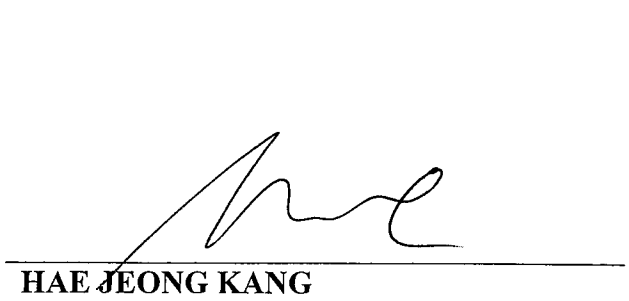
SWORN BEFORE ME at the City of Toronto, Province of Ontario,

on the 28th day of May, 2013



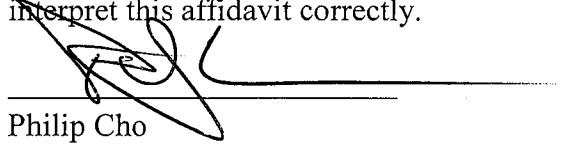
*Commissioner for Taking Affidavits
(or as may be)*

PHILIP CHO

}


HAE JEONG KANG

I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

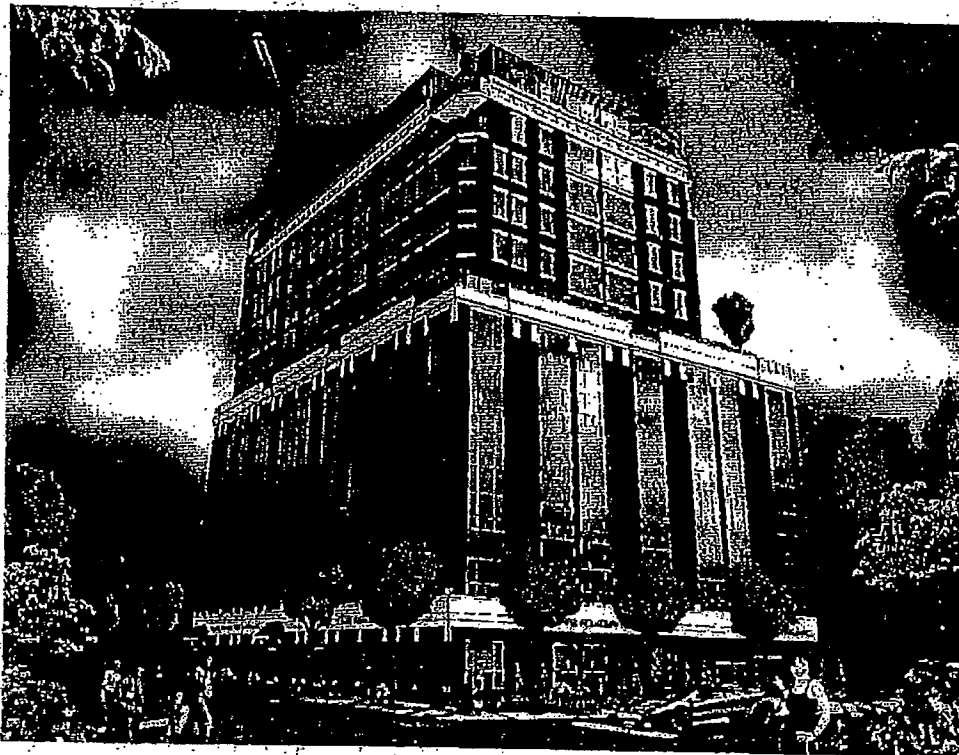
TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a stylized, cursive script that begins with a large, sweeping stroke and ends with a horizontal line.

A Commissioner, etc.

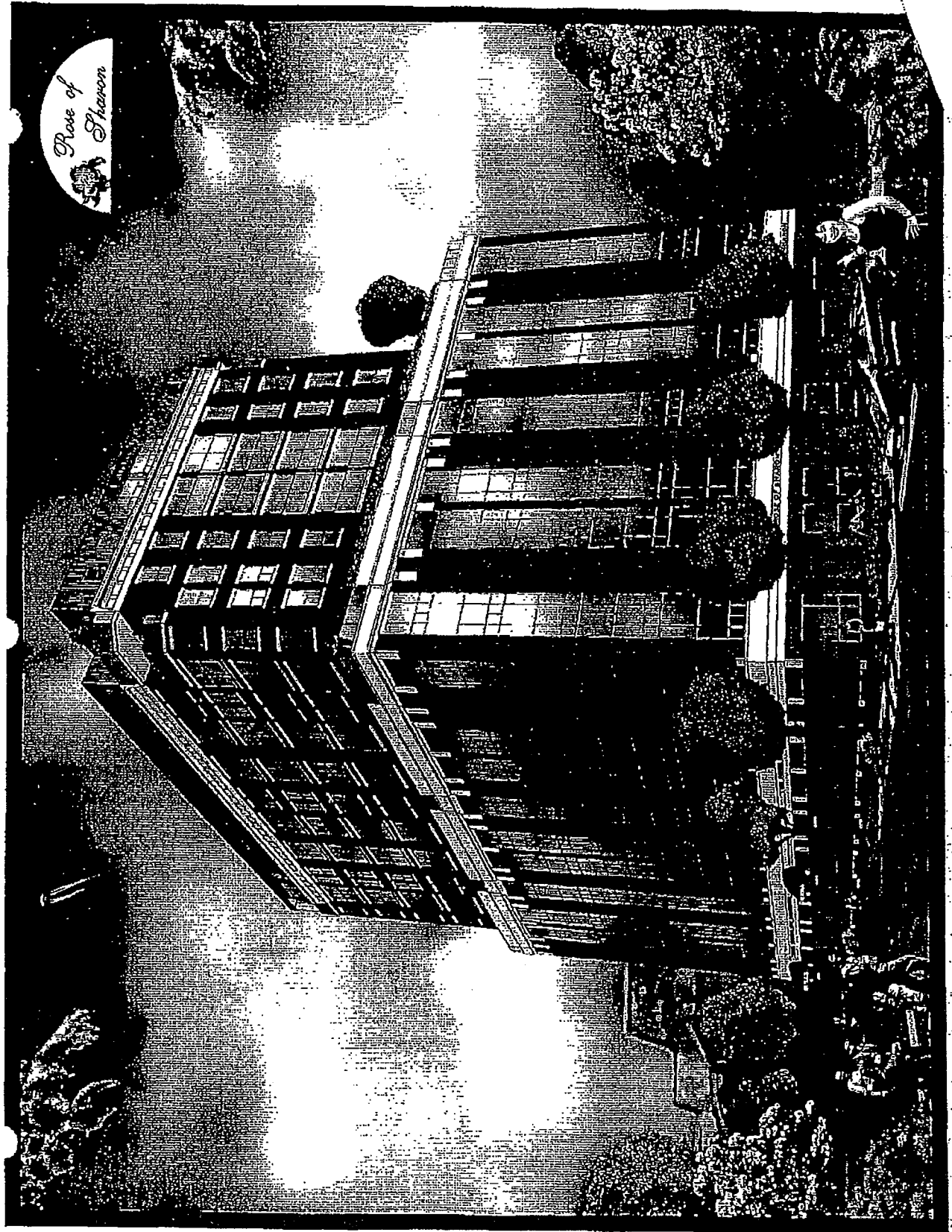
ROSE OF SHARON COMMUNITY INFORMATION PACKAGE



Rose of Sharon Community
Residences - 15 Maplewood Avenue
Long Term Care - 17 Maplewood Avenue
Toronto, Ontario

Rose of Sharon Development Office
920 Yonge Street
Toronto, Ontario
M4W 3C7

Phone 416-979-7027
Email: roseofsharon@jsgotech.com
Web: www.roseofsharon-home.com

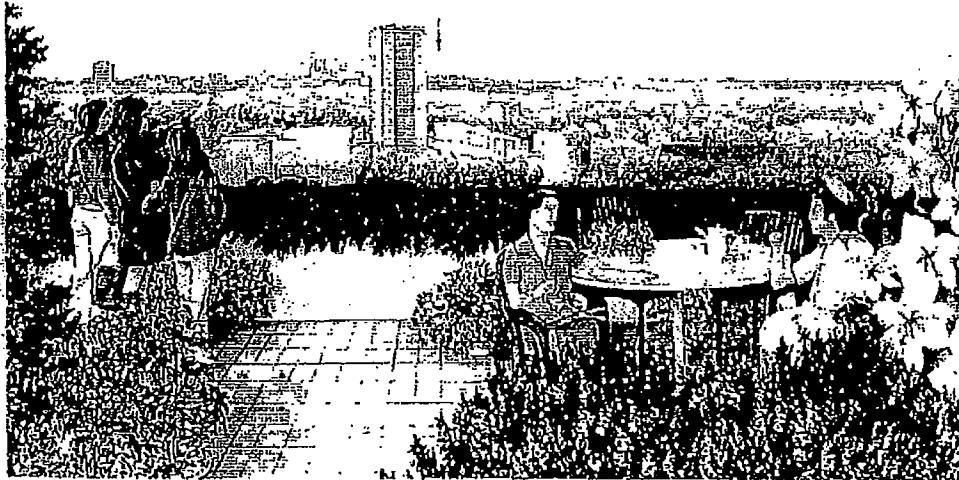


ROSE OF SHARON
A COMMUNITY TO MEET YOUR CHANGING NEEDS

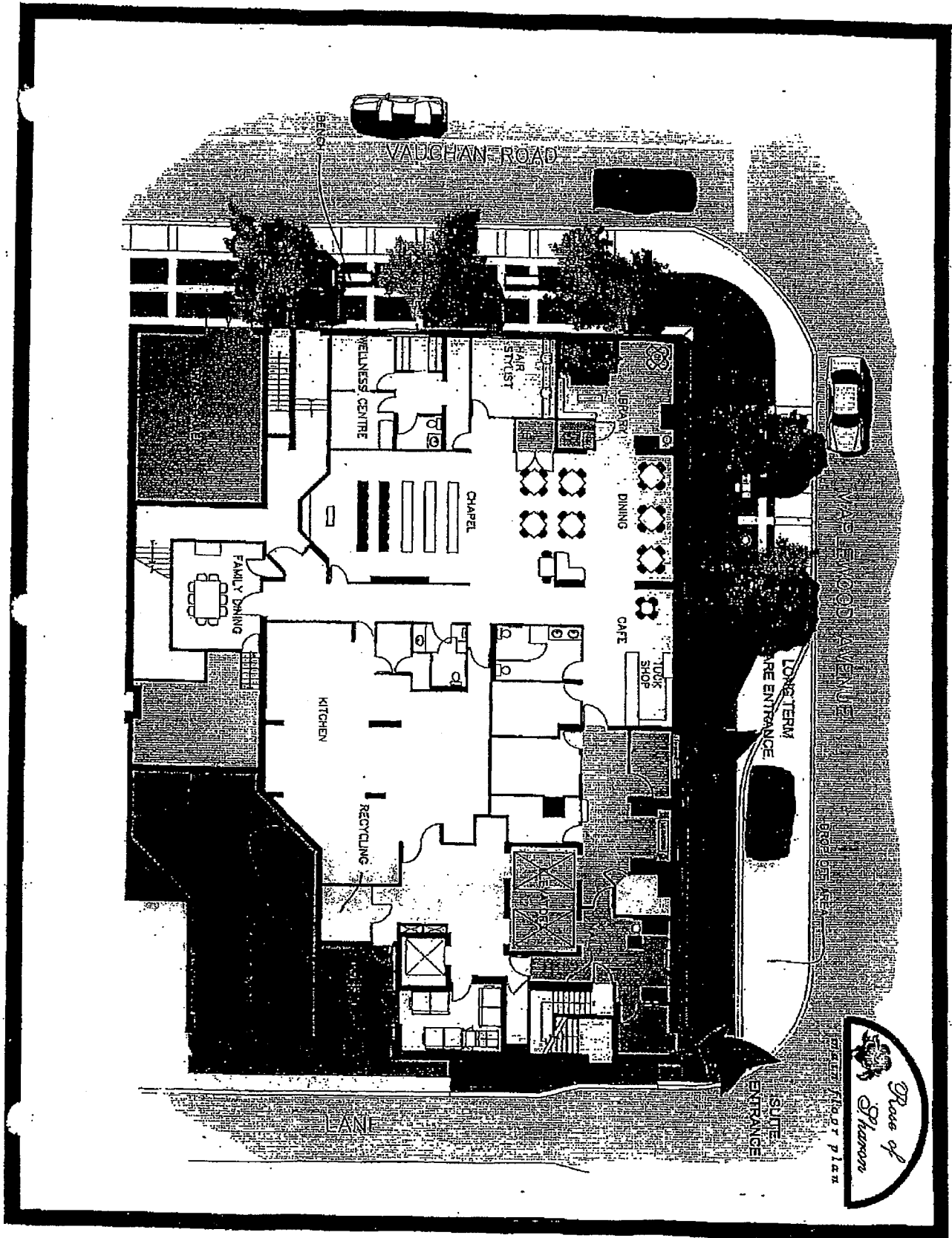
Rose of Sharon is an exciting new community that will cater to the needs of seniors seeking an independent lifestyle and those seeking care. It is a place where residents can live with dignity and comfort knowing that the assistance they need is close at hand. With special design features and on-site services, Rose of Sharon is a place where residents can live with a sense of safety and security. The community will have large common areas where the residents can enjoy meals, activities and special events.

WHO IS ROSE OF SHARON?

The community is being developed by Rose of Sharon (Ontario) Retirement Community, a Korean-Canadian non-profit organization whose roots began with a dream in 1981. In 1990 Rose of Sharon received an award from the Province of Ontario to develop a 50 resident long-term care facility. In 1996 Rose of Sharon secured the site that the community will be built on. The same year Rose of Sharon obtained planning approvals from the City of Toronto to build the community. In 2003 the Province of Ontario expanded Rose of Sharon's award so that the long-term care facility can serve 60 residents. Over the last year Rose of Sharon has been working closely with the Province of Ontario on details design of the long-term care facility and the City of Toronto on overall design issues.



The Rooftop Patio



Office of
Shannon
 Architects/Artist plan

ROSE OF SHARON DETAILS

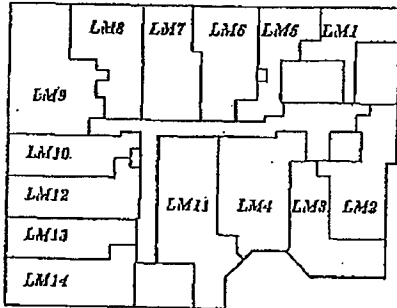
The community will offer a full continuum of care with ⁹⁰84 life lease suites for independent seniors and a 60 resident long-term care facility, licensed by the Province of Ontario, for those seeking full nursing care. The project boasts 2 levels of underground parking and the following amenities:

- lobby lounge
- café
- library
- family dining room
- chapel / meeting room,
- fitness Centre (with whirlpool, sauna & exercise equipment)
- penthouse party room
- rooftop patio
- rooftop garden area
- residential laundry
- lockers

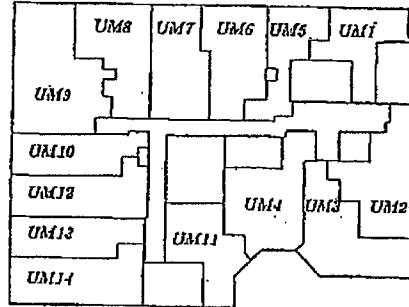
The program advisor will assist in organizing clubs and appropriate meeting locations & time. These could include bible study, chess, flower arranging, book study, card making & yoga. The dining room will have special community meals for major holidays. Individual families can have their own celebrations for birthdays, anniversaries, etc. Other care services are also available to the residents of the Rose of Sharon.

WHAT IS A LIFE LEASE APARTMENT?

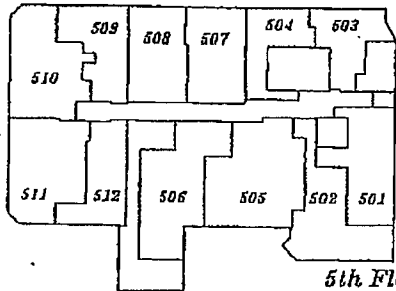
A life lease apartment provides a purchaser with the right to occupy their suite for the remainder of their life. The suites typically include a living room, kitchen and bedroom. Through a monthly maintenance fee, owners of life lease suites help maintain the common areas, similar to the operation of a condominium. Included in this maintenance fee is a membership to the Rose of Sharon club programs and amenities. While life lease residents will likely be fully independent when moving in, residents have the option to purchase services as needed to help them live an independent lifestyle. The optional services include meals, housekeeping, laundry, grooming, bathing assistance, nurse supervision, transportation, hair salon, dry cleaning and nightly security checks.



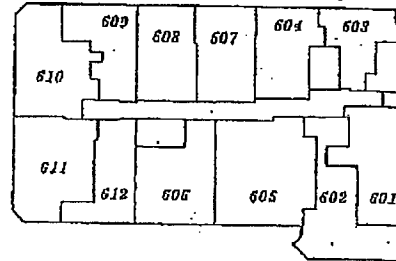
Lower Mezzanine



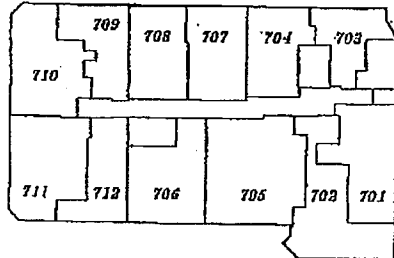
Upper Mezzanine



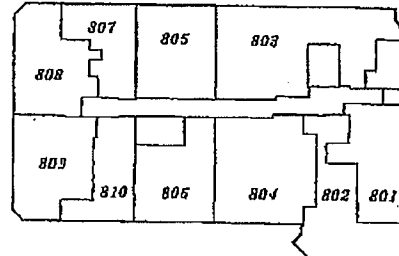
5th Floor



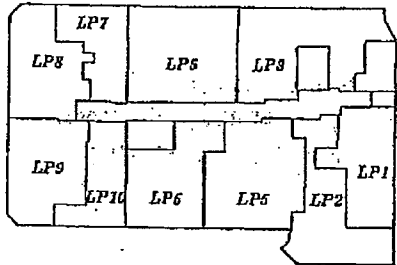
6th Floor



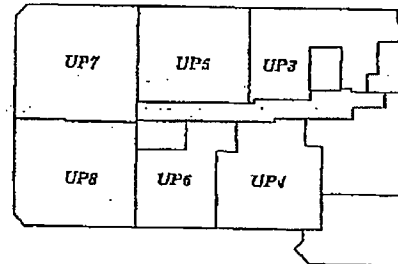
7th Floor



8th Floor



Lower Penthouse



Upper Penthouse



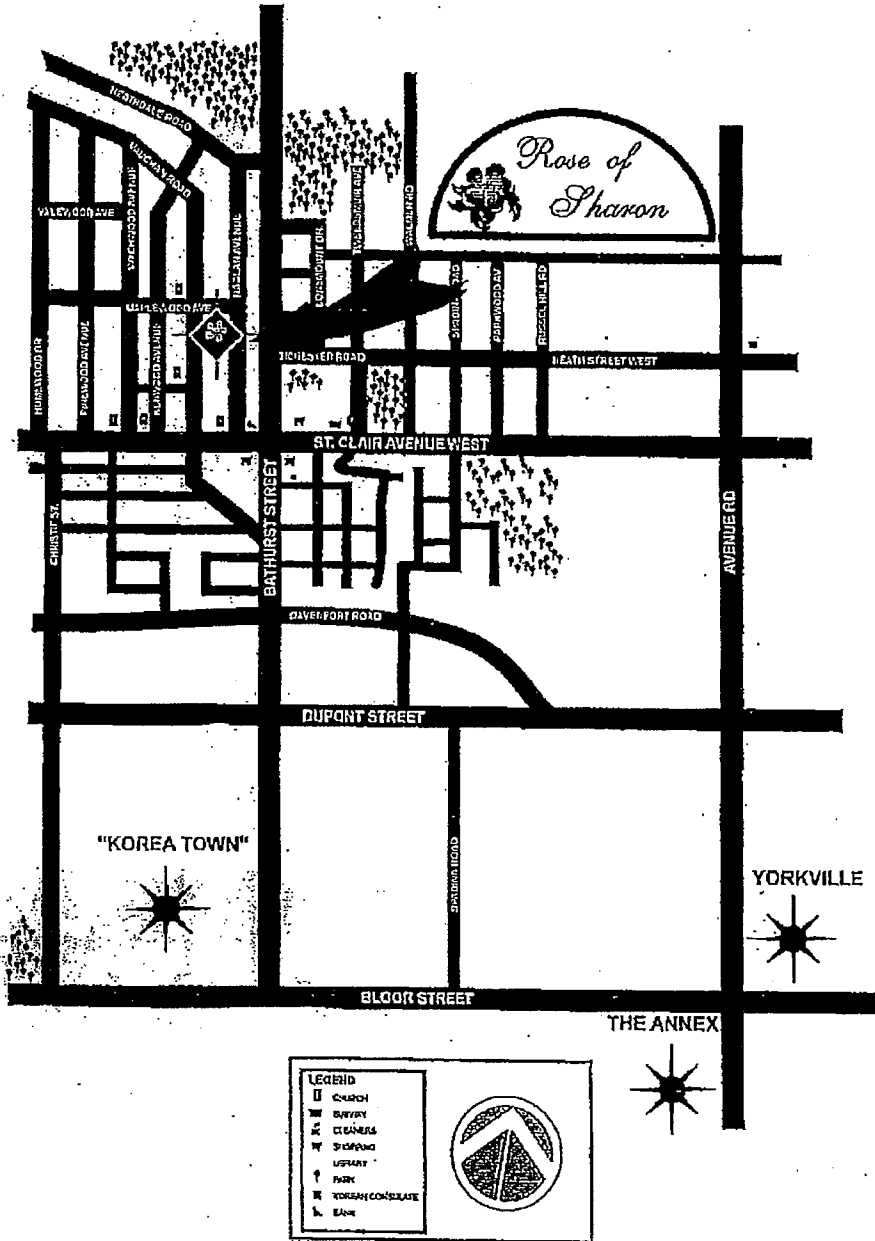
THE ROSE OF SHARON
 A KOREAN COMMUNITY IN TORONTO

All measurements and specifications are approximate and subject to change without notice.
 2005 04 03

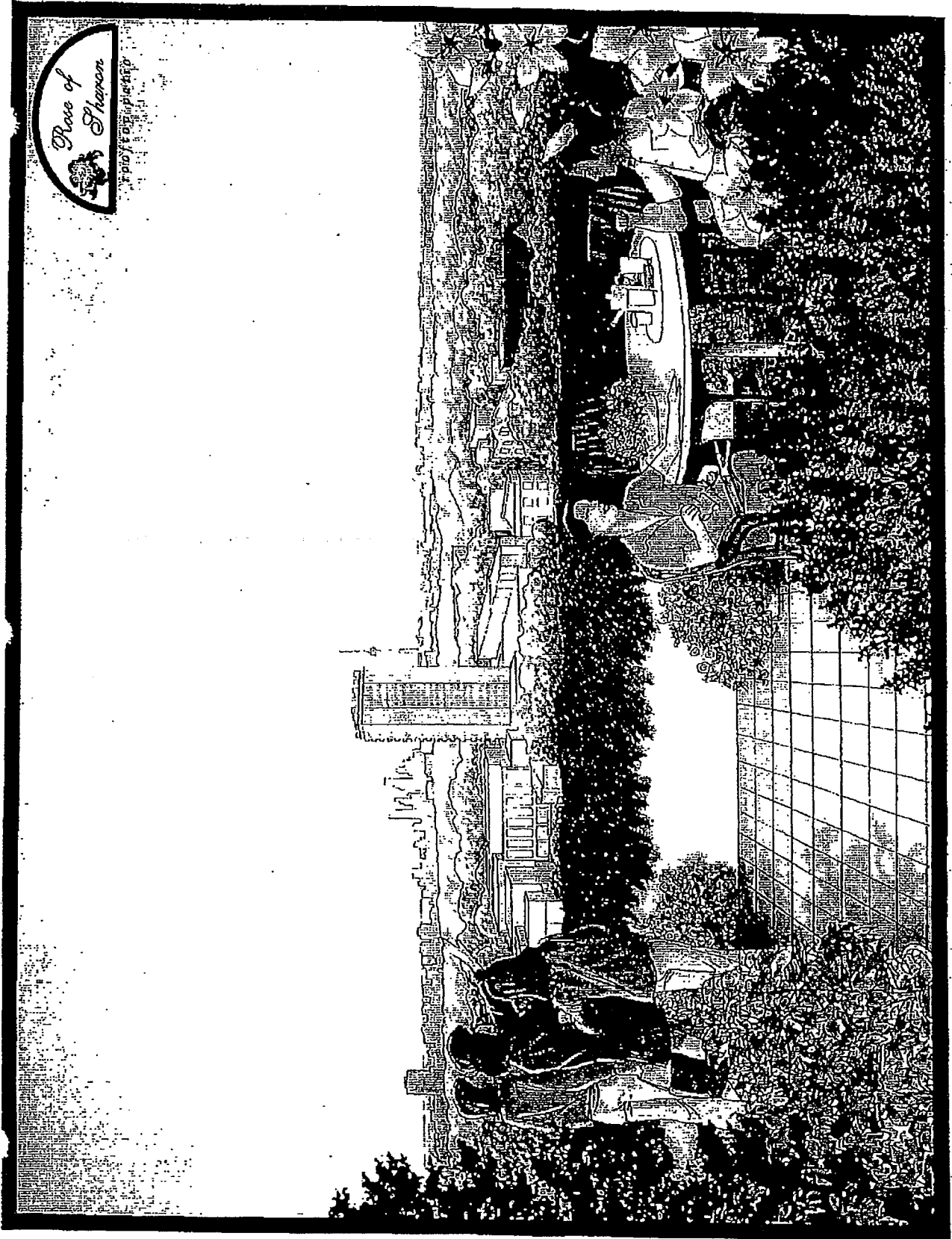
VICTOR J.
 HEINRICHS
 INC.
 ARCHITECT

THE LOCATION OF THE ROSE OF SHARON

Rose of Sharon will be located just north of St. Clair Avenue West and west of Bathurst Street at the corner of Vaughan Road and Maplewood Avenue.



TORONTO, ONTARIO



Place of
Sharon

ROSE OF SHARON APARTMENT STANDARD COSTS & SERVICE PACKAGES

Apartment Monthly Charges (All Residents must pay for the following): *

**Subject to change without notice*

1. Standard Condo Fees: \$ 0.40 per square foot area of Apartment
 - Includes all common area charges, including: maintenance, utilities of common areas, administration, deferred maintenance, elevator maintenance, insurance, common property taxes, cleaning etc.
 - Resident Board at their annual meeting establishes this cost
2. Standard Utilities \$ 0.18 per square foot area of Apartment
(estimated)
 - Includes cost of Heating, Cooling, Water, Sewage & Electricity of Apartment
3. Standard Property Tax \$ 0.48 per square foot area of Apartment
(estimated)
 - Established by the city
4. Standard Telecom Charges \$ variable based on options & use
 - Telephone, Television & Internet (Rose of Sharon is offering extended services at below market rates)
5. Rose of Sharon Club Options \$ variable based on options & use
 - Choose ONE of the Service Packages below:

Basic Service Package: (for 55 years old and over)
\$75.00 per month for one resident (\$100.00 per month for two residents)

- Covers club programs and amenities (see below)
- Building security system & entrance system

Personal Care Service Package
\$325.00 per month for one resident (\$600.00 per month for two)

- Covers club programs and amenities (see below)
- Building security system & entrance system
- 15 meals (dinners) per month
- Bi-weekly housekeeping
- Bi-weekly linen service

Full Care Service Package
\$900.00 per month for one resident (\$1700.00 per month for two) (Generally designed to serve the needs of individuals who require daily assistance)

- Covers club programs and amenities (see below)
- Building security system & entrance system
- 3 meals and snacks per day
- Daily chambermaid
- Weekly linen service
- Medication administration
- Weekly personal laundry
- Personal grooming assistance
- Bathing assistance
- Nurse supervision

ROSE OF SHARON CLUB PROGRAMS & AMENITIES

- Social events
- Entertainment
- Tuck shop
- Community newsletter
- Educational events
- Community rooms
- Outdoor patios

ROSE OF SHARON OPTIONAL SERVICES*Additional Optional Services that can be purchased*

- Parking
- Organized trips
- Transportation for medical and social appointments
- Hair salon
- Nightly security checks
- Dry cleaning and mending

Rose of Sharon

At Home In the City

We age, no matter who we are. One of the lessons we learn as we grow older is that there is value in being close to family, friends and having a community which we enjoy. The Rose of Sharon is a 12 storey retirement community designed to cherish for the rest of your life. Conveniently located in the Bathurst - St. Clair area of Toronto, it has 90 independent living apartments, and a 60 bed long term care facility. The community offers international cuisine, a common Penthouse Lounge, Fitness Centre and much, much more.

Comfort

Whether you prefer living in your own apartment or find that it is no longer practical, the Rose of Sharon offers the comfort of services that promote wellness, provide security and ensure that medical staff is always available on-site.

Convenience

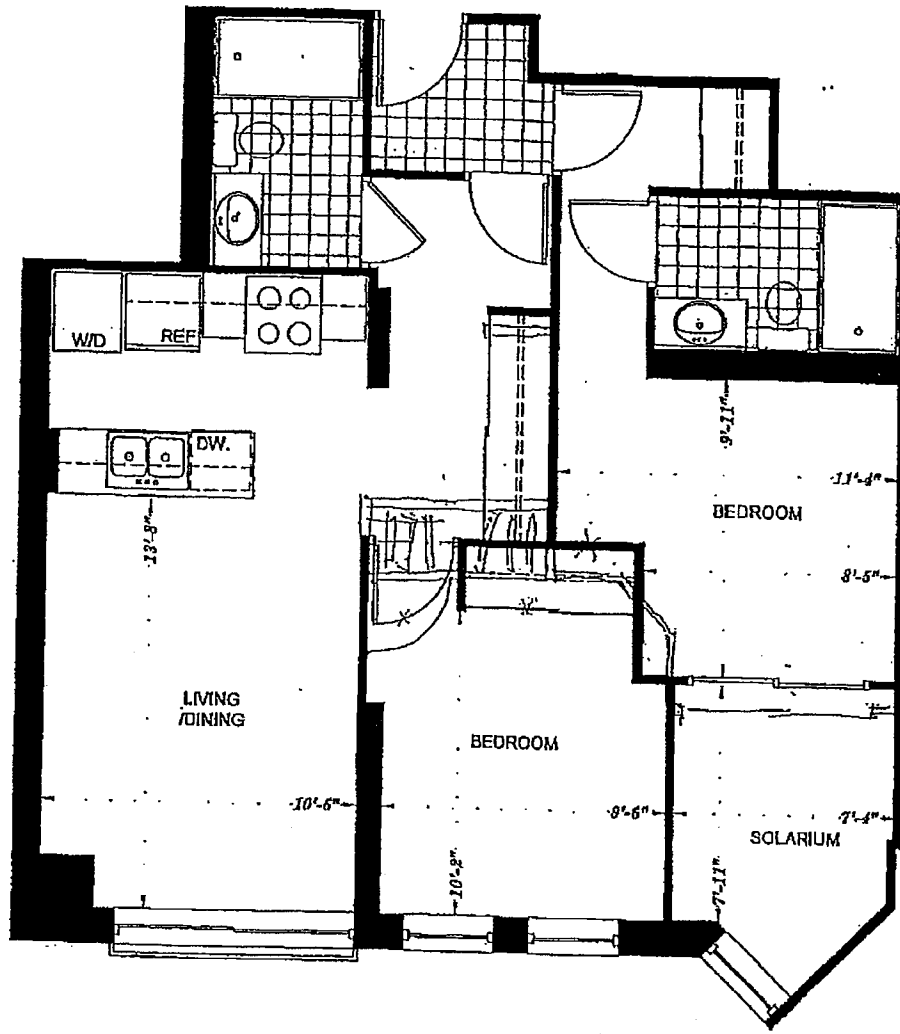
The Rose of Sharon is situated so that you are just minutes away from the subway, shopping, and parks. With the St. Clair West subway close by and a bus stop in front of the building it is easily accessible to the rest of the city. There are a rich variety of shops on St. Clair Avenue West, churches nearby, as well as a general store and hair salon conveniently situated within the building. For those who enjoy walking, there are leafy neighbourhoods to walk through, or the Cedarvale Ravine and Belt Line Railway park areas.

Care

The Rose of Sharon is designed to be a community where you will know the care and dignity that comes with the needs of aging. Here you will find helpful support in your daily tasks, whether doing the laundry, cleaning your own home, or cooking. The Rose of Sharon Dining Room will prepare "western" and "eastern" cuisine to satisfy the tastes of its international clientele, and any special dietary concerns. The Wellness services include medical and paramedical personnel, with a nurse on staff 24 hours/day in the long-term care facility, and doctors scheduled regularly. Massage, shiatsu, and acupuncture therapies will be available along with manicure and pedicure services on the main floor of the Rose of Sharon.

Community

The community of the Rose of Sharon will enjoy the Penthouse Lounge, which provides a stunning view of the city, a kitchenette and large, landscaped terrace, as well as a common Library. Community members can also freely use the Fitness Centre, which offers exercise equipment, a sauna and whirlpool bath. The Rose of Sharon Café will make a wonderful gathering place for residents, with its complimentary coffee and tea in the morning and afternoon. Other features that the Rose of Sharon community will include a Music Program, a Cultural Program with movie evenings and book club meetings, and a non-denominational Spiritual Program with pastoral visitation and chapel services.



GOLD BANDED LILY

6TH, 7TH, 8TH & Lower Penthouse Floor

One Bedroom & Solarium

820 sq. ft.

note

We are in the process of modifying this unit for better.

\$326,810
w/ parking space

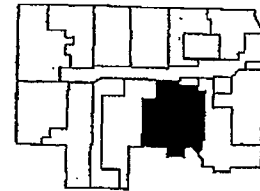
505

SUITE 605 Sold

\$333,250
w/ parking space

705

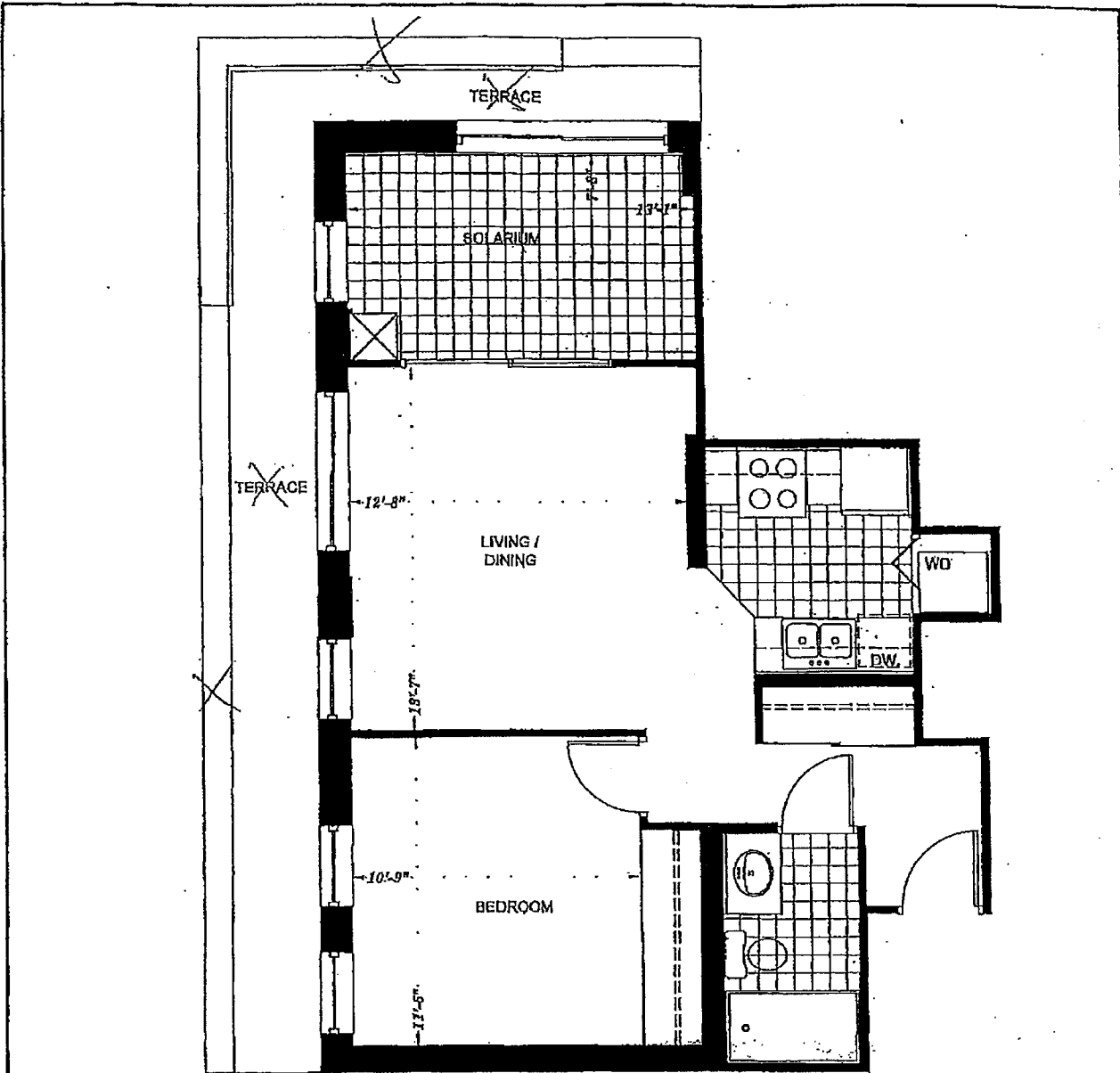
804 & LP4
SOLD SOLD



THE ROSE OF SHARON
A KOREAN COMMUNITY IN TORONTO

All measurements and specifications are approximate and subject to change without notice.
2005 04 00

VICTOR J. HEINRICHS
INC.
ARCHITECT



ROSE R - "B"

5TH, 6TH, 7TH, 8TH & Lower Penthouse Floor

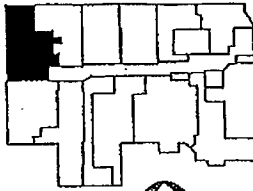
One Bedroom
 703 sq. ft.
 218 sq.ft. Terrace
 3/16" = 1'-0"

SUITE ~~510~~ sold

~~610~~ sold

710 \$282,870 w/parking space

808 & LP7 SOLD

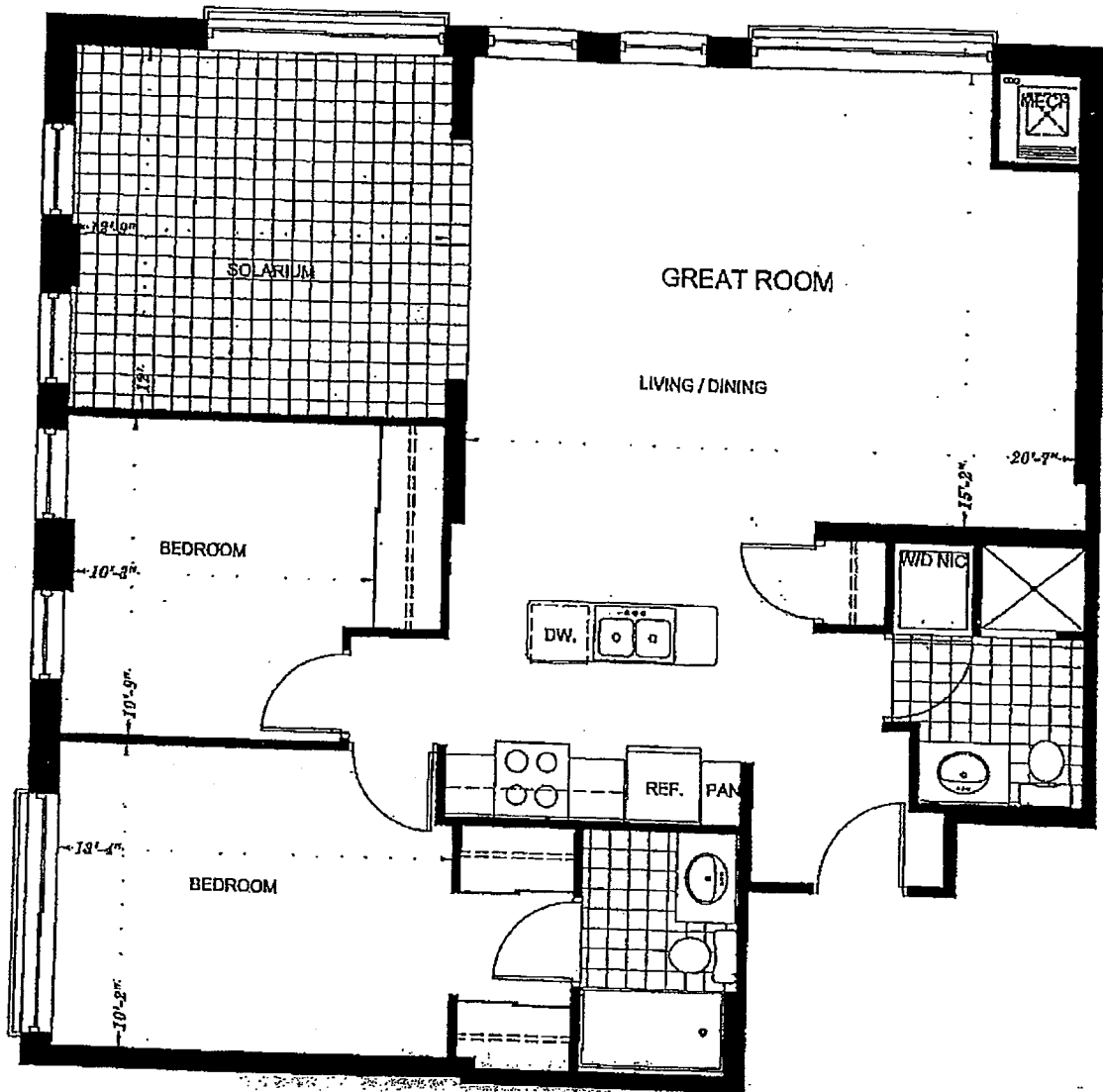


THE ROSE OF SHARON
 A KOREAN COMMUNITY IN TORONTO

\$284,940 w/parking space

All measurements and specifications are approximate and subject to change without notice.
 2005 04 06

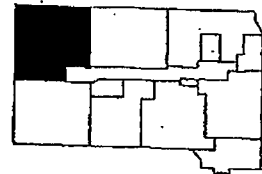
VICTOR J. HEINRICHS
 INC.
 ARCHITECT



" upper penthouse unit
9' ceiling Height "

ROSE R
Upper Penthouse
Two Bedroom
1164 sq. ft.
3/16" = 1'-0"

\$ 615,230
w/parking space



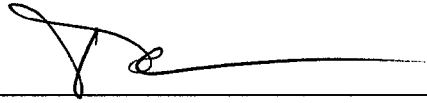
All measurements and specifications are approximate and subject to change without notice.
2005 04 00

SUITE UP-7

VICTOR J. HEINRICHS
INC.
ARCHITECT

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a stylized initial 'A' followed by a long horizontal stroke with a small loop at the end.

A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT
(Founders' Circle)

THIS AGREEMENT made in duplicate this 22nd day of September, 2003

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

- and -

Han Hyeong Lee and
Hae Jeong Kang

(416) 467-9565

of the City of Toronto

_____ in the Province of Ontario

(hereinafter referred to as the "Purchaser")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the **Rose of Sharon**;

AND WHEREAS the Purchaser is desirous of purchasing the "right to occupy" one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs, Architect, the unit being identified as #708, RED PEACH BLOSSOM (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.

2. The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of One Hundred Seven Thousand and Six Hundred Dollars

(\$ 107,600⁰⁰), including ____ (~~0~~) parking space(s) (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraph 6 hereof.

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Purchaser on or before the last day of December, 2004 (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Purchaser shall be entitled to receive a refund of all moneys paid without interest.

6. The Purchaser agrees to pay the Right to Occupy Cost to the Community as follows:

(Complete and cross out as appropriate)

- (a) A deposit (10%) of the Right to Occupy Cost, upon execution of this agreement, being _____ (\$ 10,760.⁰⁰).
- (b) A further ten percent (10%) of the Right to Occupy Cost, being _____ (\$ 10,760.⁰⁰) upon receipt of Building Permit.
- (c) A further ten percent (10%) of the Right to Occupy Cost, being _____ (\$ 10,760.⁰⁰) upon the footings being complete.
- (d) The balance upon the Issuance of the Occupancy Permit.

The Purchaser shall pay the above-noted sum upon ten (10) days' notice of the appropriate events.

7. The Purchaser shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community.

The Purchaser acknowledges that the facilities and amenities are to be developed for the enhancement of the local community and they will open for use by

the local community and will not be limited to the Purchaser. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.

If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Purchaser entitled to any compensation or abatement.

8. The Purchaser shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.

The monthly maintenance fee is to include, but not limited, to the following:

- (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit, the common areas, the amenities and facilities, as well as the parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance, equipment costs, equipment replacement reserves, major repairs and major capital repair reserves;
- (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.

Municipal taxes and Hydro, which will be individually metered, will be separate and paid for by the unit holder in addition to the foregoing.

The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit/parking space to the total of the Units/parking spaces in the building.

9. The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:

- (a) The Purchaser gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;
- (b) Failure of the Purchaser to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;
- (c) The destruction or damage by fire or other casualty so as to render the Unit unfit for occupancy.

10. Upon the Purchaser, who has given notice in accordance with paragraph 9 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with paragraph 11 below.

Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 9 (b) or (c), for which the Community shall provide the Purchaser or his/her representative with written notice, the Purchaser or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph 11 below.

If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.

11. Upon termination of this Agreement in accordance with paragraph 9 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.

The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Association shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Purchaser shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less any amount outstanding to the Community.

The Purchaser shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.

The Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Purchaser. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.

12. This Agreement shall not create any ownership in the real property or building of the Community and the Purchaser agrees not to register this Agreement against title to the lands upon which the building sits.

The Purchaser shall only be able to sell his/her rights hereunder in accordance with paragraphs 9 and 11 hereof. The Purchaser shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.

The Purchaser shall use the Unit for residential purposes only, and shall be occupied only by the Purchaser hereunder. The Community may grant permission for temporary occupancy by others, as it determines appropriate.

13. The Community shall insure the Unit against loss by fire and other casualty.

The Purchaser shall be responsible for insuring the contents within the Unit.

The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon, at or relating to the Community's lands or the Unit, or damage to the property of the Purchaser or others; nor shall the Community be responsible for any injury or loss or damage to the Purchaser, or any property of the Purchaser from any cause whatsoever, whether or not any such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.

All property of the Purchaser kept or stored at the Unit or elsewhere in the building shall be at the sole risk of the Purchaser and the Purchaser shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Purchaser's Insurers.

14. The Purchaser shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.

15. The Purchaser shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.

The Purchaser shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.

The Purchaser shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.

The Purchaser may keep a small pet in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Purchaser.

The Purchaser shall, in relation to the Unit, be responsible for paying the monthly maintenance fee, the charges for hydro, telephone, cable TV and all other metered or billable services which may be available and subscribed to by the Purchaser.

The Community shall remain the owner and manager of the building and of the Unit and shall have the right of entry to the Unit at reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.

The Community shall have exclusive control and management of the common areas, facilities and amenities.

The Community shall maintain and repair when necessary the Unit, its electrical and plumbing systems and all Community supplied appliances. The costs of such repairs shall be borne by the Purchaser, if the damage has been caused by the Purchaser or his/her guests.

The Community shall report, on an annual basis, to the Purchaser with respect to the management of the residences and the provision of common areas, facilities and amenities.

16. Notice may be given to the Community at: Rose of Sharon (Ontario)
Retirement Community
920 Yonge St., Suite 500
Toronto, Ontario
M4W 3C7

Notice may be given to the Purchaser at: 1501 Woodbine Ave. #609
Toronto, Ontario
M4C 4H1

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

17. This Agreement shall not be changed or modified except by written instruction, signed by both the Purchaser and the Community.

18. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.

19. Where there are two or more Purchasers bound by the same terms herein contained, their obligations shall be joint and several.

20. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

Founders' Circle

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this *2nd* day of *September* 2003.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *J. Johnson*

Per: _____

We have authority to bind the Corporation.

[Signature]
Purchaser

[Signature]
Purchaser
416-467-9565

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a stylized initial 'Y' followed by a long horizontal stroke with a small loop at the end.

A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT
(Founders' Circle)

THIS AGREEMENT made in duplicate this 31st day of December, 2003

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

- and -

Han-Hyeong Lee / Hae-Jeong Kang

of the City of Mississauga,

in the Province of Ontario

(hereinafter referred to as the "Purchaser")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the **Rose of Sharon**;

AND WHEREAS the Purchaser is desirous of purchasing the "right to occupy" one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs, Architect, the unit being identified as Gold Banded Lily, Unit # 605 along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.
2. The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of One Hundred Thousand and Ninety Five

Hundred Dollars (\$195,000.00), including One (1) parking space (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraph 6 hereof.

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Purchaser on or before the last day of July 2005 (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Purchaser shall be entitled to receive a refund of all moneys paid without interest.

6. The Purchaser agrees to pay the Right to Occupy Cost to the Community as follows:

(Complete and cross out as appropriate)

- (a) A deposit (10%) of the Right to Occupy Cost, upon execution of this agreement, being Nineteen Thousand and Five Hundred Dollars (\$19,500.00) on N/A, 2004. *Received \$1,950.00 on Jan. 15, 2004 D.C.*
- (b) A further ten percent (10%) of the Right to Occupy Cost, being Nineteen Thousand and Five Hundred Dollars (\$19,500.00) within 30 days.
- (c) A further ten percent (10%) of the Right to Occupy Cost, being Nineteen Thousand and Five Hundred Dollars (\$19,500.00) upon the footings being complete;
- (d) The balance upon the Issuance of the Occupancy Permit.

The Purchaser shall pay the above-noted sum upon ten (10) days' notice of the appropriate events.

7. The Purchaser shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community.

The Purchaser acknowledges that the facilities and amenities are to be developed for the enhancement of the local community and they will open for use by the local community and will not be limited to the Purchaser. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.

If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Purchaser entitled to any compensation or abatement.

8. The Purchaser shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.

The monthly maintenance fee is to include, but not limited, to the following:

- (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit, the common areas, the amenities and facilities, as well as the parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance, equipment costs, equipment replacement reserves, major repairs and major capital repair reserves;
- (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.

Municipal taxes and Hydro, which will be individually metered, will be separate and paid for by the unit holder in addition to the foregoing.

The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit/parking space to the total of the Units/parking spaces in the building.

9. The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:

- (a) The Purchaser gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;

(b) Failure of the Purchaser to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;

(c) The destruction or damage by fire or other casualty so as to render the Unit unfit for occupancy.

10. Upon the Purchaser, who has given notice in accordance with paragraph 9 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with paragraph 11 below.

Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 9 (b) or (c), for which the Community shall provide the Purchaser or his/her representative with written notice, the Purchaser or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph 11 below.

If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.

11. Upon termination of this Agreement in accordance with paragraph 9 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.

The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Association shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Purchaser shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less any amount outstanding to the Community.

The Purchaser shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.

The Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Purchaser. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.

12. This Agreement shall not create any ownership in the real property or building of the Community and the Purchaser agrees not to register this Agreement against title to the lands upon which the building sits.

The Purchaser shall only be able to sell his/her rights hereunder in accordance with paragraphs 9 and 11 hereof. The Purchaser shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.

The Purchaser shall use the Unit for residential purposes only, and shall be occupied only by the Purchaser hereunder. The Community may grant permission for temporary occupancy by others, as it determines appropriate.

13. The Community shall insure the Unit against loss by fire and other casualty.

The Purchaser shall be responsible for insuring the contents within the Unit.

The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon, at or relating to the Community's lands or the Unit, or damage to the property of the Purchaser or others; nor shall the Community be responsible for any injury or loss or damage to the Purchaser, or any property of the Purchaser from any cause whatsoever, whether or not any such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.

All property of the Purchaser kept or stored at the Unit or elsewhere in the building shall be at the sole risk of the Purchaser and the Purchaser shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Purchaser's Insurers.

14. The Purchaser shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.

15. The Purchaser shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.

The Purchaser shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.

The Purchaser shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.

The Purchaser may keep a small pet in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Purchaser.

The Purchaser shall, in relation to the Unit, be responsible for paying the monthly maintenance fee, the charges for hydro, telephone, cable TV and all other metered or billable services which may be available and subscribed to by the Purchaser.

The Community shall remain the owner and manager of the building and of the Unit and shall have the right of entry to the Unit at reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.

The Community shall have exclusive control and management of the common areas, facilities and amenities.

The Community shall maintain and repair when necessary the Unit, its electrical and plumbing systems and all Community supplied appliances. The costs of such repairs shall be borne by the Purchaser, if the damage has been caused by the Purchaser or his/her guests.

The Community shall report, on an annual basis, to the Purchaser with respect to the management of the residences and the provision of common areas, facilities and amenities.

16. Notice may be given to the Community at: Rose of Sharon (Ontario)
Retirement Community
920 Yonge St., Suite 500
Toronto, Ontario
M4W 3C7

Notice may be given to the Purchaser at: Han-Hyeong Lee / Hae-Jeong Kang
1501 Woodbine Ave. #609
Toronto, Ontario
M4C 4H1

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

17. This Agreement shall not be changed or modified except by written instruction, signed by both the Purchaser and the Community.

Founders' Circle

18. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.

19. Where there are two or more Purchasers bound by the same terms herein contained, their obligations shall be joint and several.

20. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

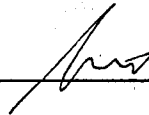
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 31st day of December, 2003.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

We have authority to bind the Corporation.


Purchaser

Purchaser

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013



A Commissioner, etc.


Letter of Acknowledgement

Residence No. 708

I / we acknowledge that I / we are aware that the deposits as per our Right to Occupy Agreement will be used for construction, land, and other capital costs relating to the Rose of Sharon.

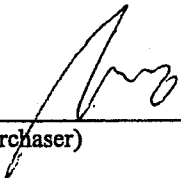
September 22, 2003
Date

Signature (Witness)



Signature (Purchaser)

Signature (Witness)

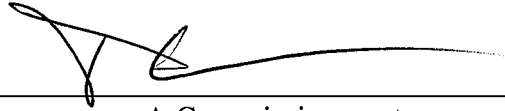


Signature (Purchaser)

(This information is required for financial purposes)

T A B E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a stylized 'Y' shape followed by a long horizontal stroke that ends in a small loop.

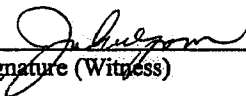
A Commissioner, etc.


Letter of Acknowledgement

Residence No. 605

I / we acknowledge that I / we are aware that the deposits as per our Right to Occupy Agreement will be used for construction, land, and other capital costs relating to the Rose of Sharon.

Date Jan. 15, 2004


Signature (Witness)


Signature (Purchaser)

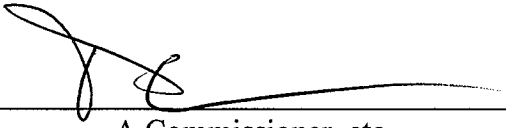
Signature (Witness)

Signature (Purchaser)

(This information is required for financial purposes)

TAB F

THIS IS EXHIBIT "F" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013



A horizontal line is drawn across the page, with a handwritten signature in black ink written above it. The signature is cursive and appears to be the name of the Commissioner.

A Commissioner, etc.

SECURITY RECEIPT

Baseline D71

DATE Sept. 27, 2003 602578

RECEIVED FROM Han Hyang Lee and Hae Jeong Kang

ADDRESS 1501 Woodbine Ave. #609
Toronto, Ontario

FOR Unit #708, Red Peach Blossom (Ten Thousand and Seven Hundred Sixty Dollars)

DOLLARS (\$ 10,760.⁰⁰)

TAX REG. NO.

FROM TO ACCOUNT

METHOD OF PAYMENT		ACCOUNT	
CASH	CHEQUE	TOTAL AMOUNT	AMOUNT PAID

BY As per Rose of Sharon
Juleygon

SECURITY RECEIPT

Baseline D71

DATE Jan. 8, 2004 602589

RECEIVED FROM Mrs. Hae-Jeong Kang

ADDRESS 1501 Woodbine Ave. #609
Toronto, Ontario, M4C 4H1

FOR Rose of Sharon, Unit #708 (to be #608) Red Peach Blossom (Ten Thousand & Seven Hundred Sixty Dollars)

DOLLARS (\$ 10,760.⁰⁰)

TAX REG. NO.

FROM TO ACCOUNT

METHOD OF PAYMENT		ACCOUNT	
CASH	CHEQUE	TOTAL AMOUNT	AMOUNT PAID

BY As per Rose of Sharon
Juleygon

SECURITY RECEIPT

BlueLine D71

RECEIVED FROM HAN-HYEONG LEE / HAE-JEONG KANG DATE Aug. 2, 2006 602623

ADDRESS _____ DOLLARS \$ 30,260.⁰⁰

FOR Unit #605 & #708 Thirty thousand Two hundred Sixty Dollars

TAX REG. NO. _____

METHOD OF PAYMENT	TO ACCOUNT	
	TOTAL AMOUNT	AMOUNT PAID
CASH		
CHEQUE		
MONEY ORDER		
		BALANCE DUE

BY as per pos
Julegum

SECURITY RECEIPT

DATE Jan. 15, 2004 602591

RECEIVED FROM Mrs. Hae-Jeong Kang

ADDRESS 1501 Woodbine Ave. #609

Toronto, Ontario, M4C 4H1

FOR Rose of Sharon Unit #605, Gold Banded Lily
(Nineteen Hundred Forty Dollars)

FROM _____ TO _____ DOLLARS \$ 1,950.⁰⁰

TAX REG. NO. _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

BY Jaluzgan As per Rose of Sharon

BlueLine D71

SECURITY RECEIPT

DATE Feb. 12, 04 602594

RECEIVED FROM MR. HAN-HYEONG LEE / MRS. HAE-JEONG KANG

ADDRESS 1501 WOODBINE AVE., APT. #609

TORONTO, ONT. M4C 4H1

FOR RDS Unit #605, Gold Banded Lily (Nineteen Hundred
Forty Dollars)

FROM _____ TO _____ DOLLARS \$ 19,500.⁰⁰

TAX REG. NO. _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

BY Jaluzgan As per Rose of Sharon

BlueLine D71

SECURITY RECEIPT

BlueLine D71

RECEIVED FROM HAN - HYEONG LEE / HAE-JEONG KANG

DATE Aug. 2, 2006

02623

ADDRESS _____

DOLLARS (\$ 30,260.⁰⁰)

FOR Unit #605 of #708 Thirty Thousand Two Hundred Sixty Dollars

TAX REG. NO. _____

FROM _____

TO _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

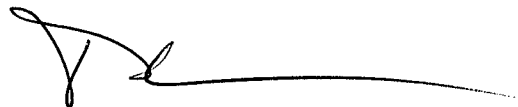
as per pos

BY _____

Julius Jones

TAB G

THIS IS EXHIBIT "G" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a stylized initial 'Y' followed by a long, horizontal, slightly wavy line.

A Commissioner, etc.

Apr. 19. 2005 11:01AM

No. 1832 P. 2



CERTIFICATE OF INSURANCE

TO:

Peoples Trust Company,
130 Adelaide ST 2020,
Toronto, ON.
M5H 3P5

999 93158

PROTECTED WHEN COMPLETED
CMHC ACCOUNT NUMBER
90-260-530

LENDER REFERENCE NUMBER

BORROWER(S)

Rose of Sharon Retirement Community

PROPERTY IDENTIFICATION/CIVIC ADDRESS

15 Maplewood AV,
& 17 Maplewood Ave.,
York, ONT.
M6C 2L9

LEGAL DESCRIPTION

Pursuant to the request for loan insurance submitted by the Approved Lender and in reliance upon the information contained therein and subject to compliance with the National Housing Act, the National Housing Loan Regulations, the Master Loan Insurance Policy - Terms and Conditions dated December, 1990 and any special conditions listed herein, CANADA MORTGAGE AND HOUSING CORPORATION (CMHC) hereby agrees to insure the loan made by:

Peoples Trust Company

as set out in the request for loan insurance and identified herein.

INSURABLE LOAN	\$17,300,162.50
INSURANCE PREMIUM TO BE REMITTED	\$433,812.50
PROVINCIAL SALES TAX TO BE REMITTED(8.0 %)	\$34,705.00

TOTAL	\$468,517.50
APPLICATION FEE	\$25,350.00
ADV TO DATE (EXCLUDING INSURANCE PREMIUM) APPROVED BY THIS NOTIFICATION	\$25,350.00
HOLDBACK (IF APPLICABLE)	\$16,841,000.00

The receipt and filing or recording by CMHC of notification that the loan has been fully advanced and the receipt by CMHC of the loan insurance premium in respect thereof shall constitute the issue of the loan insurance policy. The Approved Lender may request confirmation of the loan insurance from CMHC.

TORONTO

CANADA MORTGAGE AND HOUSING CORPORATION

per:

2005-03-10

Authorized Representative:

JOHN HAIKOLA

Apr. 19. 2005 11:01AM
Mar-04-05 11:00pm from-milt Underw ng OBC

94162183310

No. 1832 P. 3
T-489 P.003 P-345



CERTIFICATE OF INSURANCE

TO:

Peoples Trust Company,
130 Adelaide ST 2020,
Toronto, ON.
MSH 375

999 93158

PROTECTED WHEN COMPLETED
CMHC ACCOUNT NUMBER

90-260-530

LENDER REFERENCE NUMBER

BORROWER(S)

Rose of Sharon Retir, ement Community

PROPERTY IDENTIFICATION/CIVIC ADDRESS

15 Maplewood AV,
E 17 Maplewood Ave.,
York, ONT.
M5C 2L9

LEGAL DESCRIPTION

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Peoples Trust Company

as set out in the request for loan insurance and identified herein.

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PROVINCIAL SALES TAX TO BE REMITTED (8.0 %)	\$34,705.00
TOTAL	\$468,517.50
APPLICATION FRS	\$25,350.00
ADV TO DATE (EXCLUDING INSURANCE PREMIUM)	\$25,380.00
APPROVED BY THIS NOTIFICATION	\$25,380.00
HOLOBACK (IF APPLICABLE)	\$16,841,000.00

The receipt and filing or recording by CMHC of notification that the loan has been fully advanced and the receipt by CMHC of the loan insurance premium in respect thereof shall constitute the issue of the loan insurance policy. The Approved Lender may request confirmation of the loan insurance from CMHC.

TORONTO

CANADA MORTGAGE AND HOUSING CORPORATION

FOR: 
JOHN HAKOLA

2005-03-09

Authorized Representative:

Apr. 19. 2005 11:01AM
 MAY-2005-05 0110000 FROM-MULT Underw ing OBC

84182188810

No. 1832 P. 4
 T-488 r.004 r-345

SPECIAL CONDITIONS
FORMING PART OF THE CERTIFICATE OF INSURANCE
 March 9, 2005

CMHC REF: 90-260-530

APPROVED LENDER: Peoples Trust Company

CMHC ACCOUNT NO: 90-260-530

PROPERTY ADDRESS: (hereinafter the "Property") 15 & 17 Maplewood Ave. Toronto, Ont

LEGAL DESCRIPTION: Lots 25, 26 & Part of Lot 24, Block F, Reg. Plan 875 (York) City of Toronto

NUMBER OF BEDS: 60 beds total- 36 private and 24 standard semi-private beds

NUMBER OF UNITS: 89 life-lease apartment units

BORROWER: Rose of Sharon (Ontario) Retirement Community

GUARANTORS: nil

HOUSING LOAN:

Net Loan	\$16,841,000.00
Insurance Premium	433,812.50 See Section 2.0
Application Fee	25,350.00
Housing Loan	\$17,300,162.50
	\$350.00 per advance-beginning with third advance

INTEREST RATE: 6.50 % ceiling rate

INITIAL LOAN TERM: 10 years- minimum

AMORTIZATION: 25 years- maximum

**SPECIAL CONDITIONS
 FORMING PART OF THE CERTIFICATE OF INSURANCE**

CMHC REF: 90-280-530

March 9, 2005

1.0 ADVANCING OF THE HOUSING LOAN

- 1.1 The Certificate of Insurance is issued for the purpose of providing construction and long term financing in respect of the Property consisting of a 60 bed long-term care facility and 89 apartment units.

This Certificate of Insurance is issued on the basis that progress advances will be made up to the to the Housing Loan amount of \$ 16,841,000, plus fees and premium.

CMHC will authorize insured loan advances on the basis of cost to complete, after the Borrower has injected in the project an amount of \$6,615,000 estimated by CMHC to be equivalent to the difference between the Housing Loan Amount and the higher of the declared project cost, or CMHC's estimate of same.

CMHC will approve insured construction advances provided that amounts remaining to be funded of the undrawn insured construction loan plus the above referenced deferred equity injections are sufficient to complete the project.

In this transaction structure it is expected that at least \$4,170,000 of the deposits from the agreements to purchase the Life Lease interests will be spent in construction costs prior to the first insured advance. Should an amount greater than this \$4,170,000 be spent in construction costs, the insured mortgage will be reduced by the amount of the excess. It is also a requirement that the borrower inject additional equity of \$288,870 from fund-raising prior to the first insured advance. The borrower must not withdraw any amounts from the project until the loan has been reduced to no less than \$4,466,000 plus fees and premium. It is a requirement of this commitment that the Project Monitor provide updates at each advance request as to the amount of deposits spent in construction.

It is understood that the total insured advances will be \$16,841,000. Upon completion of the construction of the property, the outstanding balance under the construction loan will be reduced such that the resulting insured long-term mortgage shall be no greater than \$4,466,000 plus fees and premium. The Lender must ensure that a mechanism is in place to:

- i. collect the net proceeds of sale on closing of the life lease sales in an amount of not less than \$13,430,000;
- ii. apply these proceeds to the insured loan upon substantial completion of the building;
- iii. ensure that occupancy of the Life Lease units does not takes place prior to the partial discharge in respect of the life lease component of the condominium.

- 1.2 It is the Approved Lender's responsibility to ensure that the Housing Loan is used specifically and exclusively for the purpose specified. The Approved Lender shall not advance any funds under the Housing Loan unless and until it has received authorization to advance from CMHC.

- 1.3 The first insured advance must take place no later than September 30, 2005, failing which insurance coverage for the Housing Loan shall be cancelled automatically without notice to the Approved Lender.

- 1.4 An advancing fee of \$350 per advance (beginning with the third advance) shall apply.

2.0 HOUSING LOAN INSURANCE PREMIUM

- 2.1 The premium to be remitted to CMHC in respect of this insurable mortgage loan is \$433,812.50. This represents 2.586% of the insurable mortgage loan amount calculated as follows:

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- (a) For the insured long-term mortgage in the amount of \$4,466,000
- 4.50% reduced/discounted base premium for affordable rental up to 95% # 279,125
 - 1% surcharge for care facilities
 - 0.5% surcharge for multiple insured construction advances
 - 0.25% surcharge for the waiver of the Rental Achievement Holdback.

- (b) 1.25% of the insured construction mortgage of \$12,375,000. 154,687.50

2.2 The insurance premium is deemed to have been earned by CMHC at the time of issuance of this Certificate of Insurance. The insurance premium is to be remitted to CMHC as funds are advanced or within thirty (30) days of CMHC's authorization to advance, whichever occurs first. In the event the premium due is not received by CMHC within the time frame prescribed above, insurance in respect of the Housing Loan shall be cancelled without notice to the Approved Lender.

2.3 The application fee is \$25,350 of which \$18,450 has been received. The balance of \$6,900 is due and payable immediately.

The application fee is calculated as follows:

- \$12,000 based on \$200 per bed for 60 long term care beds
- \$13,350 based on \$150 per unit for 89 life lease apartments.

3.0 ENVIRONMENTAL SITE ASSESSMENT

3.1 This Certificate of Insurance is issued subject to:

- (a) the Approved Lender providing CMHC with a satisfactory Environmental Site Assessment (ESA) report prior to the first advance and in any event not later than six (6) months from the date of the Certificate of Insurance;
- (b) the Approved Lender providing CMHC with a letter confirming that the ESA report conforms with CMHC's policy for managing environmental risks and that the report may be relied upon by the Approved Lender and CMHC for the purposes of the insured loan.

4.0 LOAN SECURITY

4.1 The Security for the Housing Loan shall cover all assets and revenues relating to the Property including:

- (a) a registered first mortgage repayable by equal monthly payments of principal and interest using CMHC's Standard Charge Terms or a document which is in form and content substantially the same with (i) amendments set out in Schedule "A", (ii) the amendments required to reflect these Special Conditions and ; (iii) such other conditions as Lender's counsel may deem reasonably necessary to protect the interests of the Approved Lender and CMHC.
- (b) an assignment of rents and leases.
- (c) a General Security Agreement (GSA) securing all inventory, equipment, vehicles, book debts, and other amounts of any nature or kind arising from the Property. Also see Section 8.5 in respect of the GSA requirements for the Long Term Care Facility.
- (d) an assignment of construction contract and of the plans and specifications for all buildings and improvements to be constructed on the Property.

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- (e) specific assignment of the agreements to purchase the Life Lease interests, such agreements to be fully subordinate in all respects to the Insured Housing Loan including any deposits advanced by the purchasers and used in construction of the Property.
- (f) any other security deemed necessary by the Approved Lender.

4.2 It is the responsibility of the Approved Lender to ensure that all security documentation complies with the requirements of the National Housing Act (NHA), the National Housing Loan Regulations (NHLR), the CMHC Loan Insurance Handbook, the specific requirements of this Certificate of Insurance, and any other applicable legislation.

4.3 The Approved Lender's counsel must review the conditions and structure of the transaction and advise of any concerns it may have in connection with the security, the priority of the mortgage over purchaser deposits and interests, or the remedies available on default and provide recommendations for amendments and additional conditions as required.

5.0 INTEREST RATE

5.1 The interest rate at time of Interest Adjustment Date (IAD) is to be a fixed rate, not exceeding 6.5 % for the initial term of the Rental Housing Loan.

5.2 The interest rate during construction will be allowed to fluctuate provided it does not at any time exceed the market rate of interest, i.e. rate which falls outside of the narrow range of rates being charged at that time within the same geographic area. In the event of a claim against the Mortgage Insurance Fund (MIF) arising from a default during the period that the adjustable interest rate is being charged on advances, interest on the mortgage loan for the purpose of the claim shall be, notwithstanding any agreement to the contrary between the mortgagee and the mortgagor, the rate in force at the time the unpaid interest started to accrue or at a market rate of interest acceptable to CMHC, whichever is the lesser. In addition, all such interest after default shall be compounded semi-annually and not in advance.

6.0 TAXES

6.1 The Approved Lender is responsible for the collection of property taxes with the mortgage payment on a monthly basis.

7.0 CONSTRUCTION

7.1 Applicable Laws, Regulations, Codes and Certifications

- (a) The Approved Lender must ensure that the Borrower complies with all applicable federal, provincial and municipal laws, regulations and codes in the construction of this project.
- (b) Prior to each advance the Approved Lender must obtain from the Project Architect certification that the work to-date is in compliance with plans and specifications, as approved by the regulatory authority having jurisdiction.
- (c) CMHC acknowledges receipt of the preliminary plans submitted. Prior to the start of construction, CMHC may request the Approved Lender to provide a complete set of working drawings to CMHC including: a Site Plan; Architectural Specifications; Site Services Plan; Landscape Plan and

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Structural, Mechanical and Electrical Plans (including Ventilation details). CMHC's review of this documentation does not and will not represent a warranty that the subject property is in conformance with any building or property standards; the review is to be carried out solely for CMHC's internal purposes.

7.2 Construction Contract

- (a) Prior to the start of construction the Approved Lender is to ensure that the project is to be built under a General Contractor arrangement where the contract is at a fixed price, no greater than \$17,619,571. The fixed contract is to be assigned to the Approved Lender and the Approved Lender is to confirm the acceptability of the General Contractor and the form of the contract.

It is understood that the General Contractor assumes responsibility for any construction cost increases except for borrower initiated change orders which must be preauthorized by the lender. No increase to the insured loan will be permitted. The borrower is responsible to cover any cost overruns.

- (b) The fixed price contract must be bonded at the level of 50% for labour and material and 50% performance.

7.3 Project Monitoring

- (a) The Approved Lender is to ensure that sufficient safeguards are in place in order to guarantee timely completion of the construction of this project at the stated costs. Prior to the start of construction the Approved Lender is to ensure that the project budget cost is reviewed and approved by a third party Project Monitor. This role is to be performed by a quantity cost surveyor preferably with a Professional Quantity Surveyor (PQS) designation who, in the opinion of the Approved Lender, holds liability insurance adequate for the size of the project. Both the hard and soft costs are to be included in the review. The Project Monitor is to confirm that the project budget at an amount no greater than the anticipated \$23,013,000, excluding mortgage insurance premium and the existing second mortgage of \$721,000 in favour of Turfpro Investments Inc. as described in Section 15.1 is sufficient to complete the project, given the development schedule and the final project specifications.

- (b) The Approved Lender shall employ the Project Monitor to recommend the amount of each progress advance, with verification of cost of work-in-place and cost to complete on every advance. In addition, the Project Monitor shall provide certification that all monies advanced by the Approved Lender have been used for the Property and that all bills have been paid. The Approved Lender is to review and recommend the progress advances. For the recommendation of the final advance, the Approved Lender is to:

- i. provide evidence to CMHC that the property has been completed in compliance with all applicable laws, regulations, and codes; that there are no construction lien holdbacks; and that Project Monitor has confirmed total cost no less than \$23,013,000.
- ii. the Ministry of Health and Longterm Care (MOHLTC) has inspected and provided confirmation that the structure meets its requirements for occupancy and that MOHLTC funding is in place as outlined in the application to CMHC, including the construction funding premium for 10 beds @\$10.35 per bed per day. The Lender should have on file a copy of the Borrower's licence to operate the facility with at least 60 beds licenced under the Nursing Home Act.
- iii. all requirements of the MOHLTC have been met, including but not limited to:
 - a service agreement between MOHLTC and the Borrower has been signed,

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- iv. The life lease agreements have been closed or that the closing of all units is imminent such that the loan in respect to the long-term care facility will be no greater than than \$4,466,000 plus fees and premium.

8.0 CARE FACILITY CLAUSES

8.1 Borrower's Contribution to Employee Pensions and Benefits

The mortgage must stipulate that the Borrower is required to provide to the Approved Lender annually, or more frequently if required by the Approved Lender, confirmation satisfactory to the Approved Lender that the Borrower is not in arrears with respect to any employee pensions and/or other benefits including but not limited to workers' safety insurance premiums, employer health tax premium, Canada Pension Plan contributions, Employment Insurance Commission premiums and all statutory remittances including but not limited to income tax, provincial sales tax (PST) and goods and services tax (GST) or where applicable harmonized sales tax (HST). The Approved Lender must ensure that any arrears thereof will constitute a default under the terms of the mortgage.

8.2 Collective Agreements

The Approved Lender is to obtain an undertaking from the Borrower that it will advise the Approved Lender of any grievances arising from a collective agreement.

8.3 Employment Liability

The mortgage documentation, and the process to be followed by the Approved Lender in the event of realization, must ensure that neither the Approved Lender nor CMHC, through a claim against the Mortgage Insurance Fund (MIF), or directly in any manner, be deemed a successor employer. The Approved Lender must confirm that the Borrower is meeting its obligations with regard to employment benefits, including statutory remittances.

8.4 Access to Health Records

The Approved Lender must obtain the Borrower's consent giving the Approved Lender and its assignees access to any and all provincial health records pertaining to the subject facility. The Approved Lender is to ensure the validity, completeness and accuracy of all such information as it becomes available to it and notify CMHC immediately of any non-compliance or proceeding which could result in the revocation of the facility's operating license.

**8.5 General Security Agreement Provisions as They Relate to the Long Term Care Facility
 (for further certainty, all assets including those relating to the Life Lease Project must be secured under the GSA)**

- (a) As indicated in section 4.0, the Approved Lender must obtain a General Security Agreement (GSA) from the Borrower. The GSA must include security over equipment, book debts, receivables and all other assets and undertakings pertaining to the licensed care facility. To the extent permissible by law, the security must also secure the licence and the development and service agreements.
- (b) The GSA shall also include a comprehensive receivership clause, which clause shall provide that the Receiver and the Manager are deemed to be an agent of the Borrower. The Approved Lender must not be responsible for the acts or omissions of the Receiver and Manager. In the event of default, the GSA must contain provisions that facilitate the taking over of the entire operation including the power to use and to surrender and to arrange revocation of the licence in the event that it should not be possible to transfer or assign the licence under the applicable legislation. It is the intention of this

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provision that the Approved Lender shall turn over to CMHC all rights to the licence in conjunction with any conveyance of the subject property.

- (c) To further secure the licence and to enable the Approved Lender to deal with the property as an ongoing operation in the event of default, the licence shall be dealt with by means of an escrow surrender agreement addressed to the appropriate provincial authority by the Borrower which agreement is to be held by the Approved Lender pending default and is to be acted upon if, as and when necessary.

8.6 Requirements Prior to First Advance

- (a) Prior to first advance the Approved Lender must obtain and retain on file the following documentation from the Ministry of Health and Long Term Care (MOHLTC) confirming approvals for the development of a licensed long-term care facility comprised of 60 beds consisting of:
- approval of a 50 bed facility to receive a minimum MOHLTC capital grant of \$2,363,500 and structural compliance operational funding of \$1.50 per resident bed per day for 50 beds;
 - approval for an additional 10 beds to receive MOHLTC new construction funding premium of \$10.35 per resident bed per day for 20 years for the 10 beds.
- (b) The mortgage document is to include a provision requiring the Borrower to observe all requirements of the provincial authority governing the operation of these facilities, and allowing the Approved Lender to declare the mortgage in default at its discretion, in the event of any non-compliance with such requirements.

8.7 Agreement for Development of Long-Term Care Facility Beds

It is expected that the Borrower will adhere to all obligations in this agreement with the Ministry of Health and Long Term Care. The Approved Lender shall ensure that the mortgage documentation is adequate to provide that any breach of the development agreement will represent a default under the mortgage, allowing the full range of legal remedies. Documentation must also provide that Notice of any default under the development agreement is provided to Approved Lender simultaneously with the notice to Borrower, and that the development agreement is automatically assigned to Approved Lender in the event of default.

9.0 LIFE LEASE SECTION

9.1 The Approved Lender must obtain and submit the following:

- a) Prior to any insured advance, confirmation that there are bona fide sales of life lease interests in place amounting to at least \$14,246,000 including the provision of a non-refundable cash deposits totalling \$4,170,000 from the sale of 80 units to include a maximum of 18 non-arm's length unit (investor) sales. The sales must have satisfactory documentation provided to the lender to reasonably evidence the purchasers' ability to close the transactions and of the non-arm's length relationship.
- b) Prior to any insured advance, confirmation that the Approved Lender has received a signed consent and acknowledgement agreement acceptable to the Approved Lender and CMHC from each purchaser together with a certificate of independent legal advice from each purchaser acknowledging and agreeing that:
- i. the project will not be registered under Taxion;
 - ii. deposits will be used by the Borrower in the construction of the Long-term Care Project as well as the residential component and advising of the risk in such event;

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- iii. the deposits and any interest of the life lease purchaser in respect of the lands and the project are subordinated to and shall not rank in priority to the insured housing loan; and
- iv. the project will be registered as individual condominium units and the agreements of purchase of life lease interests will be binding on purchasers as life lease interests only (at the Lender's sole option), notwithstanding the description of the apartments as condominium units; the life lease will include as rent an amount equal to all common expenses attributable to all units..

It is acknowledged that in respect of future sales of life lease interests in Type U units (9 units in total) as set out in Schedule B, the borrower may hold such deposits in trust in which event the above condition Section 9.1(b) ii will not apply.

- 9.2 The Construction Loan must be paid down to \$4,466,00 plus fees and premium in accordance with section 1.1 hereof out of the proceeds of the sale of the life lease interests no later than December 31, 2006.

10.0 CONDOMINIUM

- 10.1 The Property must be registered as a condominium comprising a separate unit for the Long Term Care Facility and 89 individual units such that the Long Term Care Facility and the Life Lease Project shall EACH stand-alone and be operated, financed and transferred separately with common areas necessary for the operation of both projects including without limitation parking. Appropriate arrangements must be made for shared facility and amenity space.

- 10.2 Given that the project will be registered as a condominium, it is a condition of this Certificate of Insurance that the Borrower comply with all requirements of the condominium legislation, including but not limited to the maintenance of a replacement reserve.

- 10.3 The following clause must be added to the mortgage:

"The mortgagor agrees, and it is a condition of the loan secured by this mortgage, that no sale of individual units will be permitted, unless specifically agreed to by the Approved Lender and CMHC, and according to terms and conditions issued by the Approved Lender. Any attempt to sell individual units without the Lender's consent shall, at the sole discretion of the mortgagee, be deemed a breach of this mortgage and all moneys owing under this mortgage, including principal and interest, shall immediately become due and payable."

- 10.4 No advance shall be approved until the Approved Lender confirms that a bona fide application has been submitted to create a condominium corporation on the lands hereby secured for this mortgage. The following clause must be added to the mortgage:

"The mortgagor agrees, and it is a condition of the loan secured by this mortgage that if the mortgagor fails to register the required documentation and take whatever other steps are required to create a condominium corporation on the lands hereby secured by September 30, 2005, all monies owing under this mortgage, including principal and interest, shall immediately become due and payable, provided that if the mortgagor fails to bring a condominium corporation (or strata corporation) into existence by the said date for reasons that are, in the opinion of the mortgagee, beyond the mortgagor's control, the mortgagee may, at its sole discretion extend the said date for such period of time as it deems necessary."

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11.0 HOTEL CONVERSION

11.1 The Property offers certain features which could under some circumstances permit its conversion from rental housing to hotel use. The Approved Lender is therefore required to include a provision in the letter of commitment to the applicant, to the effect that the loan may be called if during or after construction:

- (a) the building plan of the building is physically altered without the written approval of the Approved Lender and CMHC;
- (b) the project ceases to be occupied by persons utilizing the accommodation for purposes of a principal residence.

11.2 The Approved Lender is also required to amend the relevant mortgage to add the words "or as a hotel" to the end of the clause prohibiting the use of the premises for the purpose of any business, trade or manufacture.

12.0 PROJECT PUBLICITY

12.1 The Approved Lender and Borrower shall permit project information, including financing details, to be used by CMHC in media releases and project ceremonies as may be appropriate.

12.2 The use of CMHC's name and logo is not permitted unless the prior written approval of CMHC is obtained.

13.0 PROJECT MANAGEMENT

13.1 The Approved Lender must ensure there is a formal property management contract in place with a professional third party property management firm experienced in health care management.

14.0 FINANCIAL STATEMENTS

14.1 The Approved Lender shall obtain from the Borrower, within four (4) months after each fiscal year, audited financial statements of the Borrower and of the Property.

14.2 The Approved Lender shall use reasonable efforts to obtain the financial statements and shall review same for the purpose of identifying items that may negatively impact on the operation of the Property or the Borrower's ongoing liquidity. If, on the basis of the review, the Approved Lender is of the opinion that further action is necessary, the Approved Lender shall advise CMHC via written recommendation and seek CMHC concurrence to any further action.

14.3 The mortgage documentation shall provide for standalone project reporting, isolating the Property's financial and operating information from that of other projects owned by the Borrower, as well as the Long Term Care Facility and the Life Lease Project.

14.4 In the event of a default by the Borrower under the mortgage, or if the Borrower seeks relief under the Companies' Creditors Arrangement Act or other debtors relief legislation, the Approved Lender shall if possible, seek to establish a separate project bank account for the Property.

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15.0 SECONDARY FINANCING

15.1 There are to be no subsequent registrations on title with the exception of the following:

- a) a mortgage of no less than \$590,000 plus accumulated interest of approximately \$131,000 in favour of Turfpro Investments Inc. at an interest rate of 12.0 % with interest only payments of \$5,900.00 per month. Such mortgage to rank subsequent to the first insured mortgage. The mortgagee will be required to confirm in an agreement satisfactory to the Lender and its Solicitor, that it will postpone and subordinate to any and all advances in respect of the insured Housing Loan and will require that partial discharges be provided without payment and notwithstanding any default under the mortgage, until such time as the loan has been paid down to \$4,466,000 plus fees and premium. The Lender must further obtain, in advance, pre-executed partial discharges of the individual units; and
- b) a mortgage securing deposits paid by life lease purchasers which must be postponed and subordinate to any and all advances in respect of the insured Housing Loan and specifically provide for the partial discharge without payment of the Long-term Care Project and the partial discharge without payment on any other unit and notwithstanding any default under the mortgage until such time as the loan has been paid down to \$4,466,000 plus fees and premium. The Lender must further obtain, in advance, pre-executed partial discharges of the individual units.

15.2 The Approved Lender shall not allow a cross default provision between the insured Housing Loan and a subsequent encumbrance.

16.0 ZONING

16.1 Prior to any advance of funds the Approved Lender is to obtain written confirmation that the proper zoning and approvals are in place for a 60 bed long-term care facility and a 89 unit condominium apartment structure on the Property.

17.0 CORPORATE DOCUMENTATION

17.1 It is the responsibility of the lender, prior to the disbursement of funds, to ensure that Rose of Sharon (Ontario) Retirement Community is in compliance with the requirements of all applicable corporate legislation.

18.0 FINAL DATE FOR DRAWING ADVANCES

18.1 This Certificate of Insurance will expire on December 31, 2006, unless the conditions enumerated under Section 2.0 Housing Loan Insurance Premium have been complied with and unless the loan advance as approved by CMHC has been made on or before the expiry date stated herein.

18.2 Should the Approved Lender, at any time, wish CMHC to extend this period or to approve further advances, a request in writing to that effect is to be made to CMHC accompanied by an underwriting fee based on the then current CMHC fee schedule. Following a review of the request for extension, additional conditions including but not limited to a higher premium may be imposed by CMHC. Acceptance will be at the sole discretion of CMHC.

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March 9, 2008

19.0 RECOVERY OF PROPOSAL DEVELOPMENT FUNDING (PDF)

19.1 At the time of the first advance, the proposal development funding of \$45,000 provided by CMHC must be repaid.

20.0 MATERIAL CHANGE

20.1 CMHC reserves the right to cancel the Certificate of Insurance or to revise the amount of the Housing Loan it will insure, if there is a material change in the terms and conditions of the Housing Loan or the Property or the Borrower from the particulars provided in the Approved Lender's Application.

22.0 REPLACEMENT RESERVE FUND

22.1 A replacement reserve fund shall be established to ensure that funds are available to carry out capital replacements. The said reserve is to be funded annually commencing four (4) months after the first fiscal year-end following the Interest Adjustment Date with an amount equal to at least 2.0 per cent (2.0%) of the project's actual Accommodation Envelope revenue based on the audited income statement for the project. The use and disposition of reserve funds so created shall be subject to the approval or direction of the Approved Lender. The said Replacement Reserve Fund is to be comprised of moneys deposited in a segregated bank account identified for its intended purpose and/or invested in such other securities as may be acceptable to the Approved Lender. Non-compliance with this funding requirement represents default under the mortgage. In the event of default, any amount remaining in the reserve must be made available to reduce a claim against the Mortgage Insurance Fund (MIF).

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**SCHEDULE "A"
Amendments to CMHC's Standard Charge Terms**

DUE ON SALE

"The mortgagor covenants and agrees with the mortgagee that in the event of the mortgagor selling, conveying, transferring or entering into an agreement for sale or transfer of title of the property hereby mortgaged (including, but not limited to, the sale of shares or other interest resulting in a transfer of majority ownership interest) to a purchaser or transferee not approved, in writing, by the mortgagee, which approval shall not unreasonably be withheld, all monies hereby secured with accrued interest thereon shall at the option of the mortgagee forthwith become due and payable."

ENVIRONMENTAL CLAUSE

"The mortgagee or agent of the Mortgagee or agent of Canada Mortgage and Housing Corporation (hereinafter called "CMHC") may, at any time, before and after default, and for any purpose deemed necessary by the Mortgagee or CMHC, enter upon the said lands to inspect the said land and buildings thereon. Without in any way limiting the generality of the foregoing, the mortgagee or CMHC (or their respective agents) may enter upon the said lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Mortgagee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, shall be a charge upon the said lands. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, CMHC or their respective agents to be in possession, management or control of the said lands and buildings."

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SCHEDULE "B" Life-lease Project Sales List

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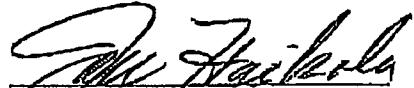
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No. 1832 P. 17
T-468 P.017/017 R-345

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PRIOR TO THE FIRST ADVANCE PLEASE SIGN AND RETURN THE DUPLICATE COPY OF THE ATTACHED SPECIAL CONDITIONS.


CMHC Underwriter: John Haikola
Ontario Centre for Multiple Underwriting
Date: March 9, 2005

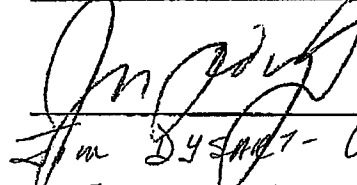
ACKNOWLEDGMENT

We have read and acknowledge as terms and conditions of the Certificate of Insurance and of the Mortgage Loan Insurance Policy, the contents of the Certificate of Insurance and the Special Conditions contained herein, of which we have a duplicate.

Name of Approved Lender:
per:

PEOPLES TRUST COMPANY

Name of Signing Officer:

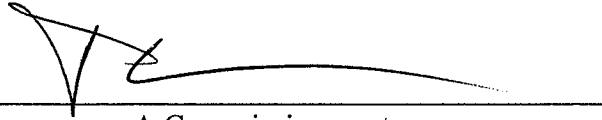

Jim Bryant - VICE-PRESIDENT

Place and Date of Signature:

TORONTO ONT. MAY 2. 07

TAB H

THIS IS EXHIBIT "H" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a stylized initial 'A' followed by a long, sweeping horizontal stroke that tapers to the right. The signature is positioned above a solid horizontal line.

A Commissioner, etc.

708 ✓

ACKNOWLEDGEMENT AND POSTPONMENT

TO: PEOPLES TRUST COMPANY

AND TO: TRAUB • MOLDAVER, its solicitors

RE: PEOPLES TRUST COMPANY (the "Lender")
 loan to ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY ("Community")
 15 and 17 Maplewood Avenue Toronto (the "Property")

WHEREAS:

- A. Community as vendor has entered into a Right To Occupy Agreement (the "Agreement") with the undersigned whereby the undersigned has/have agreed to purchase the right to use, occupy and enjoy a residential dwelling unit (the "Unit") at the Property;
- B. The undersigned has/have paid and will pay to Community certain deposits as portions of the Right to Occupy Costs as set out in the Agreement;
- C. Community has entered into a loan arrangement (the "Loan") with the Lender with respect to the Property and has or will grant to the Lender certain security for the Loan including a Charge/Mortgage of the Property and an assignment of the Agreement (collectively, the "Lender's Security").

NOW THEREFORE, in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the undersigned acknowledges, covenants and agrees as follows:

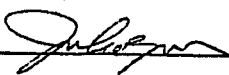
- 1. The undersigned acknowledge(s) that Community has assigned to the Lender, all of Community's right, title and interest in the Agreement including its right to receive all deposits paid or to be paid thereunder and all proceeds due to Community thereunder; and
- 2. The undersigned agree(s) and acknowledge(s) that all deposits paid and to be paid under the Agreement are subordinated and postponed to, and shall not rank in priority to, the Loan and the Lender's Security.

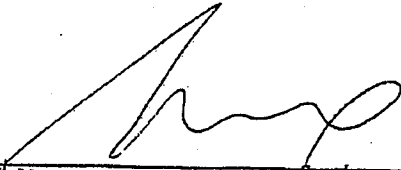
The covenants and agreements contained herein shall extend to and be binding upon the undersigned and their heirs, personal representatives, successors and assigns.

This Acknowledgement and Postponment may be executed and delivered by facsimile or email transmission and, when so executed and delivered, shall be binding on the undersigned effective upon such execution and delivery.

DATED this 26th day of April, 2007.

WITNESS:

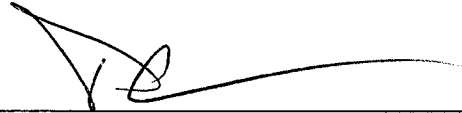



 Name: MAE JEONG KANG & HAN HYEONG LEE
 Unit Number: 708

Name:
 Unit Number:

TAB I

THIS IS EXHIBIT "I" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a stylized 'V' shape followed by a loop and a long horizontal stroke.

A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of April, 2010.

BETWEEN:

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

(herein "Rose")

- and -

Lee, Han Hyeong / Kang, Hae Jeong

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 908 (708)

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Seven Thousand and Six Hundred Dollars (\$107,600.00) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of Seventy Five Thousand and Three Hundred Twenty Dollars (\$75,320.00);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;

f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.

3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.

4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.

5. Notice may be given to the parties at the following addresses:

Vendor
Rose of Sharon (Ontario) Retirement Community Inc.
165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser

Address : 16 Eleanor Circle, Richmond Hill, ON L4C6K7


IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

SIGNED, SEALED AND DELIVERED) **ROSE OF SHARON (ONTARIO)**
) **RETIREMENT COMMUNITY INC.**

) Per: 


Per: _____

) I/We have authority to bind the corporation.
)

) 

) Purchaser Name: _____

Witness

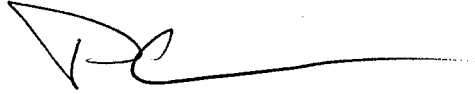
) 

) Purchaser Name: _____

Witness

TAB J

THIS IS EXHIBIT "J" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a stylized 'H' followed by a long horizontal stroke that tapers to the right.

A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of April, 2010.

BETWEEN:

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

(herein "Rose")

- and -

Lee, Han Hyeong/ Kang, Hae Jeong

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 805 (605) including One (1) parking space.

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

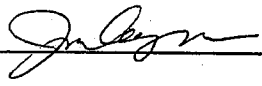
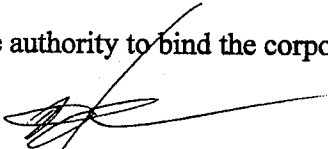
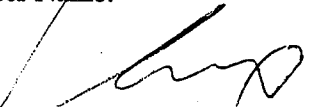
1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Nine Five Thousand Dollars (\$195,000.00) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of One Hundred Thirty Six Thousand and Three Hundred Dollars (\$136,300.00);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;

- f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.
- 4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.
- 5. Notice may be given to the parties at the following addresses:

Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser
Address : 16 Eleanor Circle, Richmond Hill, ON L4C6K7

IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

SIGNED, SEALED AND DELIVERED) **ROSE OF SHARON (ONTARIO)**
) **RETIREMENT COMMUNITY INC.**
)
) Per: 
)
) Per: _____
)
) I/We have authority to bind the corporation.
)
) 
)
) _____
) Purchaser Name:
)
) 
) _____
) Purchaser Name:
)
) _____
) Witness

TAB K

THIS IS EXHIBIT "K" REFERRED TO
IN THE AFFIDAVIT OF HAE JEONG KANG
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013



A Commissioner, etc.

TAB AA

Ref. Unit #: **304**
304-1 Name of Purchaser: Mary Chon c/o Henry Chon
304-1 Date of RTOA: 24-Aug-05
304-1 Purchase Price: \$ 137,685
304-7.1 Rebate (10%): \$ (13,769)
 Deposits Paid

Date	Amount
24-Aug-05	\$ 1,377
03-Mar-06	\$ 7,276
05-May-06	\$ 12,000
21-Aug-06	\$ 6,884
11-Jan-07	\$ 13,768
7/20/2009*	\$ 12,500
2/18/2010*	\$ 2,500
7/14/2010*	\$ 42,500
8/3/2010*	\$ 7,500
1/14/2011*	\$ 17,612
Total	\$ 123,917

*Need proof of payment

Extras Paid

Date	Amount
08-Feb-10	\$ 4,500
02-Nov-09	\$ 1,731
Total	\$ 6,231

304-2 Date of Amended RTOA: 01-Apr-10
304-3.1 Date of Acknowledgement & Consent: 24-Aug-05
 Date of Amending Letter N/A
304-5 Date of Acknowledgement & Postponement: 26-Apr-07
 Price adjustments/rebates/offsets See 1-Oct-10 prom note
 Date of Promissory Note (lent to Rose):

			304	306
304-7	12-Jan-11	\$ 30,000	\$ 17,612	\$ 12,388
304-7.1	01-Oct-10	\$ 32,730	\$ 13,769	\$ 18,961
304-7.2	03-Aug-10	\$ 15,000	\$ 7,500	\$ 7,500
304-7.3	14-Jul-10	\$ 85,000	\$ 42,500	\$ 42,500
304-7.4	18-Feb-10	\$ 5,000	\$ 2,500	\$ 2,500
304-7.5	20-Jul-09	\$ 25,000	\$ 12,500	\$ 12,500
Promissory Note Principal Balance:			\$ 82,612	\$ 77,388
Monthly Promissory Note Payment:			N/A	
Promissory Note Principal Balance (lent from Rose;based on pre-rebate amt):			\$ 96,380	
Monthly Promissory Note Payment:			\$ 656.61	

*Payment schedule not followed by owner

Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

Net of loan to Rose of Sharon

Paid

(Promissory

Owed Note offset) Unpaid

	Owed	Note offset)	Unpaid
Nov-10	\$ 542	\$ 542	\$ -
Dec-10	\$ 542	\$ 542	\$ -
Jan-11	\$ 542	\$ 542	\$ -
Feb-11	\$ 542	\$ 542	\$ -
Mar-11	\$ 542	\$ 542	\$ -
Apr-11	\$ 542	\$ 542	\$ -
May-11	\$ 542	\$ 542	\$ -
Jun-11	\$ 542	\$ 542	\$ -

CAM Costs

	Owed	Paid	Unpaid
	\$ 520	\$ -	\$ 520
	\$ 520	\$ -	\$ 520
	\$ 520	\$ 1,038	\$ (518)
	\$ 520		\$ 520
	\$ 520		\$ 520
	\$ 520		\$ 520
	\$ 520		\$ 520
	\$ 520		\$ 520

Jul-11	\$ 542	\$ 542	\$ -	\$ 520		\$ 520
Aug-11	\$ 542	\$ 542	\$ -	\$ 520		\$ 520
Sep-11	\$ 542	\$ 542	\$ -	\$ 530	\$ 2,535	\$ (2,005)
Oct-11	\$ 542	\$ 542	\$ -	\$ 530		\$ 530
Nov-11	\$ -	\$ -	\$ -	\$ 356		\$ 356
Dec-11	\$ -	\$ -	\$ -	\$ 356		\$ 356
Jan-12	\$ -	\$ -	\$ -	\$ 356	\$ 1,068	\$ (712)
Feb-12	\$ 2,057	\$ 514	\$ 1,543	\$ 356	\$ 54	\$ 302
Mar-12	\$ 514	\$ 514	\$ 514	\$ 356	\$ 352	\$ 4
Apr-12	\$ 514	\$ 514	\$ -	\$ 356	\$ 108	\$ 248
May-12	\$ 514	\$ 514	\$ -	\$ 356	\$ 327	\$ 29
Jun-12	\$ 514	\$ 514	\$ -	\$ 356	\$ 327	\$ 29
Jul-12	\$ 514	\$ -	\$ 514	\$ 356	\$ 227	\$ 129
Aug-12	\$ (4,630)	\$ 514	\$ (5,144)	\$ 356	\$ 115	\$ 241
Sep-12	\$ -	\$ 5,128	\$ (5,128)	\$ 356	\$ -	\$ 356
Total:	\$ 6,501	\$ 14,202	\$ (7,701)	\$ 10,176	\$ 6,151	\$ 4,025
Balance owing:			<u>\$ (7,701)</u>			<u>\$ 4,025</u>

Ref. Unit #: **306**
306-1 Name of Purchaser: Mary Chon
306-1 Date of RTOA: 10-May-05
306-1 Purchase Price: \$ 189,610
306-7.1 Rebates (10%): \$ (18,961)
 Deposits Paid

Comments	Date	Amount
	19-May-05	\$ 1,896
	29-Jun-05	\$ 17,065
	03-Mar-06	\$ 9,481
	29-Aug-06	\$ 9,481
	11-Jan-07	\$ 18,962
	7/20/2009*	\$ 12,500
	2/18/2010*	\$ 2,500
	7/14/2010*	\$ 42,500
	8/3/2010*	\$ 7,500
	1/14/2011*	\$ 12,388
	5/19/2011*	\$ 34,759
	11/2/2009	
Reconciliation of payments	& 2/8/2010	\$ 1,617
	Total	\$ 170,649

*need proof of payment

Extras Paid

Date	Amount
01-Mar-10	\$ 4,500
02-Nov-09	\$ 1,496
Total	\$ 5,996

306-2 Date of Amended RTOA: 01-Apr-10
306-3.1 Date of Acknowledgement & Consent: 10-May-05
 Date of Amending Letter N/A
306-5 Date of Acknowledgement & Postponement: 26-Apr-07
 Price adjustments/rebates/offsets See 1-Oct-10 prom note
 Date of Promissory Note (lent to Rose):

		304	306
306-7	12-Jan-11	\$ 30,000	\$ 17,612
306-7.1	01-Oct-10	\$ 32,730	\$ 13,769
306-7.2	03-Aug-10	\$ 15,000	\$ 7,500
306-7.3	14-Jul-10	\$ 85,000	\$ 42,500
306-7.4	18-Feb-10	\$ 5,000	\$ 2,500
306-7.5	20-Jul-09	\$ 25,000	\$ 12,500

Promissory Note Principal Balance: \$ 82,612 \$ 77,388
 Monthly Promissory Note Payment: N/A
 Promissory Note Principal Balance (lent from Rose;based on pre-rebate amt): \$ 132,725
 Monthly Promissory Note Payment: \$ 904.22
 *Payment schedule not followed by owner
 Date of Letter of Release: N/A

*Promissory Note Payments (interest & Principal)
 Net of loan to Rose of Sharon*

CAM Costs

	Paid (including promissory note offset)			CAM Costs		
	Owed	Unpaid		Owed	Paid	Unpaid
Nov-10	\$ 904	\$ 382	\$ 522	\$ 476	\$ -	\$ 476
Dec-10	\$ 904	\$ 382	\$ 522	\$ 476	\$ -	\$ 476
Jan-11	\$ 904	\$ 382	\$ 522	\$ 476	\$ 2,991	\$ (2,515)
Feb-11	\$ 904	\$ 382	\$ 522	\$ 476		\$ 476

Mar-11	\$ 904	\$ 382	\$ 522	\$ 476	\$ 476	
Apr-11	\$ 904	\$ 382	\$ 522	\$ 476	\$ 476	
May-11	\$ 904	\$ 382	\$ 522	\$ 476	\$ 476	
Jun-11	\$ 970	\$ 747	\$ 223	\$ 476	\$ 476	
Jul-11	\$ 970	\$ 747	\$ 223	\$ 476	\$ 476	
Aug-11	\$ 970	\$ 747	\$ 223	\$ 476	\$ 476	
Sep-11	\$ 970	\$ 747	\$ 223	\$ 486	\$ 2,535	\$ (2,049)
Oct-11	\$ 970	\$ 747	\$ 223	\$ 486	\$ 1,457	\$ (971)
Nov-11	\$ -	\$ -	\$ -	\$ 486	\$ -	\$ 486
Dec-11	\$ -	\$ -	\$ -	\$ 486	\$ -	\$ 486
Jan-12	\$ -	\$ -	\$ -	\$ 486	\$ -	\$ 486
Feb-12	\$ 894	\$ 224	\$ 670	\$ 486	\$ 50	\$ 436
Mar-12	\$ 224	\$ 224	\$ -	\$ 486	\$ 267	\$ 219
Apr-12	\$ 224	\$ -	\$ 224	\$ 486	\$ 219	\$ 267
May-12	\$ 224	\$ -	\$ 224	\$ 486	\$ -	\$ 486
Jun-12	\$ 224	\$ -	\$ 224	\$ 486	\$ -	\$ 486
Jul-12	\$ 224	\$ 224	\$ -	\$ 486	\$ 671	\$ (185)
Aug-12	\$ 224	\$ -	\$ 224	\$ 486	\$ 212	\$ 274
Sep-12	\$ (2,236)	\$ -	\$ (2,236)	\$ 486	\$ 4,031	\$ (3,545)
Total:	\$ 11,180	\$ 7,081	\$ 4,099	\$ 11,078	\$ 12,433	\$ (1,355)
Balance owing:			<u>\$ 4,099</u>			<u>\$ (1,355)</u>

TAB BB

Ref. Unit #: **308**
308-1 Name of Purchaser: Youngsook Cha
308-1 Date of RTOA: 18-Aug-06
308-1 Purchase Price: \$182,240
 Deposits Paid:

Date	Amount
21-Apr-06	\$ 1,466
29-Aug-06	\$ 13,197
18-Sep-06	\$ 18,224
18-Sep-06	\$ 3,561
21-Dec-06	\$ 5,000
19-Apr-07	\$ 13,224
Total	\$ 54,672

Extras Paid

Date	Amount
	\$ 3,874

308-2 Date of Amended RTOA: 01-Apr-10
308-3.1 Date of Acknowledgement & Consent: 18-Aug-06
 Date of Amending Letter: N/A
308-5 Date of Acknowledgement & Postponement: 30-Apr-07
 Price adjustments/rebates/offsets: N/A
 Date of Promissory Note (lent to Rose): N/A
 Promissory Note Principal Balance: N/A
 Monthly Promissory Note Payment: N/A
 Promissory Note (lent from Rose) Principal Balance: \$ 135,457
 Monthly Promissory Note Payment: \$ 923
 Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon

	Owed			Paid			Unpaid					
Nov-10	\$	895	\$	-	\$	895	\$	462	\$	-	\$	462
Dec-10	\$	895	\$	-	\$	895	\$	462	\$	-	\$	462
Jan-11	\$	895	\$	2,685	\$	(1,790)	\$	462	\$	1,386	\$	(924)
Feb-11	\$	895	\$		\$	895	\$	462			\$	462
Mar-11	\$	895	\$		\$	895	\$	462			\$	462
Apr-11	\$	895	\$		\$	895	\$	462			\$	462
May-11	\$	895	\$		\$	895	\$	462			\$	462
Jun-11	\$	895	\$	1,790	\$	(895)	\$	462	\$	924	\$	(462)
Jul-11	\$	895	\$		\$	895	\$	462	\$	-	\$	462
Aug-11	\$	895	\$	1,790	\$	(895)	\$	462	\$	924	\$	(462)
Sep-11	\$	2,525	\$		\$	2,525	\$	472			\$	472
Oct-11	\$	895	\$		\$	895	\$	472			\$	472
Nov-11	\$	895	\$	-	\$	895	\$	1,378			\$	1,378
Dec-11	\$	895	\$	-	\$	895	\$	1,378			\$	1,378
Jan-12	\$	895	\$	-	\$	895	\$	1,378			\$	1,378
Feb-12	\$	895	\$	-	\$	895	\$	482			\$	482
Mar-12	\$	895	\$	1,790	\$	(895)	\$	482	\$	964	\$	(482)
Apr-12	\$	895	\$	-	\$	895	\$	482	\$	50	\$	432
May-12	\$	895	\$	-	\$	895	\$	482			\$	482
Jun-12	\$	895	\$	-	\$	895	\$	482			\$	482
Jul-12	\$	895	\$	-	\$	895	\$	482			\$	482
Aug-12	\$	895	\$	-	\$	895	\$	482			\$	482
Sep-12	\$	895	\$	-	\$	895	\$	482			\$	482
Total:	\$	22,215	\$	8,055			\$	13,554	\$	4,248		
Balance owing:					\$	14,160					\$	9,306

TAB CC

Ref. Unit #: **706**
706-1 Name of Purchaser: Sung Sun Yoon / Mi-Kyung
706-1 Date of RTOA: 22-Sep-03
706-2 Purchase Price: \$ 111,195
 Deposits Paid:

Comments	Date	Amount
	14-Nov-03	\$ 10,590
	21-Jul-04	\$ 10,590
	21-Aug-06	\$ 10,590
	30-May-08	\$ 10,000
Promissory offset	22-Aug-09	\$ 10,000
Promissory offset	22-Oct-10	\$ 5,000
Promissory offset	25-Feb-11	\$ 49,561
	Total	\$106,331

Credit due to interest on early deposits and principal overpayment*

25-Feb-11 \$ 4,864

*This amount is not included on the master schedule as it is made up of interest on the prom notes and comes from a document provided by the unit holder

706-2 Date of Amended RTOA: 01-Apr-10
706-3 Date of Acknowledgement & Consent: Sep-03
 Date of Amending Letter N/A
706-5 Date of Acknowledgement & Postponement: 26-Apr-07
 Price adjustments/rebates/offsets N/A
 Date of Promissory Note (lent to Rose):
706-7 Replacement Note (Includes Interest) 01-Mar-11 \$ 78,752
706-7.1 18-Feb-11 \$ 49,561
706-7.2 Replacement Note (Includes Interest) 01-Nov-10 \$ 29,011
706-7.3 23-Oct-10 \$ 5,000
706-7.4 Replacement Note (Includes Interest) 01-Apr-10 \$ 22,828
706-7.5 24-Aug-09 \$ 10,000
706-7.6 30-May-08 \$ 10,000
 Promissory note (Creditor: Sung Sun Yoon) Principal Balance: \$ 74,561
 Monthly Promissory Note Payment: \$ 163
 Promissory note (Creditor: Rose of Sharon) Principal Balance: \$ 79,425
 Monthly Promissory Note Payment: \$ 541
 *Payment schedule not followed
 *No Promissory payments after Nov. 2011 required
 Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon

	Owed	Paid	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 541	\$ 163	\$ 378	\$ 406		\$ 406
Dec-10	\$ 541	\$ -	\$ 541	\$ 406	\$ -	\$ 406
Jan-11	\$ 541	\$ 1,082	\$ (541)	\$ 406	\$ 812	\$ (406)
Feb-11	\$ 541	\$ 163	\$ 378	\$ 406	\$ 589	\$ (183)
Mar-11	\$ 442	\$ 442	\$ -	\$ 406	\$ -	\$ 406
Apr-11	\$ 442	\$ 442	\$ -	\$ 406	\$ 812	\$ (406)

May-11	\$	442	\$	442	\$	-	\$	406	\$	406	\$	-
Jun-11	\$	442	\$	442	\$	-	\$	406	\$	1,180	\$	(774)
Jul-11	\$	442	\$	442	\$	-	\$	406	\$	1,180	\$	(774)
Aug-11	\$	442	\$	442	\$	-	\$	406	\$	1,180	\$	(774)
Sep-11	\$	442	\$	442	\$	-	\$	416	\$	1,180	\$	(764)
Oct-11	\$	442	\$	442	\$	-	\$	416			\$	416
Nov-11					\$	-	\$	416	\$	-	\$	416
Dec-11					\$	-	\$	416	\$	832	\$	(416)
Jan-12					\$	-	\$	416	\$	-	\$	416
Feb-12					\$	-	\$	416	\$	416	\$	-
Mar-12					\$	-	\$	416	\$	416	\$	-
Apr-12					\$	-	\$	416	\$	416	\$	-
May-12					\$	-	\$	416	\$	416	\$	-
Jun-12					\$	-	\$	416	\$	416	\$	-
Jul-12					\$	-	\$	416	\$	416	\$	-
Aug-12					\$	-	\$	416	\$	416	\$	-
Sep-12					\$	-	\$	416	\$	416	\$	-
Total:	\$	5,700	\$	4,944			\$	9,468	\$	11,499		
Balance owing:					\$	756					\$	(2,031)

TAB DD

Ref. Unit #: 707
 707-1 Name of Purchaser: Soon Sup Lee / Hyung Gook
 707-1 Date of RTOA: 06-Aug-09
 707-1 Purchase Price: \$ 177,645
 Deposits Paid:

Date	Amount
Prior to 02	\$ 5,000
28-Feb-03	\$ 2,000
01-May-03	\$ 3,350
09-May-03	\$ 5,000
21-Jun-04	\$ 37,000
05-Aug-04	\$ 36,220
31-Aug-06	\$ 6,833
22-Sep-08	\$ 30,000
21-May-09	\$ 10,000
27-Aug-09	\$ 5,000
15-Sep-10	\$ 20,000
17-Jan-11	\$ 8,935
Total	\$ 169,338

Interest on early paid deposit* \$ 8,307

*This amount is not included on the master schedule as it is made up of interest on the prom notes and comes from a document provided by the unit holder

Extras Paid: 05-Oct-09 \$ 893

707-2 Date of Amended RTOA: 01-Apr-10
 707-3.1 Date of Acknowledgement & Consent: 06-Aug-09
 Date of Amending Letter N/A
 707-5 Date of Acknowledgement & Postponement: 30-Apr-07
 Price adjustments/rebates/offsets N/A
 Date of Promissory Note (lent to Rose):
 707-7 Replacement Note (Includes Interest) 01-Nov-10 \$ 8,935 \$ 73,307
 707-7.1 15-Sep-10 \$ 20,000
 707-7.2 Replacement Note (Includes Interest) 01-Apr-10 \$ 50,636
 707-7.3 27-Aug-09 \$ 5,000
 707-7.4 21-May-09 \$ 10,000
 707-7.5 22-Sep-08 \$ 30,000
 Promissory Note Principal Balance: \$ 73,935
 Monthly Promissory Note Payment: \$ 463
 Promissory Note (lent from Rose) Principal Balance: \$ 82,242
 Monthly Promissory Note Payment: \$ 560
 *Payment schedule not followed
 *No Promissory payment after Nov. 2011
 Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon

	Paid (including promissory note offset)			Unpaid		
	Owed		Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 463	\$ 463	\$ -	\$ 612	\$ 612	\$ -
Dec-10	\$ 463	\$ 463	\$ -	\$ 612	\$ 612	\$ -
Jan-11	\$ 463	\$ 463	\$ -	\$ 612	\$ -	\$ 612
Feb-11	\$ 463	\$ 463	\$ -	\$ 612	\$ 612	\$ -

Mar-11	\$	463	\$	463	\$	-	\$	612	\$	612	\$	-
Apr-11	\$	463	\$	463	\$	-	\$	612			\$	612
May-11	\$	463	\$	463	\$	-	\$	612			\$	612
Jun-11	\$	463	\$	463	\$	-	\$	612	\$	357	\$	255
Jul-11	\$	463	\$	463	\$	-	\$	612	\$	612	\$	-
Aug-11	\$	463	\$	463	\$	-	\$	612			\$	612
Sep-11	\$	463	\$	463	\$	-	\$	622	\$	612	\$	10
Oct-11	\$	463	\$	463	\$	-	\$	622			\$	622
Nov-11					\$	-	\$	622			\$	622
Dec-11					\$	-	\$	622	\$	1,224	\$	(602)
Jan-12					\$	-	\$	622	\$	622	\$	-
Feb-12					\$	-	\$	622	\$	622	\$	-
Mar-12					\$	-	\$	622	\$	622	\$	-
Apr-12					\$	-	\$	622	\$	622	\$	-
May-12					\$	-	\$	622	\$	622	\$	-
Jun-12					\$	-	\$	622	\$	622	\$	-
Jul-12					\$	-	\$	622	\$	622	\$	-
Aug-12					\$	-	\$	622	\$	622	\$	-
Sep-12					\$	-	\$	622	\$	622	\$	-
Total:	\$	5,556	\$	5,556			\$	14,206	\$	10,851		
Balance owing:					\$	-					\$	3,355

TAB EE

Ref.	Unit #:	708
708-1	Name of Purchaser:	Kyung Yurl Lee / Jung Ja Lee
708-1	Date of RTOA:	06-Nov-09
708-4	Purchase Price:	\$ 196,000
	Deposits Paid:	
		Date Amount Comments
		18-Nov-09 \$ 29,065
		18-Nov-09 \$ 22,235
		01-Nov-10 \$ 119,700 Promissory offset
		08-Sep-11 \$ 25,000 Promissory offset
		Total \$ 196,000

Extras Paid:	Date Amount
	Paid, Unknown date \$ 580

708-2	Date of Amended RTOA:	01-Apr-10
708-3.1	Date of Acknowledgement & Consent:	06-Nov-09
708-4	Date of Amending Letter	14-Nov-11
708-5	Date of Acknowledgement & Postponement:	26-Apr-07
	Price adjustments/rebates/offsets	N/A
708-7	Date of Promissory Note (lent to Rose):	01-Nov-10
708-7	Promissory Note Principal Balance:	\$ 119,700
	Monthly Promissory Note Payment:	N/A
	Promissory Note Principal Balance (lent from Rose)*:	\$ 144,700
	Monthly Promissory Note Payment:	\$ 815
	* No monthly payments made, full principal balance paid in full	
	Date of Letter of Release:	N/A

Promissory Note Payments (interest & Principal) *CAM Costs*
Net of loan to Rose of Sharon

	Paid (including promissory note offset) Unpaid			Owed Paid Unpaid		
Nov-10	\$ 673	\$ 673	\$ -	\$ 419	\$ -	\$ 419
Dec-10	\$ 673	\$ 673	\$ -	\$ 419	\$ -	\$ 419
Jan-11	\$ 673	\$ 673	\$ -	\$ 419	\$ 1,257	\$ (838)
Feb-11	\$ 673	\$ 673	\$ -	\$ 419	\$ 419	\$ -
Mar-11	\$ 673	\$ 673	\$ -	\$ 419	\$ 419	\$ -
Apr-11	\$ 673	\$ 673	\$ -	\$ 419	\$ 419	\$ -
May-11	\$ 673	\$ 673	\$ -	\$ 419		\$ 419
Jun-11	\$ 673	\$ 673	\$ -	\$ 419		\$ 419
Jul-11	\$ 673	\$ 673	\$ -	\$ 419		\$ 419
Aug-11	\$ 673	\$ 673	\$ -	\$ 419		\$ 419
Sep-11	\$ 673	\$ 673	\$ -	\$ 429	\$ 2,103	\$ (1,674)
Oct-11	\$ 673	\$ 673	\$ -	\$ 429		\$ 429
Nov-11			\$ -	\$ 429	\$ 429	\$ -
Dec-11			\$ -	\$ 857	\$ 429	\$ 428
Jan-12			\$ -	\$ 429	\$ 429	\$ -
Feb-12			\$ -	\$ 429	\$ 429	\$ -
Mar-12			\$ -	\$ 529	\$ 529	\$ -
Apr-12			\$ -	\$ 429	\$ 429	\$ -
May-12			\$ -	\$ 429	\$ 429	\$ -
Jun-12			\$ -	\$ 429	\$ 429	\$ -
Jul-12			\$ -	\$ 429	\$ 429	\$ -
Aug-12			\$ -	\$ 429	\$ 429	\$ -
Sep-12			\$ -	\$ 429	\$ 429	\$ -
Total:	\$ 8,076	\$ 8,076		\$ 10,295	\$ 9,436	

Balance owing:

\$ -

\$ 859

TAB FF

Ref. Unit #: **709**
709-1 Name of Purchaser: Young Ok Chun
709-1 Date of RTOA: 26-Oct-96
709-2 Purchase Price: \$ 132,407
 Deposits Paid:(payments aggregated with 711)

Date	Amount	709	711
Prior to 02	\$ 44,800	\$ 22,400	\$ 22,400
07-Apr-03	\$ 13,000	\$ 6,500	\$ 6,500
29-Apr-03	\$ 10,000	\$ 5,000	\$ 5,000
15-May-03	\$ 2,000	\$ 1,000	\$ 1,000
12-Sep-03	\$ 1,900	\$ 950	\$ 950
23-Dec-03	\$ 3,500	\$ 1,750	\$ 1,750
12-Jul-04	\$ 2,000	\$ 1,000	\$ 1,000
11-Aug-04	\$ 6,300	\$ 3,150	\$ 3,150
07-Oct-04	\$ 5,000	\$ 2,500	\$ 2,500
25-Oct-04	\$ 5,008	\$ 2,504	\$ 2,504
08-Mar-05	\$ 5,000	\$ 2,500	\$ 2,500
04-Oct-05	\$ 1,000	\$ 500	\$ 500
21-Dec-05	\$ 1,000	\$ 500	\$ 500
17-Feb-06	\$ 18,000	\$ 9,000	\$ 9,000
13-Mar-06	\$ 3,000	\$ 1,500	\$ 1,500
18-Mar-06	\$ 1,300	\$ 650	\$ 650
18-May-06	\$ 1,800	\$ 900	\$ 900
25-May-06	\$ 1,500	\$ 750	\$ 750
22-Jun-06	\$ 2,000	\$ 1,000	\$ 1,000
27-Jun-06	\$ 1,300	\$ 650	\$ 650
11-Sep-06	\$ 1,200	\$ 600	\$ 600
28-Sep-06	\$ 3,000	\$ 1,500	\$ 1,500
31-May-07	\$ 5,000	\$ 2,500	\$ 2,500
14-Jun-07	\$ 1,000	\$ 500	\$ 500
Total	\$ 139,608	\$ 69,804	\$ 69,804

Prom Note	06-Oct-06	\$ 17,000	\$ 8,500	\$ 8,500
Prom Note	17-Oct-06	\$ 3,000	\$ 1,500	\$ 1,500
Prom Note	23-Oct-06	\$ 10,000	\$ 5,000	\$ 5,000
Prom Note	11-Jan-07	\$ 10,000	\$ 5,000	\$ 5,000
Prom Note	13-Aug-08	\$ 10,000	\$ 5,000	\$ 5,000
Prom Note	14-May-09	\$ 10,000	\$ 5,000	\$ 5,000
Prom Note	25-Aug-09	\$ 9,950	\$ 4,975	\$ 4,975
Prom Note	12-Oct-10	\$ 45,000	\$ 27,628	\$ 17,372
Total		\$ 114,950	\$ 62,603	\$ 52,347

Extras Paid: 10-Aug-09 \$ 4,656

709-2 Date of Amended RTOA: 01-May-10
709-3 Date of Acknowledgement & Consent: unknown
 Date of Amending Letter N/A
709-5 Date of Acknowledgement & Postponement: 30-Apr-07
 Price adjustments/rebates/offsets N/A
 Date of Promissory Note (lent to Rose):
709-7 Replacement Note (Includes Interest) 01-Nov-10 \$ 135,402
709-7.1 11-Oct-10 \$ 45,000
709-7.2 Replacement Note (Includes Interest) 01-Oct-10 \$ 90,402
709-7.3 Replacement Note (Includes Interest) 01-May-10 \$ 20,000 \$ 67,290
709-7.4 25-Aug-09 \$ 9,950
709-7.5 14-May-09 \$ 10,000
709-7.6 13-Aug-08 \$ 10,000
709-7.7 27-Oct-07 \$ 10,000
709-7.8 12-Jan-07 \$ 10,000

Promissory Note Principal Balance (Creditor: Young Ok Jeon) \$ 62,603
 Monthly Promissory Note Payment: \$ 491
 Promissory Note Principal Balance (Creditor: Rose of Sharon) (aggregated with unit 711): \$ 105,738
 Monthly Promissory Note Payment: \$ 720
 Director's Loan (recorded under 711): \$ 25,000
 *Under ownership name of Jeon Young Ok
 *No promissory payment required
 Date of Letter of Release: N/A

*Promissory Note Payments (interest & Principal)
 Net of loan to Rose of Sharon*

CAM Costs

	Paid (including promissory note offset)			CAM Costs		
	Owed	Owed	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 309	\$ 309	\$ -	\$ 543		\$ 543
Dec-10	\$ 309	\$ 309	\$ -	\$ 543		\$ 543
Jan-11	\$ 309	\$ 309	\$ -	\$ 543		\$ 543
Feb-11	\$ 309	\$ 309	\$ -	\$ 504		\$ 504
Mar-11	\$ 309	\$ 309	\$ -	\$ 504		\$ 504
Apr-11	\$ 309	\$ 309	\$ -	\$ 504		\$ 504
May-11	\$ 309	\$ 309	\$ -	\$ 504		\$ 504
Jun-11	\$ 309	\$ 309	\$ -	\$ 504		\$ 504
Jul-11	\$ 309	\$ 309	\$ -	\$ 504		\$ 504
Aug-11	\$ 309	\$ 309	\$ -	\$ 504		\$ 504
Sep-11	\$ 309	\$ 309	\$ -	\$ 514		\$ 514
Oct-11	\$ 309	\$ 309	\$ -	\$ 514		\$ 514
Nov-11	\$ 309	\$ 309	\$ -	\$ 408	\$ 408	\$ -
Dec-11	\$ 309	\$ 309	\$ -	\$ 408	\$ 408	\$ -
Jan-12	\$ 309	\$ 309	\$ -	\$ 844	\$ 844	\$ -
Feb-12	\$ 309	\$ 309	\$ -	\$ 553	\$ -	\$ 553
Mar-12	\$ 309	\$ 309	\$ -	\$ 603	\$ 1,107	\$ (504)
Apr-12	\$ 309	\$ 309	\$ -	\$ 593	\$ 50	\$ 543
May-12	\$ 309	\$ 309	\$ -	\$ 553	\$ -	\$ 553
Jun-12	\$ 309	\$ 309	\$ -	\$ 553	\$ 1,147	\$ (594)
Jul-12	\$ 309	\$ 309	\$ -	\$ 553	\$ -	\$ 553
Aug-12	\$ 309	\$ 309	\$ -	\$ 553	\$ 1,107	\$ (554)
Sep-12	\$ 309	\$ 309	\$ -	\$ 553	\$ -	\$ 553
Total:	\$ 7,107	\$ 7,107		\$ 12,359	\$ 5,071	
Balance owing:			<u>\$ -</u>			<u>\$ 7,288</u>

Ref.	Unit #:	711				
709-1	Name of Purchaser:	Young Ok Chun				
709-1	Date of RTOA:	26-Oct-96				
709-2	Purchase Price:	\$114,439				
	Deposits Paid *(payments aggregated with 709)					
		Date	Amount	709	711	
		Prior to 02	\$ 44,800	\$ 22,400	\$ 22,400	
		07-Apr-03	\$ 13,000	\$ 6,500	\$ 6,500	
		29-Apr-03	\$ 10,000	\$ 5,000	\$ 5,000	
		15-May-03	\$ 2,000	\$ 1,000	\$ 1,000	
		12-Sep-03	\$ 1,900	\$ 950	\$ 950	
		23-Dec-03	\$ 3,500	\$ 1,750	\$ 1,750	
		12-Jul-04	\$ 2,000	\$ 1,000	\$ 1,000	
		11-Aug-04	\$ 6,300	\$ 3,150	\$ 3,150	
		07-Oct-04	\$ 5,000	\$ 2,500	\$ 2,500	
		25-Oct-04	\$ 5,008	\$ 2,504	\$ 2,504	
		08-Mar-05	\$ 5,000	\$ 2,500	\$ 2,500	
		04-Oct-05	\$ 1,000	\$ 500	\$ 500	
		21-Dec-05	\$ 1,000	\$ 500	\$ 500	
		17-Feb-06	\$ 18,000	\$ 9,000	\$ 9,000	
		13-Mar-06	\$ 3,000	\$ 1,500	\$ 1,500	
		18-Mar-06	\$ 1,300	\$ 650	\$ 650	
		18-May-06	\$ 1,800	\$ 900	\$ 900	
		25-May-06	\$ 1,500	\$ 750	\$ 750	
		22-Jun-06	\$ 2,000	\$ 1,000	\$ 1,000	
		27-Jun-06	\$ 1,300	\$ 650	\$ 650	
		11-Sep-06	\$ 1,200	\$ 600	\$ 600	
		28-Sep-06	\$ 3,000	\$ 1,500	\$ 1,500	
		31-May-07	\$ 5,000	\$ 2,500	\$ 2,500	
		14-Jun-07	\$ 1,000	\$ 500	\$ 500	
			\$139,608	\$ 69,804	\$ 69,804	
		Prom Note	06-Oct-06	\$ 17,000	\$ 8,500	\$ 8,500
		Prom Note	17-Oct-06	\$ 3,000	\$ 1,500	\$ 1,500
		Prom Note	23-Oct-06	\$ 10,000	\$ 5,000	\$ 5,000
		Prom Note	11-Jan-07	\$ 10,000	\$ 5,000	\$ 5,000
		Prom Note	13-Aug-08	\$ 10,000	\$ 5,000	\$ 5,000
		Prom Note	14-May-09	\$ 10,000	\$ 5,000	\$ 5,000
		Prom Note	25-Aug-09	\$ 9,950	\$ 4,975	\$ 4,975
		Prom Note	12-Oct-10	\$ 45,000	\$ 27,628	\$ 17,372
			Total	\$114,950	\$ 62,603	\$ 52,347
	*Need proof of payments					
	Extras Paid:	10-Aug-09	\$ 12,575	\$ 6,287.50	\$ 6,287.50	
709-2	Date of Amended RTOA:	01-May-10				
709-3	Date of Acknowledgement & Consent:	unknown				
	Date of Amending Letter	N/A				
709-5	Date of Acknowledgement & Postponement:	30-Apr-07				
	Price adjustments/rebates/offsets	N/A				
	Date of Promissory Note (lent to Rose):					
709-7	Replacement Note (Includes Interest)	01-Nov-10		\$ 135,402		
709-7.1		11-Oct-10	\$ 45,000			
709-7.2	Replacement Note (Includes Interest)	01-Oct-10		\$ 90,402		
709-7.3	Replacement Note (Includes Interest)	01-May-10	\$ 20,000	\$ 67,290		
709-7.4		25-Aug-09	\$ 9,950			
709-7.5		14-May-09	\$ 10,000			
709-7.6		13-Aug-08	\$ 10,000			
709-7.7		27-Oct-07	\$ 10,000			
709-7.8		12-Jan-07	\$ 10,000			

Promissory Note Principal Balance (Creditor: Young Ok Jeon)	\$ 52,347
Monthly Promissory Note Payment:	\$ 491
Promissory Note Principal Balance (Creditor: Rose of Sharon)	\$105,738
Monthly Promissory Note Payment:	\$ 720
Director's Loan (recorded under 711):	\$ 25,000
Date of Letter of Release:	N/A

<i>Promissory Note Payments (interest & Principal)</i>				<i>CAM Costs</i>		
<i>Net of loan to Rose of Sharon</i>						
	Paid					
	(including promissory note offset)					
	Owed	offset	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Dec-10	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Jan-11	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Feb-11	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Mar-11	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Apr-11	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
May-11	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Jun-11	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Jul-11	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Aug-11	\$ 285	\$ 452	\$ (167)	\$ 512		\$ 512
Sep-11	\$ 285	\$ 452	\$ (167)	\$ 522		\$ 522
Oct-11	\$ 285	\$ 452	\$ (167)	\$ 522		\$ 522
Nov-11	\$ 285	\$ 452	\$ (167)	\$ 355	\$ 461	\$ (106)
Dec-11	\$ 285	\$ 452	\$ (167)	\$ 355	\$ 461	\$ (106)
Jan-12	\$ 285	\$ 452	\$ (167)	\$ 237	\$ 26	\$ 211
Feb-12	\$ 285	\$ 452	\$ (167)	\$ 522	\$ -	\$ 522
Mar-12	\$ 285	\$ 452	\$ (167)	\$ 522	\$ 711	\$ (189)
Apr-12	\$ 285	\$ 452	\$ (167)	\$ 355	\$ -	\$ 355
May-12	\$ 285	\$ 452	\$ (167)	\$ 355	\$ -	\$ 355
Jun-12	\$ 285	\$ 452	\$ (167)	\$ 355	\$ 711	\$ (356)
Jul-12	\$ 285	\$ 452	\$ (167)	\$ 355	\$ -	\$ 355
Aug-12	\$ 285	\$ 452	\$ (167)	\$ 355	\$ 711	\$ (356)
Sep-12	\$ 285	\$ 452	\$ (167)	\$ 355	\$ 355	\$ -
Total:	\$ 6,555	\$ 10,396	\$ (3,841)	\$ 10,285	\$ 3,436	\$ 6,849
Balance owing:*			\$ (3,841)			\$ 6,849

*Excess Payments have been paid out each month

TAB GG

Ref.	Unit #:	803																								
803-1	Name of Purchaser:	Bog Shim Shin																								
803-1	Date of RTOA:	30-Dec-99																								
803-2	Purchase Price:	\$ 143,000																								
	Deposits Paid	<table border="0"> <tr> <td></td> <td><u>Date</u></td> <td><u>Amount</u></td> </tr> <tr> <td></td> <td>30-Dec-99</td> <td>\$ 3,500</td> </tr> <tr> <td></td> <td>30-Jun-03</td> <td>\$ 4,000</td> </tr> <tr> <td></td> <td>30-Jul-03</td> <td>\$ 3,500</td> </tr> <tr> <td></td> <td>04-Feb-04</td> <td>\$ 8,500</td> </tr> <tr> <td></td> <td>04-Apr-06</td> <td>\$ 10,000</td> </tr> <tr> <td></td> <td>12-Dec-06</td> <td><u>\$ 10,000</u></td> </tr> <tr> <td></td> <td>Total</td> <td>\$ 39,500</td> </tr> </table>		<u>Date</u>	<u>Amount</u>		30-Dec-99	\$ 3,500		30-Jun-03	\$ 4,000		30-Jul-03	\$ 3,500		04-Feb-04	\$ 8,500		04-Apr-06	\$ 10,000		12-Dec-06	<u>\$ 10,000</u>		Total	\$ 39,500
	<u>Date</u>	<u>Amount</u>																								
	30-Dec-99	\$ 3,500																								
	30-Jun-03	\$ 4,000																								
	30-Jul-03	\$ 3,500																								
	04-Feb-04	\$ 8,500																								
	04-Apr-06	\$ 10,000																								
	12-Dec-06	<u>\$ 10,000</u>																								
	Total	\$ 39,500																								

Extras Paid	<u>Date</u>	<u>Amount</u>
	Unknown	\$ 774

803-9	Loan from Rose: 54500																
	Repayment date	<table border="0"> <tr> <td></td> <td><u>Date</u></td> <td><u>Amount</u></td> </tr> <tr> <td></td> <td>31-Oct-08</td> <td>20000</td> </tr> <tr> <td></td> <td>21-May-09</td> <td>10000</td> </tr> <tr> <td></td> <td>01-Jul-09</td> <td><u>10000</u></td> </tr> <tr> <td></td> <td>Total</td> <td>\$ 40,000</td> </tr> </table>		<u>Date</u>	<u>Amount</u>		31-Oct-08	20000		21-May-09	10000		01-Jul-09	<u>10000</u>		Total	\$ 40,000
	<u>Date</u>	<u>Amount</u>															
	31-Oct-08	20000															
	21-May-09	10000															
	01-Jul-09	<u>10000</u>															
	Total	\$ 40,000															

Net Balance after repayment: 14500

803-2	Date of Amended RTOA:	01-Apr-10
	Date of Acknowledgement & Consent:	N/A
	Date of Amending Letter	N/A
803-5	Date of Acknowledgement & Postponement:	30-Apr-07
	Price adjustments/rebates/offsets	N/A
	Date of Promissory Note (lent to Rose):	N/A
	Promissory Note Principal Balance:	N/A
	Monthly Promissory Note Payment:	N/A
	Promissory Note Principal Balance (lent from Rose)*:	\$ 74,939
	Monthly Promissory Note Payment:	\$ 511
	*Payment schedule not followed. Different loan schedule followed by owner (see below)	
	Date of Letter of Release:	N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon

	<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>	<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>
Nov-10	\$ 334	\$ -	\$ 334	\$ 536	\$ -	\$ 536
Dec-10	\$ 334	\$ -	\$ 334	\$ 536	\$ -	\$ 536
Jan-11	\$ 334	\$ 1,002	\$ (668)	\$ 536	\$ 1,608	\$ (1,072)
Feb-11	\$ 334	\$ 334	\$ -	\$ 536	\$ 536	\$ -
Mar-11	\$ 334	\$ 334	\$ -	\$ 536	\$ 536	\$ -
Apr-11	\$ 334		\$ 334	\$ 536		\$ 536
May-11	\$ 334		\$ 334	\$ 536	\$ 191	\$ 345
Jun-11	\$ 334	\$ 334	\$ -	\$ 536	\$ 536	\$ -
Jul-11	\$ 334	\$ 334	\$ -	\$ 536	\$ 536	\$ -
Aug-11	\$ 334		\$ 334	\$ 536		\$ 536
Sep-11	\$ 334	\$ 334	\$ -	\$ 546	\$ 556	\$ (10)
Oct-11	\$ 334		\$ 334	\$ 546		\$ 546
Nov-11	\$ 334	\$ -	\$ 334	\$ 546	\$ -	\$ 546
Dec-11	\$ 334	\$ 668	\$ (334)	\$ 546	\$ 1,092	\$ (546)
Jan-12	\$ 334	\$ 334	\$ -	\$ 546	\$ 546	\$ -
Feb-12	\$ 334	\$ -	\$ 334	\$ 546	\$ -	\$ 546

Mar-12	\$ 334	\$ 668	\$ (334)	\$ 596	\$ 1,192	\$ (596)
Apr-12	\$ 334	\$ -	\$ 334	\$ 546	\$ 50	\$ 496
May-12	\$ 334	\$ 668	\$ (334)	\$ 546	\$ 1,092	\$ (546)
Jun-12	\$ 334	\$ 334	\$ -	\$ 546	\$ 546	\$ -
Jul-12	\$ 334	\$ 334	\$ -	\$ 546	\$ 546	\$ -
Aug-12	\$ 334	\$ 334	\$ -	\$ 546	\$ 546	\$ -
Sep-12	\$ 334	\$ -	\$ 334	\$ 546	\$ -	\$ 546
Total:	\$ 7,682	\$ 6,012		\$ 12,508	\$ 10,109	
Balance owing:			<u>\$ 1,670</u>			<u>\$ 2,399</u>

TAB III

Ref. Unit #: **805**
805-1 Name of Purchaser: Han Hyeong Lee / Hae-Jeong Kang
805-1 Date of RTOA: 31-Dec-03
805-1.2 Purchase Price: \$ 195,000
 Deposits Paid

Date	Amount	Comments
15-Jan-04	\$ 1,950	
12-Feb-04	\$ 19,500	
19-May-05	\$ 17,750	
02-Aug-06	\$ 19,500	
01-Jul-11	\$ 134,107	
01-Jul-11	\$ 2,193	Principal paid monthly fee
Total	\$ 195,000	

Extras Paid: unknown \$ 1,614

805-2 Date of Amended RTOA: 01-Apr-10
805-3 Date of Acknowledgement & Consent: 15-Jan-04
 Date of Amending Letter N/A
805-5 Date of Acknowledgement & Postponement: 26-Apr-07
 Price adjustments/rebates/offsets N/A
 Date of Promissory Note (lent to Rose): N/A
 Promissory Note Principal Balance: N/A
 Monthly Promissory Note Payment: N/A
 Promissory Note (lent from Rose) Principal Balance: \$ 136,300
 Monthly Promissory Note Payment: \$ 929
 *No promissory payments after Nov 2011
 Date of Letter of Release: N/A

*Promissory Note Payments
 (interest & Principal)
 Net of loan to Rose of Sharon*

CAM Costs

	Owed	Paid	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 929		\$ 929	\$ 681		\$ 681
Dec-10	\$ 929		\$ 929	\$ 681		\$ 681
Jan-11	\$ 929		\$ 929	\$ 681		\$ 681
Feb-11	\$ 929		\$ 929	\$ 681		\$ 681
Mar-11	\$ 929		\$ 929	\$ 681		\$ 681
Apr-11	\$ 929		\$ 929	\$ 681	\$ 9,751	\$ (9,070)
May-11	\$ 929		\$ 929	\$ 681		\$ 681
Jun-11	\$ 929		\$ 929	\$ 681		\$ 681
Jul-11	\$ -		\$ -	\$ 681	\$ 2,637	\$ (1,956)
Aug-11	\$ -		\$ -	\$ 681	\$ 681	\$ -
Sep-11	\$ -		\$ -	\$ 691	\$ 1,373	\$ (682)
Oct-11	\$ -		\$ -	\$ 691		\$ 691
Nov-11	\$ -	\$ -	\$ -	\$ 691	\$ 691	\$ -
Dec-11	\$ -	\$ -	\$ -	\$ 691	\$ 1,393	\$ (702)
Jan-12	\$ -	\$ -	\$ -	\$ 691	\$ -	\$ 691
Feb-12	\$ -	\$ -	\$ -	\$ 691	\$ 691	\$ -
Mar-12	\$ -	\$ -	\$ -	\$ 741	\$ 691	\$ 50
Apr-12	\$ -	\$ -	\$ -	\$ 691	\$ 741	\$ (50)
May-12	\$ -	\$ -	\$ -	\$ 691	\$ 691	\$ -
Jun-12	\$ -	\$ -	\$ -	\$ 691	\$ 691	\$ -
Jul-12	\$ -	\$ -	\$ -	\$ 691	\$ 691	\$ -
Aug-12	\$ -	\$ -	\$ -	\$ 691	\$ 691	\$ -
Sep-12	\$ -	\$ -	\$ -	\$ 691	\$ 691	\$ -
Total:	\$ 7,432	\$ -	\$ -	\$ 15,843	\$ 22,104	\$ -
Balance owing:			<u>\$ 7,432</u>			<u>\$ (6,261)</u>

Loan Amounts in excess of unit purchase and Costs (Creditor: Korean Credit Union)

<u>Date</u>	<u>Amount</u>
03-Nov-09	\$ 25,000

**April 2011 CAM payments is aggregated with unit 908

TAB II

Ref.	Unit #:	806
806-1	Name of Purchaser:	EunKyung Yim
806-1	Date of RTOA:	13-May-05
806-1	Purchase Price:	\$ 182,838
806-6	Rebate (5%):	\$ (9,142)
	Deposits Paid	
		Date Amount
		19-May-05 \$ 1,828
		19-Jul-05 \$ 16,455
		20-Feb-06 \$ 9,142
		18-Aug-06 \$ 9,142
		05-Dec-06 \$ 18,284
		Total \$ 54,851

Extras Paid:	Date Amount
	20-Sep-09 \$ 520

	Date of Amended RTOA:	N/A
806-3.1	Date of Acknowledgement & Consent:	13-May-05
	Date of Amending Letter	N/A
806-5	Date of Acknowledgement & Postponement:	30-Apr-07
806-6	Price adjustments/rebates/offsets	13-May-05
	Date of Promissory Note (lent to Rose):	N/A
	Promissory Note Principal Balance:	N/A
	Monthly Promissory Note Payment:	N/A
	Promissory Note (lent from Rose) Principal Balance:	N/A
	Monthly Promissory Note Payment:	N/A
	Date of Letter of Release:	N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon

	<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>		<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>
Nov-10	\$ 872		\$ 872		\$ 402		\$ 402
Dec-10	\$ 872		\$ 872		\$ 402		\$ 402
Jan-11	\$ 872		\$ 872		\$ 402		\$ 402
Feb-11	\$ 872		\$ 872		\$ 402		\$ 402
Mar-11	\$ 872		\$ 872		\$ 402	\$ 1,279	\$ (877)
Apr-11	\$ 872		\$ 872		\$ 402	\$ 1,279	\$ (877)
May-11	\$ 872		\$ 872		\$ 402	\$ 1,279	\$ (877)
Jun-11	\$ 872		\$ 872		\$ 402		\$ 402
Jul-11	\$ 872	\$ 872	\$ -		\$ 402	\$ 402	\$ -
Aug-11	\$ 872		\$ 872		\$ 402		\$ 402
Sep-11	\$ 872	\$ 872	\$ -		\$ 412	\$ 412	\$ -
Oct-11	\$ 872		\$ 872		\$ 412		\$ 412
Nov-11	\$ 872	\$ -	\$ 872		\$ 417	\$ -	\$ 417
Dec-11	\$ 872	\$ 1,744	\$ (872)		\$ 417	\$ 834	\$ (417)
Jan-12	\$ 872	\$ 872	\$ -		\$ 417	\$ 417	\$ -
Feb-12	\$ 872	\$ 872	\$ -		\$ 417	\$ 417	\$ -
Mar-12	\$ 872	\$ 872	\$ -		\$ 467	\$ 417	\$ 50
Apr-12	\$ 872	\$ 872	\$ -		\$ 417	\$ 467	\$ (50)
May-12	\$ 872	\$ 872	\$ -		\$ 417	\$ 417	\$ -
Jun-12	\$ 872	\$ 872	\$ -		\$ 417	\$ 417	\$ -
Jul-12	\$ 872	\$ 872	\$ -		\$ 417	\$ 417	\$ -
Aug-12	\$ 872	\$ 872	\$ -		\$ 417	\$ 417	\$ -
Sep-12	\$ 872	\$ 872	\$ -		\$ 417	\$ 417	\$ -
Total:	\$ 20,056	\$ 11,336			\$ 9,481	\$ 9,288	
Balance owing:			<u>\$ 8,720</u>				<u>\$ 193</u>

TAB JJ

Ref. Unit #: **807**
807-1 Name of Purchaser: Jong Ran Kim
807-1 Date of RTOA: 10-Dec-07
807-1 Purchase Price: \$214,500
 Deposits Paid:

Date	Amount
12-Dec-07	\$ 50,000
26-Sep-08	\$ 14,350
10-Feb-11	\$ 150,150
17-Dec-11	\$ 19,466
Total	\$ 233,966

Date of Amended RTOA: N/A
807-3.1 Date of Acknowledgement & Consent: 10-Dec-07
 Date of Amending Letter: N/A
807-5 Date of Acknowledgement & Postponement: Dec-07
 Price adjustments/rebates/offsets: N/A
807-7 Date of Promissory Note: 26-Sep-08
 Promissory Note Principal Balance (Creditor:Jong Ran Kim): Not signed - included with deposits above
 Monthly Promissory Note Payment: N/A
 Promissory Note (lent from Rose) Principal Balance: N/A
 Monthly Promissory Note Payment: N/A
 Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon Paid

	(including promissory note offset)			CAM Costs		
	Owed	Paid	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Dec-10	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Jan-11	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Feb-11	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Mar-11	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Apr-11	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
May-11	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Jun-11	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Jul-11	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Aug-11	\$ 845	\$ 845	\$ -	\$ 537		\$ 537
Sep-11	\$ 845	\$ 845	\$ -	\$ 547		\$ 547
Oct-11	\$ 845	\$ 845	\$ -	\$ 547		\$ 547
Nov-11	\$ 845	\$ 845	\$ -	\$ 547	\$ -	\$ 547
Dec-11	\$ 845	\$ 845	\$ -	\$ 547	\$ -	\$ 547
Jan-12	\$ 845	\$ 845	\$ -	\$ 547	\$ -	\$ 547
Feb-12	\$ 845	\$ 845	\$ -	\$ 547	\$ 1,642	\$ (1,095)
Mar-12	\$ 845	\$ 845	\$ -	\$ 547	\$ -	\$ 547
Apr-12	\$ 845	\$ 845	\$ -	\$ 587	\$ 547	\$ 40
May-12	\$ 845	\$ 845	\$ -	\$ 547	\$ 1,682	\$ (1,135)
Jun-12	\$ 845	\$ 845	\$ -	\$ 547	\$ -	\$ 547
Jul-12	\$ 845	\$ 845	\$ -	\$ 547	\$ 1,094	\$ (547)
Aug-12	\$ 845	\$ 845	\$ -	\$ 547	\$ 547	\$ -
Sep-12	\$ 845	\$ 845	\$ -	\$ 547	\$ 547	\$ -
Total:	\$ 19,435	\$ 19,435		\$ 12,521	\$ 6,059	
Balance owing:			\$ -			\$ 6,462

TAB KK

Ref. Unit #: **810**
810-1 Name of Purchaser: Sun Hwa Lee
810-1 Date of RTOA: 05-Sep-03
810-1.1 Purchase Price: \$100,000

Deposits Paid (aggregated with unit 812)		Date	Amount	810	812
		06-Sep-03	\$ 5,000	\$ 1,684	\$ 3,316
		06-Sep-03	\$ 5,000	\$ 1,684	\$ 3,316
		06-Sep-03	\$ 8,500	\$ 2,862	\$ 5,638
		11-Sep-03	\$ 1,200	\$ 404	\$ 796
		22-Dec-03	\$ 19,700	\$ 6,633	\$ 13,067
		13-Jul-06	\$ 19,700	\$ 6,633	\$ 13,067
		04-Dec-06	\$ 10,000	\$ 3,367	\$ 6,633
		Total	\$ 69,100	\$ 23,266	\$ 45,834

Appliance Credit:

Date	Amount		
12-Jan-11	\$ 1,467	\$ 1,467	\$ 1,478
12-Jan-11	\$ 1,100		
Total	\$ 2,567		

Extras Paid:

Date	Amount
06-Apr-10	\$ 1,310

810-2 Date of Amended RTOA: 01-Apr-10
810-3 Date of Acknowledgement & Consent: 05-Sep-03
 Date of Amending Letter: N/A
810-5 Date of Acknowledgement & Postponement: 30-Apr-07
 Price adjustments/rebates/offsets: N/A
 Date of Promissory Note:

	Date	Amount	810	812	
810-7.2	04-Oct-06	\$ 50,000	\$ 16,835	\$ 33,165	
810-7.2	12-Oct-06	\$ 15,000	\$ 5,051	\$ 9,949	
810-7.2	22-Dec-06	\$ 20,000	\$ 6,734	\$ 13,266	
810-7.3 Note replaced above	22-Dec-06				\$ 20,000
810-7.1 Replacement note (includes interest)	18-May-10				\$118,551
810-7	01-Jun-10	\$227,900	\$ 76,734	\$ 151,166	
		\$312,900	\$ 105,354	\$ 207,546	

Promissory Note Principal Balance
 (Creditor: Sun Hwa Lee)*:

\$ 105,354

Monthly Promissory Note Payment:

N/A

Promissory Note Principal Balance
 (Creditor: Rose of Sharon) (aggregated
 with unit 812)*:

\$ 227,900

Monthly Promissory Note Payment:

\$ 1,553

*Promissory note schedule not followed by owner

810-7.4 Date of Director's Loan (recorded under 810): 31-Jul-09
 Date of Letter of Release: N/A

*Promissory Note Payments (interest
 & Principal)
 Net of loan to Rose of Sharon*

CAM Costs

	Owed	Paid (including promissory note offset)	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 562	\$ 562	\$ -	\$ 394		\$ 394
Dec-10	\$ 562	\$ 562	\$ -	\$ 394		\$ 394
Jan-11	\$ 562	\$ 562	\$ -	\$ 394		\$ 394

Feb-11	\$	562	\$	562	\$	-	\$	394	\$	394
Mar-11	\$	562	\$	562	\$	-	\$	394	\$	394
Apr-11	\$	562	\$	562	\$	-	\$	394	\$	394
May-11	\$	562	\$	562	\$	-	\$	394	\$	394
Jun-11	\$	562	\$	562	\$	-	\$	394	\$	394
Jul-11	\$	562	\$	562	\$	-	\$	394	\$	394
Aug-11	\$	562	\$	562	\$	-	\$	394	\$	394
Sep-11	\$	562	\$	562	\$	-	\$	404	\$	404
Oct-11	\$	562	\$	562	\$	-	\$	404	\$	404
Nov-11	\$	562	\$	562	\$	-	\$	404	\$	404
Dec-11	\$	562	\$	562	\$	-	\$	404	\$	404
Jan-12	\$	562	\$	562	\$	-	\$	404	\$	404
Feb-12	\$	562	\$	562	\$	-	\$	404	\$	952
Mar-12	\$	562	\$	562	\$	-	\$	404	\$	262
Apr-12	\$	562	\$	562	\$	-	\$	404	\$	1,213
May-12	\$	562	\$	562	\$	-	\$	404	\$	404
Jun-12	\$	562	\$	562	\$	-	\$	404	\$	-
Jul-12	\$	562	\$	562	\$	-	\$	404	\$	809
Aug-12	\$	562	\$	562	\$	-	\$	404	\$	404
Sep-12	\$	562	\$	562	\$	-	\$	404	\$	404
Total:	\$	12,926	\$	12,926			\$	9,192	\$	4,448
Balance owing:					\$	-				<u>\$ 4,744</u>

Ref. Unit #:
810-1 Name of Purchaser:
810-1 Date of RTOA:
810-1.1 Purchase Price:
 Deposits Paid (aggregated with unit 810)

812
 Sun Hwa Lee
 05-Sep-03
 \$ 197,000

Date	Amount	810	812
06-Sep-03	\$ 5,000	\$ 1,684	\$ 3,316
06-Sep-03	\$ 5,000	\$ 1,684	\$ 3,316
06-Sep-03	\$ 8,500	\$ 2,862	\$ 5,638
11-Sep-03	\$ 1,200	\$ 404	\$ 796
22-Dec-03	\$ 19,700	\$ 6,633	\$ 13,067
13-Jul-06	\$ 19,700	\$ 6,633	\$ 13,067
04-Dec-06	\$ 10,000	\$ 3,367	\$ 6,633
Total	\$ 69,100	\$ 23,266	\$ 45,834

Appliance Credit

Date	Amount
12-Jan-11	\$ 1,478
12-Jan-11	\$ 1,100
Total	\$ 2,578

Extras Paid:

Date	Amount
06-Apr-10	\$ 1,898

810-2 Date of Amended RTOA: 01-Apr-10
810-3 Date of Acknowledgement & Consent: 05-Sep-03
 Date of Amending Letter N/A
810-5 Date of Acknowledgement & Postponement: 30-Apr-07
 Price adjustments/rebates/offsets N/A
 Date of Promissory Note:

			810	812	
810-7.2	04-Oct-06	\$ 50,000	\$ 16,835	\$ 33,165	
810-7.2	12-Oct-06	\$ 15,000	\$ 5,051	\$ 9,949	
810-7.2	22-Dec-06	\$ 20,000	\$ 6,734	\$ 13,266	
810-7.3	Note replace above	22-Dec-06			\$ 20,000
810-7.1	Replacement note (includes interest)	18-May-10			\$118,551
810-7		01-Jun-10	\$ 227,900	\$ 76,734	\$ 151,166
			\$ 312,900	\$105,354	\$ 207,546

Promissory Note Principal Balance (Creditor: Sun Hwa Lee)*: \$207,546
 *No promissory payments required N/A

Promissory Note Principal Balance (Creditor: Rose of Sharon) (aggregated with unit 810)*: \$227,900
 Monthly Promissory Note Payment: \$ 1,553

*Promissory note schedule not followed by owner

810-7.4 Date of Director's Loan (recorded under 810): 31-Jul-09
 Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon Paid

	Owed	(including promissory note offset)	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 720	\$ 720	\$ -	\$ 589		\$ 589
Dec-10	\$ 720	\$ 720	\$ -	\$ 589		\$ 589
Jan-11	\$ 720	\$ 720	\$ -	\$ 589		\$ 589
Feb-11	\$ 720	\$ 720	\$ -	\$ 589		\$ 589
Mar-11	\$ 720	\$ 720	\$ -	\$ 589		\$ 589

Apr-11	\$	720	\$	720	\$	-	\$	589	\$	589
May-11	\$	720	\$	720	\$	-	\$	589	\$	589
Jun-11	\$	720	\$	720	\$	-	\$	589	\$	589
Jul-11	\$	720	\$	720	\$	-	\$	589	\$	589
Aug-11	\$	720	\$	720	\$	-	\$	589	\$	589
Sep-11	\$	720	\$	720	\$	-	\$	599	\$	599
Oct-11	\$	720	\$	720	\$	-	\$	599	\$	599
Nov-11	\$	720	\$	720	\$	-	\$	599	\$	599
Dec-11	\$	720	\$	720	\$	-	\$	599	\$	599
Jan-12	\$	720	\$	720	\$	-	\$	599	\$	599
Feb-12	\$	720	\$	720	\$	-	\$	599	\$	2,060
Mar-12	\$	720	\$	720	\$	-	\$	599	\$	742
Apr-12	\$	720	\$	720	\$	-	\$	599	\$	794
May-12	\$	720	\$	720	\$	-	\$	599	\$	599
Jun-12	\$	720	\$	720	\$	-	\$	599	\$	-
Jul-12	\$	720	\$	720	\$	-	\$	599	\$	1,199
Aug-12	\$	720	\$	720	\$	-	\$	599	\$	599
Sep-12	\$	720	\$	720	\$	-	\$	599	\$	599
Total:	\$	16,560	\$	16,560			\$	13,677	\$	6,592
Balance owing:					\$	-				\$ 7,085

TAB LL

Ref. Unit #: **906**
906-1 Name of Purchaser: Woo Sam Park
906-1 Date of RTOA: 06-Apr-06
906-1 Purchase Price: \$163,000
906-7 Rebate: \$ (16,300) (prom note)
 Deposits Paid

Date	Amount
17-Apr-06	\$ 1,630
01-Aug-06	\$ 3,060
07-Aug-06	\$ 13,140
07-Sep-06	\$ 14,770
22-Dec-06	\$ 16,300
Total	\$ 48,900

Extras Paid:

Date	Amount
	\$ 546

906-2 Date of Amended RTOA: 01-Apr-10
906-3.1 Date of Acknowledgement & Consent: 06-Apr-06
 Date of Amending Letter: N/A
906-5 Date of Acknowledgement & Postponement: 26-Apr-07
 Price adjustments/rebates/offsets: N/A
906-7 Date of Promissory Note (lent to Rose): 01-May-10
 Promissory Note Principal Balance (Creditor: Woo Sam Park): N/A - prom note represents rebate
 Monthly Promissory Note Payment: N/A
 Promissory Note Principal Balance (Creditor: Rose of Sharon): \$ 114,100
 Monthly Promissory Note Payment: \$ 777
906-7.1 Date of Director's Loan: 31-Jul-09
 Date of Letter of Release: N/A

<i>Promissory Note Payments (interest & Principal)</i>					<i>CAM Costs</i>		
<i>Net of loan to Rose of Sharon</i>							
Paid							
(including promissory note offset)							
	Owed		Unpaid		Owed	Paid	Unpaid
Nov-10	\$ 777	\$ 92	\$ 685		\$ 407		\$ 407
Dec-10	\$ 777	\$ 92	\$ 685		\$ 407		\$ 407
Jan-11	\$ 777	\$ 92	\$ 685		\$ 407		\$ 407
Feb-11	\$ 777	\$ 92	\$ 685		\$ 407		\$ 407
Mar-11	\$ 777	\$ 92	\$ 685		\$ 407	\$ 1,568	\$ (1,161)
Apr-11	\$ 777	\$ 92	\$ 685		\$ 407		\$ 407
May-11	\$ 777	\$ 92	\$ 685		\$ 407		\$ 407
Jun-11	\$ 777	\$ 92	\$ 685		\$ 407		\$ 407
Jul-11	\$ 777	\$ 92	\$ 685		\$ 407		\$ 407
Aug-11	\$ 777	\$ 92	\$ 685		\$ 407	\$ 1,093	\$ (686)
Sep-11	\$ 777	\$ 92	\$ 685		\$ 417	\$ 8,365	\$ (7,948)
Oct-11	\$ 777	\$ 92	\$ 685		\$ 417		\$ 417
Nov-11	\$ 867	\$ 92	\$ 775		\$ 417		\$ 417
Dec-11	\$ -	\$ 92	\$ (92)		\$ 180	\$ 1,103	\$ (923)
Jan-12	\$ 867	\$ 92	\$ 775		\$ 417	\$ 1,103	\$ (686)
Feb-12	\$ 867	\$ 92	\$ 775		\$ 417	\$ 1,103	\$ (686)
Mar-12	\$ 506	\$ 92	\$ 414		\$ 417	\$ 1,103	\$ (686)
Apr-12	\$ 689	\$ 92	\$ 597		\$ 417	\$ 1,103	\$ (686)
May-12	\$ 689	\$ 92	\$ 597		\$ 417	\$ 1,103	\$ (686)

Jun-12	\$	689	\$	92	\$	597	\$	417	\$	1,103	\$	(686)
Jul-12	\$	689	\$	92	\$	597	\$	417	\$	1,103	\$	(686)
Aug-12	\$	689	\$	92	\$	597	\$	417	\$	1,103	\$	(686)
Sep-12	\$	689	\$	92	\$	597	\$	417	\$	2,205	\$	(1,788)
Total:	\$	16,565	\$	2,116			\$	9,254	\$	23,158		
Balance owing:						<u>\$14,449</u>						<u>\$(13,904)</u>

TAB MIM

Ref.	Unit #:	907
907-1	Name of Purchaser:	Myung Hee Kim / Jun Do Sung
907-1	Date of RTOA:	27-Nov-04
907-1.1	Purchase Price:	\$ 221,000
907-7	Rebate (10%):	\$ (22,100) (prom note)
	Deposits Paid	

Date	Amount
01-Dec-04	\$ 2,210
20-Apr-05	\$ 19,890
04-Apr-06	\$ 11,050
10-May-06	\$ 11,050
07-Jun-06	\$ 21,726
Dec-06	\$ 374
Total	\$ 66,300

Extras Paid:

Date	Amount
Paid in full, Sept 29, 2009	\$ 8,266

907-2	Date of Amended RTOA:	01-Apr-10
907-3.1	Date of Acknowledgement & Consent:	27-Nov-04
	Date of Amending Letter	N/A
907-5	Date of Acknowledgement & Postponement:	30-Apr-07
	Price adjustments/rebates/offsets	N/A
907-7	Date of Promissory Note (lent to Rose):	19-Oct-10

Promissory Note Principal Balance:	N/A - prom note represents rebate
Monthly Promissory Note Payment:	N/A
Promissory Note Principal Balance (lent from Rose):	\$ 154,700
Monthly Promissory Note Payment:	\$ 1,054
Date of Letter of Release:	N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon
Paid

	Owed	(including promissory note offset)	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Dec-10	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Jan-11	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Feb-11	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Mar-11	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Apr-11	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
May-11	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Jun-11	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Jul-11	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Aug-11	\$ 1,054	\$ 124	\$ 930	\$ 537		\$ 537
Sep-11	\$ 1,054	\$ 124	\$ 930	\$ 547		\$ 547
Oct-11	\$ 1,054	\$ 124	\$ 930	\$ 547		\$ 547
Nov-11	\$ 1,054	\$ -	\$ 1,054	\$ 547	\$ -	\$ 547
Dec-11	\$ 1,054	\$ -	\$ 1,054	\$ 547	\$ -	\$ 547
Jan-12	\$ 1,054	\$ -	\$ 1,054	\$ 547	\$ -	\$ 547
Feb-12	\$ 930	\$ -	\$ 930	\$ 547	\$ -	\$ 547
Mar-12	\$ 930	\$ -	\$ 930	\$ 547	\$ -	\$ 547
Apr-12	\$ 930	\$ -	\$ 930	\$ 547	\$ -	\$ 547

May-12	\$ 930	\$ -	\$ 930	\$ 547	\$ -	\$ 547
Jun-12	\$ 930	\$ -	\$ 930	\$ 547	\$ -	\$ 547
Jul-12	\$ 930	\$ -	\$ 930	\$ 547	\$ -	\$ 547
Aug-12	\$ 930	\$ -	\$ 930	\$ 547	\$ -	\$ 547
Sep-12	\$ 930	\$ -	\$ 930	\$ 547	\$ -	\$ 547
Total:	\$ 23,250	\$ 1,488		\$ 12,481	\$ -	
Balance owing:			<u>\$ 21,762</u>			<u>\$ 12,481</u>

TAB NN

Ref. Unit #: **908**
908-1 Name of Purchaser: Han Hyeong Lee / Hae Jeong Kang
908-1 Date of RTOA: 22-Sep-03
908-1 Purchase Price: \$ 107,600
 Deposits Paid

Comments	Date	Amount
	22-Sep-03	\$ 10,760
	08-Jan-04	\$ 10,760
	02-Aug-06	\$ 10,760
	01-Jul-11	\$ 74,108
Principal paid monthly fee	01-Jul-11	\$ 1,212
	Total	\$ 107,600

Extras Paid: unknown \$ 966

908-2 Date of Amended RTOA: 01-Apr-10
908-3.1 Date of Acknowledgement & Consent: 22-Sep-03
 Date of Amending Letter: N/A
908-5 Date of Acknowledgement & Postponement: 26-Apr-07
 Price adjustments/rebates/offsets: N/A
 Date of Promissory Note (lent to Rose): N/A
 Promissory Note Principal Balance: N/A
 Monthly Promissory Note Payment: N/A
 Promissory Note Principal Balance (lent from Rose): \$ 75,320
 Monthly Promissory Note Payment: \$ 513
 *Promissory note payment schedule not followed by owner
 *No promissory payments required after Nov. 2011
 Date of Letter of Release: N/A

	<i>Promissory Note Payments (interest & Principal) Net of loan to Rose of Sharon</i>			<i>CAM Costs</i>		
	Owed	Paid	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 513		\$ 513	\$ 419		\$ 419
Dec-10	\$ 513		\$ 513	\$ 419		\$ 419
Jan-11	\$ 513		\$ 513	\$ 419		\$ 419
Feb-11	\$ 513		\$ 513	\$ 419		\$ 419
Mar-11	\$ 513		\$ 513	\$ 419		\$ 419
Apr-11	\$ 513		\$ 513	\$ 419		\$ 419
May-11	\$ 513		\$ 513	\$ 419		\$ 419
Jun-11	\$ 513		\$ 513	\$ 419		\$ 419
Jul-11	\$ -		\$ -	\$ 419	\$ 1,864	\$ (1,445)
Aug-11	\$ -		\$ -	\$ 419	\$ 419	\$ -
Sep-11	\$ -		\$ -	\$ 429	\$ 847	\$ (418)
Oct-11	\$ -		\$ -	\$ 429		\$ 429
Nov-11	\$ -	\$ -	\$ -	\$ 429	\$ 1,521	\$ (1,092)
Dec-11	\$ -	\$ -	\$ -	\$ 1,531	\$ 867	\$ 664
Jan-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
Feb-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
Mar-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
Apr-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
May-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
Jun-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
Jul-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
Aug-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
Sep-12	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ -
Total:	\$ 4,104	\$ -	\$ 4,104	\$ 10,869	\$ 9,379	\$ 1,490
Balance owing:			\$ 4,104			\$ 1,490

TAB 00

Ref.	Unit #:	909												
909-1	Name of Purchaser:	Mansoo Chun												
909-1	Date of RTOA:	21-Jul-08												
909-1	Purchase Price:	\$ 150,000												
	Deposits Paid	<table border="0"> <tr> <td></td> <td><u>Date</u></td> <td><u>Amount</u></td> </tr> <tr> <td></td> <td>31-Jul-08</td> <td>\$ 15,700</td> </tr> <tr> <td></td> <td>15-Oct-08</td> <td>\$ 8,700</td> </tr> <tr> <td></td> <td>Total</td> <td>\$ 24,400</td> </tr> </table>		<u>Date</u>	<u>Amount</u>		31-Jul-08	\$ 15,700		15-Oct-08	\$ 8,700		Total	\$ 24,400
	<u>Date</u>	<u>Amount</u>												
	31-Jul-08	\$ 15,700												
	15-Oct-08	\$ 8,700												
	Total	\$ 24,400												
	Extras Paid:	<table border="0"> <tr> <td></td> <td><u>Date</u></td> <td><u>Amount</u></td> </tr> <tr> <td></td> <td>Paid, date</td> <td></td> </tr> <tr> <td></td> <td>unknown</td> <td>\$ 1,387</td> </tr> </table>		<u>Date</u>	<u>Amount</u>		Paid, date			unknown	\$ 1,387			
	<u>Date</u>	<u>Amount</u>												
	Paid, date													
	unknown	\$ 1,387												
	Date of Amended RTOA:	N/A												
909-3.1	Date of Acknowledgement & Consent:	21-Jul-08												
	Date of Amending Letter	N/A												
	Date of Acknowledgement & Postponement:	N/A												
	Price adjustments/rebates/offsets	N/A												
	Date of Promissory Note (lent to Rose):	N/A												
	Promissory Note Principal Balance:	N/A												
	Monthly Promissory Note Payment:	N/A												
	Promissory Note Principal Balance (lent from Rose):	N/A												
	Monthly Promissory Note Payment:	N/A												
	Date of Letter of Release:	N/A												

	<i>Promissory Note Payments (interest & Principal)</i>			<i>CAM Costs</i>		
	<i>Net of loan to Rose of Sharon</i>					
	<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>	<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>
Nov-10	\$ 856		\$ 856	\$ 353	\$ -	\$ 353
Dec-10	\$ 856	\$ 856	\$ -	\$ 353	\$ 353	\$ -
Jan-11	\$ 856		\$ 856	\$ 353	\$ -	\$ 353
Feb-11	\$ 856		\$ 856	\$ 353	\$ 1,265	\$ (912)
Mar-11	\$ 856	\$ 856	\$ -	\$ 353	\$ 353	\$ -
Apr-11	\$ 856	\$ 856	\$ -	\$ 353	\$ 353	\$ -
May-11	\$ 856	\$ 856	\$ -	\$ 353	\$ 353	\$ -
Jun-11	\$ 856	\$ 856	\$ -	\$ 353	\$ 353	\$ -
Jul-11	\$ 856	\$ 856	\$ -	\$ 353	\$ 353	\$ -
Aug-11	\$ 856		\$ 856	\$ 353		\$ 353
Sep-11	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Oct-11	\$ 856		\$ 856	\$ 363		\$ 363
Nov-11	\$ 856	\$ -	\$ 856	\$ 363	\$ -	\$ 363
Dec-11	\$ 856	\$ -	\$ 856	\$ 363	\$ 2,438	\$ (2,075)
Jan-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Feb-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Mar-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Apr-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
May-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Jun-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Jul-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Aug-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Sep-12	\$ 856	\$ 856	\$ -	\$ 363	\$ 363	\$ -
Total:	\$ 19,688	\$13,696		\$ 8,249	\$ 9,451	
Balance owing:			<u>\$ 5,992</u>			<u>\$ (1,202)</u>

TAB PP

Ref.	Unit #:	911																					
911-1	Name of Purchaser:	Hyang Ok Hong / John Bai																					
911-1	Date of RTOA:	23-Dec-02																					
911-1	Purchase Price:	\$ 182,600																					
	Deposits Paid																						
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Date</th> <th style="text-align: right;">Amount</th> <th style="text-align: left;">Comments</th> </tr> </thead> <tbody> <tr> <td>24-Feb-03</td> <td style="text-align: right;">\$ 2,000</td> <td></td> </tr> <tr> <td>09-Nov-05</td> <td style="text-align: right;">\$ 10,000</td> <td></td> </tr> <tr> <td>24-Apr-06</td> <td style="text-align: right;">\$ 12,260</td> <td></td> </tr> <tr> <td>14-Jul-06</td> <td style="text-align: right;">\$ 10,000</td> <td></td> </tr> <tr> <td>20-Jan-07</td> <td style="text-align: right;">\$ 10,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$ 44,260</td> <td></td> </tr> </tbody> </table>	Date	Amount	Comments	24-Feb-03	\$ 2,000		09-Nov-05	\$ 10,000		24-Apr-06	\$ 12,260		14-Jul-06	\$ 10,000		20-Jan-07	\$ 10,000			\$ 44,260	
Date	Amount	Comments																					
24-Feb-03	\$ 2,000																						
09-Nov-05	\$ 10,000																						
24-Apr-06	\$ 12,260																						
14-Jul-06	\$ 10,000																						
20-Jan-07	\$ 10,000																						
	\$ 44,260																						

\$ 5,258	Interest from early extra payment
\$ 997	Interest from early extra payment

	Date of Amended RTOA:	N/A	
911-3	Date of Acknowledgement & Consent:	23-Dec-02	
	Date of Amending Letter	N/A	
911-5	Date of Acknowledgement & Postponement:	26-Apr-07	
	Price adjustments/rebates/offsets	N/A	
	Date of Promissory Note (lent to Rose):		
911-7	Replacement note (includes interest)	01-Oct-10	\$ 48,386
911-7.1	Replacement note (includes interest)	01-May-10	\$ 46,576
911-7.2		5/14/2009*	\$ 30,000
911-7.3		6/12/2008*	\$ 10,000
	Promissory Note Principal Balance:		\$ 40,000
	Monthly Promissory Note Payment:		N/A
	Promissory Note Principal Balance (lent from Rose):		N/A
	Monthly Promissory Note Payment:		N/A
	Date of Letter of Release:	N/A	
	*Need proof of payments		

*Promissory Note Payments (interest & Principal)
Net of loan to Rose of Sharon
Paid*

CAM Costs

	<u>Owed</u>	<u>note offset)</u>	<u>Unpaid</u>		<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>
Nov-10	\$ 942	\$ 272	\$ 670		\$ 513		\$ 513
Dec-10	\$ 942	\$ 272	\$ 670		\$ 513		\$ 513
Jan-11	\$ 942	\$ 272	\$ 670		\$ 513		\$ 513
Feb-11	\$ 942	\$ 272	\$ 670		\$ 513		\$ 513
Mar-11	\$ 942	\$ 272	\$ 670		\$ 513		\$ 513
Apr-11	\$ 942	\$ 272	\$ 670		\$ 513	\$ 4,733	\$ (4,220)
May-11	\$ 942	\$ 272	\$ 670		\$ 513		\$ 513
Jun-11	\$ 942	\$ 272	\$ 670		\$ 513	\$ 1,183	\$ (670)
Jul-11	\$ 942	\$ 272	\$ 670		\$ 513		\$ 513
Aug-11	\$ 942	\$ 272	\$ 670		\$ 513	\$ 1,183	\$ (670)
Sep-11	\$ 942	\$ 272	\$ 670		\$ 523		\$ 523
Oct-11	\$ 942	\$ 272	\$ 670		\$ 523		\$ 523
Nov-11	\$ 942	\$ 942	\$ -		\$ 523	\$ 523	\$ -
Dec-11	\$ 942	\$ 942	\$ -		\$ 523	\$ 523	\$ -
Jan-12	\$ 942	\$ 942	\$ -		\$ 523	\$ 523	\$ -
Feb-12	\$ 942	\$ -	\$ -		\$ 523	\$ -	\$ 523
Mar-12	\$ 942	\$ 1,884	\$ (1,884)		\$ 523	\$ 1,046	\$ (523)

Apr-12	\$ 942	\$ 942	\$ -	\$ 523	\$ 523	\$ -
May-12	\$ 942	\$ 942	\$ -	\$ 523	\$ 523	\$ -
Jun-12	\$ 942	\$ 942	\$ -	\$ 523	\$ 523	\$ -
Jul-12	\$ 942	\$ 942	\$ -	\$ 523	\$ 670	\$ (147)
Aug-12	\$ 942	\$ -	\$ -	\$ 523	\$ -	\$ 523
Sep-12	\$ 942	\$ 1,884	\$ (1,884)	\$ 523	\$ 1,046	\$ (523)
Total:	\$ 21,666	\$ 13,626		\$ 11,929	\$ 12,999	
Balance owing:			<u>\$ 4,272</u>			<u>\$ (1,070)</u>

TAB QQ

Ref. Unit #: **912**
912-1 Name of Purchaser: Chang Joon Kim / Soonja Kim
912-1 Date of RTOA: 09-Nov-10
912-1 Purchase Price: \$ 217,980

Rebate \$ (4,100) not included in master tab as no RoS support was located
 \$ 213,880

Deposits Paid	Date	Amount
	07-Apr-04	\$ 12,760
	31-May-06	\$ 12,760
	27-Sep-06	\$ 12,760
	25-Oct-10	\$ 45,000
	25-Oct-10	\$ 40,000
		<u>\$ 123,280</u>

*Need letter of confirmation for this payment

Appliance Credit	Date	Amount
	Unknown	\$ 1,400

912-3 Date of Amended RTOA: N/A
 Date of Acknowledgement & Consent: 09-Nov-10
 Date of Amending Letter: N/A
 Date of Acknowledgement & Postponement: N/A
 Price adjustments/rebates/offsets: N/A
 Date of Promissory Note (lent to Rose):
912-7 Replacement note (includes interest) 01-Nov-10 \$ 93,300
912-7.1 25-Oct-10 \$ 10,600
912-7.2 Replacement note (includes interest) 01-Oct-10 \$ 82,700
912-7.3 Replacement note 01-Jun-10 \$ 80,000
912-7.4 01-Apr-10 \$ 80,000
 Promissory Note Principal Balance: \$ 90,600
 Monthly Promissory Note Payment: N/A
 Promissory Note Principal Balance* (lent from Rose): \$ 94,700
 Monthly Promissory Note Payment: \$ 645
 *Promissory Note payments schedule was not followed by Owner. Chose to pay in lump sum
 *No Promissory payments required
 Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon

	Owed	Paid	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ -		\$ -	\$ 589		\$ 589
Dec-10	\$ -		\$ -	\$ 589	\$ 589	\$ -
Jan-11	\$ -		\$ -	\$ 589	\$ 589	\$ -
Feb-11	\$ -		\$ -	\$ 589		\$ 589
Mar-11	\$ -		\$ -	\$ 589	\$ 599	\$ (10)
Apr-11	\$ -		\$ -	\$ 589	\$ 589	\$ -
May-11	\$ -		\$ -	\$ 589	\$ -	\$ 589
Jun-11	\$ -		\$ -	\$ 589	\$ -	\$ 589
Jul-11	\$ -		\$ -	\$ 589	\$ 1,767	\$ (1,178)
Aug-11	\$ -		\$ -	\$ 589	\$ 912	\$ (323)
Sep-11	\$ -		\$ -	\$ 599		\$ 599
Oct-11	\$ -		\$ -	\$ 599		\$ 599
Nov-11	\$ -	\$ -	\$ -	\$ 599	\$ -	\$ 599

Dec-11	\$	-	\$	-	\$	599	\$	1,198	\$	(599)
Jan-12	\$	-	\$	-	\$	599	\$	599	\$	-
Feb-12	\$	-	\$	-	\$	599	\$	599	\$	-
Mar-12	\$	-	\$	-	\$	649	\$	599	\$	50
Apr-12	\$	-	\$	-	\$	599	\$	649	\$	(50)
May-12	\$	-	\$	-	\$	599	\$	599	\$	-
Jun-12	\$	-	\$	-	\$	599	\$	599	\$	-
Jul-12	\$	-	\$	-	\$	599	\$	599	\$	-
Aug-12	\$	-	\$	-	\$	599	\$	599	\$	-
Sep-12	\$	-	\$	-	\$	599	\$	599	\$	-
Total:	\$	-	\$	-	\$	13,727	\$	11,684	\$	-
Balance owing:				<u>\$</u>	<u>-</u>				<u>\$</u>	<u>2,043</u>

TAB RR

Ref.	Unit #:	1002
1002-1	Name of Purchaser:	Chun Ja (Brenda) Ha
1002-1	Date of RTOA:	31-Oct-96
1002-1	Purchase Price:	\$ 159,319
	Deposits Paid	
		Date Amount
		12-Dec-96 \$ 47,796
		06-Feb-97 \$ 31,864
		12-Feb-04 \$ 23,893
		Total \$ 103,553

Extras Paid:		Date Amount
		12-Mar-10 \$ 1,143

1002-2	Date of Amended RTOA:	01-Apr-10
1002-3	Date of Acknowledgement & Consent:	unknown
	Date of Amending Letter	N/A
1002-5	Date of Acknowledgement & Postponement:	30-Apr-07
	Price adjustments/rebates/offsets	N/A
	Date of Promissory Note (lent to Rose):	N/A
	Promissory Note Principal Balance:	N/A
	Monthly Promissory Note Payment:	N/A
	Promissory Note Principal Balance (Creditor: Rose of Sharon):	\$ 55,766
	Monthly Promissory Note Payment:	\$ 380
	*Payment schedule not followed by owner	
	Date of Letter of Release:	N/A

Cheque Date	Promissory Note Payments			CAM Costs		
	Owed (principal only)	Paid (principal only)	Unpaid	Owed	Paid	Unpaid
Nov-10			\$ -	\$ 425		\$ 425
Dec-10			\$ -	\$ 425	\$ 2,680	\$ (2,255)
Jan-11			\$ -	\$ 425	\$ 919	\$ (494)
Feb-11			\$ -	\$ 425		\$ 425
Mar-11			\$ -	\$ 425		\$ 425
Apr-11			\$ -	\$ 425		\$ 425
May-11			\$ -	\$ 425	\$ 1,200	\$ (775)
01-Jun-11	\$ 77	\$ 77	\$ -	\$ 425	\$ 425	\$ -
12-Apr-11	\$ 74	\$ 74	\$ -	\$ 425	\$ 425	\$ -
07-Sep-11	\$ 75	\$ 75	\$ -	\$ 425	\$ 425	\$ -
15-Aug-11	\$ 76	\$ 76	\$ -	\$ 425	\$ 425	\$ -
05-Jul-11	\$ 76	\$ 76	\$ -	\$ 425	\$ 425	\$ -
01-May-11	\$ 75	\$ 75	\$ -	\$ 425	\$ 425	\$ -
11-Mar-11	\$ 74	\$ 74	\$ -	\$ 425	\$ 425	\$ -
10-Feb-11	\$ 73	\$ 73	\$ -	\$ 425	\$ 425	\$ -
08-Jan-11	\$ 73	\$ 73	\$ -	\$ 425	\$ 425	\$ -
17-Nov-10	\$ 380	\$ 380	\$ -	\$ 425	\$ 425	\$ -
01-Dec-10	\$ 380	\$ 380	\$ -	\$ 425	\$ 425	\$ -
01-Oct-11	\$ 74	\$ 74	\$ -	\$ 425	\$ 425	\$ -
01-Nov-11	\$ 74	\$ 74	\$ -	\$ 425	\$ 425	\$ -
Total:	\$ 1,581	\$ 1,581		\$ 8,508	\$ 10,329	
Balance owing:			\$ -			\$ (1,821)

TAB SS

Ref.	Unit #:	1005
1005-1	Name of Purchaser:	Young Sohn
1005-1	Date of RTOA:	30-May-07
1005-1	Purchase Price:	\$ 320,900
	Deposits Paid	
		Date Amount
		14-Jun-07 \$ 3,209
		22-Jun-07 \$ 28,881
		31-Aug-07 \$ 32,090
		12-Dec-07 \$ 32,090
		Total \$ 96,270
	Extras Paid	\$ 6,769
	Appliance credit:	
		date
		unknown \$ 1,547
1005-2	Date of Amended RTOA:	01-Apr-10
1005-3.1	Date of Acknowledgement & Consent:	30-May-07
	Date of Amending Letter	N/A
1005-5	Date of Acknowledgement & Postponement:	30-Apr-07
	Price adjustments/rebates/offsets	N/A
	Date of Promissory Note (lent to Rose):	N/A
	Promissory Note Principal Balance:	N/A
	Monthly Promissory Note Payment:	N/A
	Promissory Note Principal Balance (Creditor: Rose of Sharon):	\$ 224,630
	Monthly Promissory Note Payment:	\$ 1,530
	Date of Letter of Release:	N/A

<i>Promissory Note Payments (interest & Principal)</i>				<i>CAM Costs</i>		
<i>Net of loan to Rose of Sharon</i>						
	<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>	<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>
Nov-10	\$ 1,530		\$ 1,530	\$ 681		\$ 681
Dec-10	\$ 1,530	\$ 3,060	\$ (1,530)	\$ 681	\$ 1,362.98	\$ (681)
Jan-11	\$ 1,530		\$ 1,530	\$ 681		\$ 681
Feb-11	\$ 1,530		\$ 1,530	\$ 681		\$ 681
Mar-11	\$ 1,530		\$ 1,530	\$ 681		\$ 681
Apr-11	\$ 1,530		\$ 1,530	\$ 681		\$ 681
May-11	\$ 1,530		\$ 1,530	\$ 681		\$ 681
Jun-11	\$ 1,530		\$ 1,530	\$ 681		\$ 681
Jul-11	\$ 1,530		\$ 1,530	\$ 681		\$ 681
Aug-11	\$ 1,530		\$ 1,530	\$ 681		\$ 681
Sep-11	\$ 1,530		\$ 1,530	\$ 691		\$ 691
Oct-11	\$ 1,530		\$ 1,530	\$ 691		\$ 691
Nov-11	\$ 1,530	\$ -	\$ 1,530	\$ 691	\$ -	\$ 691
Dec-11	\$ 1,530	\$ 1,530	\$ -	\$ 691	\$ 691	\$ -
Jan-12	\$ 1,530	\$ 3,060	\$ (1,530)	\$ 691	\$ 1,382	\$ (691)
Feb-12	\$ 1,530	\$ 3,060	\$ (1,530)	\$ 691	\$ 1,374	\$ (683)
Mar-12	\$ 1,530	\$ 1,599	\$ (69)	\$ 741	\$ 691	\$ 50
Apr-12	\$ 1,530	\$ 1,599	\$ (69)	\$ 691	\$ 741	\$ (50)
May-12	\$ 1,530	\$ 1,599	\$ (69)	\$ 691	\$ 687	\$ 4
Jun-12	\$ 1,530	\$ 1,530	\$ -	\$ 691	\$ 687	\$ 4
Jul-12	\$ 1,530	\$ 1,530	\$ -	\$ 691	\$ 687	\$ 4
Aug-12	\$ 1,530	\$ 1,599	\$ (69)	\$ 691	\$ 691	\$ -
Sep-12	\$ 1,530	\$ 1,599	\$ (69)	\$ 691	\$ 691	\$ -

Total:	\$	33,660	\$	21,765	\$	15,166	\$	9,685
Balance owing:				<u>\$ 13,425</u>				<u>\$ 6,163</u>

TAB TT

Ref. Unit #: **1008**
1008-1 Name of Purchaser: Mi Kyung Lee
1008-1 Date of RTOA: 04-Oct-04
1008-1 Purchase Price: \$ 255,298
 Deposits Paid

Date	Amount
2005	\$ 25,530
2005	\$ 12,765
2005	\$ 12,765
2006	\$ 12,765
2006	\$ 20,424
Total	\$ 84,248

1008-3.1 Date of Amended RTOA: N/A
 Date of Acknowledgement & Consent: 04-Oct-04
 Date of Amending Letter: N/A
 Date of Acknowledgement & Postponement: N/A
 Price adjustments/rebates/offsets: N/A
 Date of Promissory Note (lent to Rose): N/A
 Promissory Note Principal Balance: N/A
 Monthly Promissory Note Payment: N/A
 Promissory Note Principal Balance (lent from Rose): N/A
 Monthly Promissory Note Payment: N/A
1008-8 Date of Letter of Release: 01-May-10
 *Under name of Vace

*Promissory Note Payments
 (interest & Principal)
 Net of loan to Rose of Sharon*

CAM Costs

	Owed	Paid	Unpaid	Owed	Paid	Unpaid
Nov-10			\$ -			\$ -
Dec-10			\$ -			\$ -
Jan-11			\$ -			\$ -
Feb-11			\$ -			\$ -
Mar-11			\$ -			\$ -
Apr-11			\$ -			\$ -
May-11			\$ -			\$ -
Jun-11			\$ -			\$ -
Jul-11			\$ -			\$ -
Aug-11			\$ -			\$ -
Sep-11			\$ -			\$ -
Oct-11			\$ -			\$ -
Nov-11		\$ -	\$ -		\$ -	\$ -
Dec-11		\$ -	\$ -		\$ -	\$ -
Jan-12		\$ -	\$ -		\$ -	\$ -
Feb-12		\$ -	\$ -		\$ -	\$ -
Mar-12		\$ -	\$ -		\$ -	\$ -
Apr-12		\$ -	\$ -		\$ -	\$ -
May-12		\$ -	\$ -		\$ -	\$ -
Jun-12		\$ -	\$ -		\$ -	\$ -
Jul-12		\$ -	\$ -		\$ -	\$ -
Aug-12		\$ -	\$ -		\$ -	\$ -
Sep-12		\$ -	\$ -		\$ -	\$ -
Total:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance owing:			\$ -			\$ -

TAB UU

Ref.	Unit #:	1009
1009-1	Name of Purchaser:	Morgiana M.F. Lee
1009-1	Date of RTOA:	14-Jun-11
1009-1	Purchase Price:	\$ 155,000
	Deposits Paid	
		Date Amount
		14-Jun-11 \$ 10,000
		16-Jul-11 \$ 45,000
		02-Sep-11 \$ 10,000
		Total \$ 65,000

1009-3.1	Date of Amended RTOA:	N/A
	Date of Acknowledgement & Consent:	14-Jun-11
	Date of Amending Letter	N/A
	Date of Acknowledgement & Postponement:	N/A
	Price adjustments/rebates/offsets	N/A
	Date of Promissory Note (lent to Rose):	N/A
	Promissory Note Principal Balance:	N/A
	Monthly Promissory Note Payment:	N/A
	Promissory Note Principal Balance (lent from Rose):	N/A
	Monthly Promissory Note Payment:	N/A
	Date of Letter of Release:	N/A

*Under name of Morgiana Lee

	Promissory Note Payments			CAM Costs		
	Owed	Paid	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 613		\$ 613	\$ 363		\$ (245)
Dec-10	\$ 613		\$ 613	\$ 363		\$ 363
Jan-11	\$ 613		\$ 613	\$ 363		\$ 363
Feb-11	\$ 613		\$ 613	\$ 363	\$ 608	\$ (245)
Mar-11	\$ 613		\$ 613	\$ 363		\$ 363
Apr-11	\$ 613		\$ 613	\$ 363		\$ 363
May-11	\$ 613		\$ 613	\$ 363	\$ 608	\$ (245)
Jun-11	\$ 613		\$ 613	\$ 363		\$ 363
Jul-11	\$ 613		\$ 613	\$ 363	\$ 1,216	\$ (853)
Aug-11	\$ 613	\$ 613	\$ -	\$ 363	\$ 363	\$ -
Sep-11	\$ 613	\$ 613	\$ -	\$ 363	\$ 363	\$ -
Oct-11	\$ 613		\$ 613	\$ 363		\$ 363
Nov-11	\$ -	\$ -	\$ -	\$ 767	\$ -	\$ 767
Dec-11	\$ -	\$ -	\$ -	\$ 808	\$ 767	\$ 41
Jan-12	\$ -	\$ -	\$ -	\$ 1,393	\$ 1,953	\$ (560)
Feb-12	\$ 613	\$ -	\$ 613	\$ 363	\$ -	\$ 363
Mar-12	\$ 613	\$ 1,226	\$ (613)	\$ 363	\$ 726	\$ (363)
Apr-12	\$ 613	\$ 613	\$ -	\$ 363	\$ 363	\$ -
May-12	\$ 613	\$ 613	\$ -	\$ 363	\$ 363	\$ -
Jun-12	\$ 613	\$ 613	\$ -	\$ 363	\$ 363	\$ -
Jul-12	\$ 613	\$ 613	\$ -	\$ 363	\$ 363	\$ -
Aug-12	\$ 613	\$ 613	\$ -	\$ 363	\$ 363	\$ -
Sep-12	\$ 613	\$ 613	\$ -	\$ 363	\$ 363	\$ -
Total:	\$ 11,647	\$ 6,130		\$ 9,865	\$ 8,782	
Balance owing:			<u>\$ 6,130</u>			<u>\$ 838</u>

TAB VV

Ref. Unit #: **1010**
1010-1 Name of Purchaser: Gye-Soon Kim / Joon Kie Kim
1010-1 Date of RTOA: 06-Apr-06 (revised 12-Mar-10)
1010-1 Purchase Price: \$ 227,000
 Deposits Paid

Date	Amount
07-Apr-06	\$ 14,663
17-May-06	\$ 5,737
13-Jul-06	\$ 20,400
22-Dec-06	\$ 20,400
22-Dec-10	\$ 87,000
Total	\$ 148,200

Extras Paid: 31-Jan-11 \$ 924

1010-2 Date of Amended RTOA: 01-Nov-10
1010-3.1 Date of Acknowledgement & Consent: 12-Mar-10
 Date of Amending Letter: N/A
 Date of Acknowledgement & Postponement: N/A
 Price adjustments/rebates/offsets: N/A
 Date of Promissory Note (lent to Rose):
1010-7 Replacement note (includes interest) 01-Apr-10 \$ 51,580
1010-7.1 25-Nov-09 \$ 50,000
 Promissory Note Principal Balance: \$ 50,000
 Monthly Promissory Note Payment: N/A
 Promissory Note Principal Balance (lent from Rose): \$ 24,730
 Monthly Promissory Note Payment: \$ 168
 Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon

	Owed	Paid	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 168	\$ -	\$ 168	\$ 585	\$ -	\$ 585
Dec-10	\$ 168	\$ -	\$ 168	\$ 585	\$ -	\$ 585
Jan-11	\$ 168	\$ -	\$ 168	\$ 585	\$ -	\$ 585
Feb-11	\$ 168		\$ 168	\$ 585	\$ 3,585	\$ (3,000)
Mar-11	\$ 168		\$ 168	\$ 585		\$ 585
Apr-11	\$ 168		\$ 168	\$ 585		\$ 585
May-11	\$ 168	\$ 168	\$ -	\$ 585	\$ 585	\$ -
Jun-11	\$ 168		\$ 168	\$ 585		\$ 585
Jul-11	\$ 168	\$ 168	\$ -	\$ 585	\$ 585	\$ -
Aug-11	\$ 168	\$ 168	\$ -	\$ 585	\$ 585	\$ -
Sep-11	\$ 168		\$ 168	\$ 595	\$ 1,750	\$ (1,155)
Oct-11	\$ 168		\$ 168	\$ 595		\$ 595
Nov-11	\$ -	\$ -	\$ -	\$ 500	\$ 595	\$ (95)
Dec-11	\$ -	\$ -	\$ -	\$ 2,026	\$ 1,526	\$ 500
Jan-12	\$ -	\$ -	\$ -	\$ 1,303	\$ 1,536	\$ (233)
Feb-12	\$ 168	\$ -	\$ 168	\$ 595	\$ 767	\$ (172)
Mar-12	\$ 168	\$ 168	\$ -	\$ 595	\$ 595	\$ -
Apr-12	\$ 168	\$ 168	\$ -	\$ 595	\$ 595	\$ -
May-12	\$ 168	\$ 168	\$ -	\$ 595	\$ 595	\$ -
Jun-12	\$ 168	\$ 168	\$ -	\$ 595	\$ 595	\$ -
Jul-12	\$ 168	\$ 168	\$ -	\$ 595	\$ 595	\$ -
Aug-12	\$ 168	\$ 168	\$ -	\$ 595	\$ 595	\$ -
Sep-12	\$ 168	\$ 168	\$ -	\$ 595	\$ 595	\$ -
Total:	\$ 3,192	\$ 1,680		\$ 15,044	\$ 15,679	
Balance owing:			\$ 1,680			\$ (50)

TAB WW

*Promissory Note Payments (interest
& Principal)*

CAM Costs

Net of loan to Rose of Sharon

	Paid (including promissory			CAM Costs		
	Owed	note offset)	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 1,299	\$ 1,299	\$ -	\$ 792		\$ 792
Dec-10	\$ 1,299	\$ 1,299	\$ -	\$ 792		\$ 792
Jan-11	\$ 1,299	\$ 1,299	\$ -	\$ 792		\$ 792
Feb-11	\$ 1,299	\$ 1,299	\$ -	\$ 792		\$ 792
Mar-11	\$ 1,299	\$ 1,299	\$ -	\$ 792		\$ 792
Apr-11	\$ 1,299	\$ 1,299	\$ -	\$ 792	\$ 792	\$ -
May-11	\$ 1,299	\$ 1,299	\$ -	\$ 792	\$ 792	\$ -
Jun-11	\$ 1,299	\$ 1,299	\$ -	\$ 792		\$ 792
Jul-11	\$ 1,299	\$ 1,299	\$ -	\$ 792		\$ 792
Aug-11	\$ 1,299	\$ 1,299	\$ -	\$ 792	\$ 2,376	\$ (1,584)
Sep-11	\$ 1,299	\$ 1,299	\$ -	\$ 802		\$ 802
Oct-11	\$ 1,299	\$ 1,299	\$ -	\$ 802		\$ 802
Nov-11	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ -	\$ 802
Dec-11	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ -	\$ 802
Jan-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 2,407	\$ (1,605)
Feb-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 802	\$ -
Mar-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 802	\$ -
Apr-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 802	\$ -
May-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 802	\$ -
Jun-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 802	\$ -
Jul-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 802	\$ -
Aug-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 802	\$ -
Sep-12	\$ 1,299	\$ 1,299	\$ -	\$ 802	\$ 802	\$ -
Total:	\$ 28,578	\$ 28,578		\$ 17,554	\$ 12,783	
Balance owing:			<u>\$ -</u>			<u>\$ 5,563</u>

TAB XX

Ref.	Unit #:	1112
1112-1	Name of Purchaser:	Hee Jun Park / Na rae Choi
1112-1	Date of RTOA:	11-Aug-05 (revised from 29-Mar-00)
1112-1	Purchase Price:	\$ 209,600
	Deposits Paid	

Date	Amount
17-Aug-05	\$ 2,096
06-Dec-05	\$ 18,864
07-Mar-06	\$ 10,480
10-Feb-07	\$ 31,440
Total	\$ 62,880

Appliance Credit:	
	Date Amount
	date unknown \$ 1,479

1112-2	Date of Amended RTOA:	01-Apr-10
1112-3.1	Date of Acknowledgement & Consent:	11-Aug-05
	Date of Amending Letter	N/A
1112-5	Date of Acknowledgement & Postponement:	30-Apr-07
	Price adjustments/rebates/offsets	N/A
	Date of Promissory Note (lent to Rose):	N/A
	Promissory Note Principal Balance:	N/A
	Monthly Promissory Note Payment:	N/A
	Promissory Note Principal Balance (lent from Rose):	\$ 146,720
	Monthly Promissory Note Payment:	\$ 1,000
	Date of Letter of Release:	N/A

*Promissory Note Payments
(interest & Principal)
Net of loan to Rose of Sharon*

CAM Costs

	<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>		<u>Owed</u>	<u>Paid</u>	<u>Unpaid</u>
Nov-10	\$ 1,000	\$ -	\$ 1,000	\$	589	\$ -	\$ 589
Dec-10	\$ 1,000	\$ -	\$ 1,000	\$	589	\$ -	\$ 589
Jan-11	\$ 1,000	\$ 3,000	\$(2,000)	\$	589	\$ 1,767	\$(1,178)
Feb-11	\$ 1,000		\$ 1,000	\$	589		\$ 589
Mar-11	\$ 1,000	\$ 1,000	\$ -	\$	589	\$ 589	\$ -
Apr-11	\$ 1,000		\$ 1,000	\$	589		\$ 589
May-11	\$ 1,000		\$ 1,000	\$	589		\$ 589
Jun-11	\$ 1,000		\$ 1,000	\$	589		\$ 589
Jul-11	\$ 1,000		\$ 1,000	\$	589		\$ 589
Aug-11	\$ 1,000		\$ 1,000	\$	589	\$ 9,529	\$(8,940)
Sep-11	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 599	\$ -
Oct-11	\$ 1,000		\$ 1,000	\$	599		\$ 599
Nov-11	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 599	\$ -
Dec-11	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 599	\$ -
Jan-12	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 599	\$ -
Feb-12	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 599	\$ -
Mar-12	\$ 1,000	\$ 1,000	\$ -	\$	649	\$ 599	\$ 50
Apr-12	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 649	\$(50)
May-12	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 599	\$ -
Jun-12	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 599	\$ -
Jul-12	\$ 1,000	\$ -	\$ 1,000	\$	599	\$ -	\$ 599
Aug-12	\$ 1,000	\$ 2,000	\$(1,000)	\$	599	\$ 1,198	\$(599)
Sep-12	\$ 1,000	\$ 1,000	\$ -	\$	599	\$ 599	\$ -
Total:	\$ 22,000	\$ 16,000		\$	13,138	\$ 19,123	
Balance owing:			\$ 7,000				\$ (5,396)

TAB YY

Ref. Unit #:
PH6-1 Name of Purchaser:
PH6-1 Date of RTOA:
PH6-1 Purchase Price:
 Deposits Paid

PH6
 Jong Rye Lee / Chang Hun Sin
 29-May-07
 \$ 441,000

Date	Amount
06-Jun-07	\$ 5,000
24-Aug-07	\$ 39,100
Total	\$ 44,100

Prom Note 11-Dec-07 \$ 44,000

Date of Amended RTOA: N/A
PH6-3.1 Date of Acknowledgement & Consent: 29-May-07
 Date of Amending Letter N/A
PH6-5 Date of Acknowledgement & Postponement: 30-May-07
 Price adjustments/rebates/offsets N/A
 Date of Promissory Note (lent to Rose):
PH6-7 Replacement note (includes interest) 01-Apr-10 \$ 61,958
PH6-7.1 06-Jun-08 \$ 44,000
 Promissory note (Creditor: Jong Rye Lee): \$ 44,000
 Monthly Promissory Note Payment: N/A
 Promissory Note Principal Balance: N/A
 Monthly Promissory Note Payment: N/A
 Date of Letter of Release: N/A

Promissory Note Payments (interest & Principal)

CAM Costs

Net of loan to Rose of Sharon
Paid

	Paid (including promissory note offset)			CAM Costs		
	Owed	note offset)	Unpaid	Owed	Paid	Unpaid
Nov-10	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Dec-10	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Jan-11	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Feb-11	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Mar-11	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Apr-11	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
May-11	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Jun-11	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Jul-11	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Aug-11	\$ 2,404	\$ 364	\$ 2,040	\$ 791		\$ 791
Sep-11	\$ 2,404	\$ 364	\$ 2,040	\$ 801		\$ 801
Oct-11	\$ 2,404	\$ 364	\$ 2,040	\$ 801		\$ 801
Nov-11	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Dec-11	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Jan-12	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Feb-12	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Mar-12	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Apr-12	\$ 2,404	\$ 4,364	\$ (1,960)	\$ 801	\$ 801	\$ -
May-12	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Jun-12	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Jul-12	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Aug-12	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Sep-12	\$ 2,404	\$ 364	\$ 2,040	\$ 801	\$ -	\$ 801
Total:	\$ 52,888	\$ 12,008		\$ 17,532	\$ 801	
Balance owing:			\$ 42,920			\$ 17,522

TAB 3

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

**AFFIDAVIT OF
KYUNG YURL LEE
(sworn May 28th, 2013)**

I, KYUNG YURL LEE, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. My sister-in-law, Jung Ja Lee, and I are the owners of Unit 708 (the “Unit”) in the Rose of Sharon housing project (the “Project”), which is owned by the respondent, Rose of Sharon (Ontario) Retirement Community (“Rose”). I am also one of the Arms’ Length Unit-holders, listed in Schedule “A” to the Representative Counsel Order of Justice Mesbur dated April 11, 2013 (the “Mesbur Order”). As such, I have knowledge of the matters to which I hereinafter depose. Where matters are stated as being based on information, I verily believe such information to be true. Where matters are stated as being based on belief, I identify the fact and the reason for my belief.

2. This affidavit is made in response to a motion brought by Peoples Trust Company (“**Peoples**”) for, among other things, an order that the Peoples’ mortgage ranks in priority over my interests as the unit-holder of my Unit, and indeed over all other unit-holders’ interest.

3. I understand that other Arm’s Length Unit Holders will also be providing affidavits in support of our common position, and that my affidavit will serve as one of the “principal” affidavits, such that other affiants may adopt portions of my affidavit, where appropriate, in an effort to be more efficient, to reduce the number of similar affidavits to be filed, and to save time and expense. I understand that those other affiants will provide additional information to the Court where necessary to set out how their experiences differ from my own.

4. I also understand that Ms. Hae Jeong Kang will be providing her affidavit (the “**Kang Affidavit**”) that will serve as one of the other “principal” affidavits. I have reviewed a draft of the Kang Affidavit and, where appropriate, I adopt portions of that Affidavit, again, in an effort to be more efficient.

5. For consistency, I also use certain capitalized terms that, unless defined in my affidavit, are as defined in the Kang Affidavit.

6. My affidavit will deal with the following areas:

- a. My personal information and background;
- b. My introduction to the Project;
- c. The initial documentation, including the Right to Occupy Agreement;
- d. The deposits I paid;

- e. The Amended Right to Occupy Agreement and my “mortgage”; and
- f. The substantial prejudice to my family and me.

PERSONAL INFORMATION AND BACKGROUND

7. I am of Korean heritage and was born in Korea (now South Korea) in 1947. I was educated in Korea and completed a university degree there in electrical engineering. I immigrated to Canada with my wife in 1975, in search for better opportunities for my family and me. I last worked for a company called ~~Hanwha~~ ^{for Honeywell} Aerospace as an engineer. I am now retired and receive a pension.

8. Jung Ja is married to my brother, Ui Yurl Lee. She is also of Korean heritage and was also born in Korea in 1945. Jung Ja and my brother came to Canada in 1973. She worked as a key punch operator for many years, but then she and my brother purchased and operated a Baskin Robbins franchise for 29 years before retiring. Jung Ja also worked part-time as an RESP sales representative.

9. I have another brother who still lives in South Korea. Together, my brothers and I all contributed financially to the purchase of the Unit for our mother.

10. Jung Ja, Ui Yurl and I have a good command of the English language but it is not fluent. Indeed, when we met with Cho for the purpose of providing information to him with respect to this matter, and for the purpose of preparing this affidavit, the interview was conducted in English, but many times throughout, we resorted to the Korean language because we could not express ourselves properly, or we did not understand the questions or concepts that Cho attempted to ask or convey to us.

11. As with the Kang Affidavit, this affidavit was translated into Korean for me, so that I could fully understand the contents, before I agreed to swear it. I am advised by Cho that KRMC retained a translation service to translate this affidavit into Korean for the purposes of having it available for myself and others to similarly use when making their own affidavits.

12. Similar to what Ms. Kang states in paragraph 10 of the Kang Affidavit, I often struggle to fully comprehend English in certain situations, especially in documents of a formal nature, and will rely primarily on what I am told by the person with whom I am dealing. I know that Jung Ja has a similar difficulty with written English of a formal nature.

INTRODUCTION TO ROSE OF SHARON PROJECT

13. Unless otherwise noted, all of my discussions with Rose were also through the individual John, referred to in the Kang Affidavit. To my knowledge, John was a director of Rose, and he dealt with me, Jung Ja and sometimes my brother Ui Yurl, as I will explain below. All of our conversations and discussions took place in the Korean language.

14. I am advised by Ui Yurl that he first learned about the idea of creating a Rose of Sharon type project in around 1993 or 1994 from two separate sources, first, an article in a Korean language newspaper and second, through an acquaintance named Richard Yoon, who I understand is also one of the directors of Rose of Sharon.

15. At that time, we did not have any specific interest in a project like Rose of Sharon, though we did think that the idea of a Korean focused nursing home in the community was a good one.

16. However, in about 1995 or 1996, my brothers and I began to think about a Korean focused retirement community in Toronto for our parents, as we began to worry about our mother's ability to live on her own, if our father were to pass away before her.

17. As a result, around that time, Ui Yurl attended a sales presentation with respect to the Project near Keele Street and Highway 401, in Toronto, which was presented by Richard Yoon. After the presentation, my brother and I discussed the content of the presentation, and whether the Project would be suitable for our mother. The explanation of the Project at that presentation was substantially similar to what is set out in paragraphs 23 and 24 of the Kang Affidavit.

18. However, we did not take any further steps at that time to enquire about the Project or about purchasing a unit there. Nevertheless, we did continue to hear about the Project in the Korean community in Toronto and I personally believed that it was a worthy cause for the community.

19. I share Ms. Kang's beliefs as stated in paragraph 25 and 26 of the Kang Affidavit with respect to the importance for a Korean-heritage based nursing home and retirement community and the difficulty many elderly Koreans have in a typical nursing home in Canada.

20. By 2009, we knew that the construction on the Project had commenced and was well under way. On October 1, 2009, Jung Ja attended another sales presentation, this time by John Yoon, to learn about the Project, which took place at a community hall located in the offices of the Korea Times newspaper, near Dufferin Street and Highway 401. Based on what Jung Ja told me at the time as to the content of the presentation, it appears to me that the information provided at that presentation was also substantially similar to what is set out in

paragraph 29 of the Kang Affidavit regarding the commitment of government funding, the structure of the Project, the services that could be purchased and the notion of the conversion to a condominium.

21. *Attached and marked as Exhibit "A-1" is a copy of a letter John provided to Jung Ja at the presentation indicating the City had approved the condominium application.*
Specifically, with respect to the condominium conversion issue, as I understand, *conditionally*

at that time, some people in the Korean community were aware that the Project was set up to be a "life lease" project. In particular, Jung Ja advised me then that some people expressed concern about the marketability of residential units, if they were to be "life lease" units.

22. Jung Ja advised me that John, who was conducting the presentation, explained that the units could indeed be sold by giving Rose 90 days' notice, and that Rose would then sell the unit for the unit holder, with the unit holder receiving the proceeds of sale.

23. I was further advised by Jung Ja that John explained that many other retirement communities begin as a life lease project, then are converted to a condominium, and that this was the plan for the Project as well. Based on this, we believed that the Project would ultimately become a condominium, and once it became a condominium, we would own a unit in the Project, rather than hold a "life lease" in respect of a unit.

24. As we were still somewhat concerned about this so-called "life lease", we decided to consult with a lawyer about the Project before we committed to purchasing a unit. We did see a lawyer who advised us that under a life lease arrangement, we would not obtain legal ownership of a unit, but instead, we would be entitled to live in the unit for the rest of our lives. Although there was a plan to convert the Project to a condominium, the lawyer advised us that there was no certainty as to when the Project would actually be converted to become a condominium.

25. The issue of priority as between our interest in a unit and a mortgage lender such as Peoples, however, was not even discussed. The possibility of Rose's lender having the ability to force us out of our units was not even considered.

26. Although we had some concerns with the idea of a "life lease", largely because we were not familiar with it, we believed that the laws in Ontario would adequately protect our interests. In addition, we were confident that the Project would be converted to a condominium once it was completed, at which time, we would no longer have a life lease, but instead, own a condominium unit.

27. As such, my brothers and I agreed to purchase the Unit for my mother, although Jung Ja and I were the only ones to sign the RTOA.

28. We never did consult with the lawyer again with respect to the Project, or even later, when we proceeded with the purchase of the Unit.

29. On or about October 22, 2009, we went to visit the Project site with my mother and Jung Ja to look at the unit options and floor plans. We met with John and he advised us of a number of things, including, the fact that we needed to make a deposit payment of 30% of the purchase price. At that time, he reassured us once again that the Project would be converted to a condominium upon completion.

THE INITIAL DOCUMENTATION

30. On November 6, 2009, after having decided on a particular unit, we visited John at the Project site and signed the Right to Occupy Agreement ("RTOA"), a copy of which is attached to my Affidavit and marked as Exhibit "A".

31. We also signed a document entitled Acknowledgment and Consent Agreement (“ACA”). Attached and marked as Exhibit “B” is a copy of the ACA.

32. As noted above, John had advised us previously that we would need to pay a 30% deposit. By the time we went to sign the RTOA, my brothers and I had already begun to arrange for funds sufficient for the 30% deposit, and we advised John of this. John suggested that we amend the deposit schedule in the RTOA to make the full 30% deposit payable in one lump sum, rather than staggered over time. At his request, we agreed to do so.

33. The RTOA’s were signed in John’s office located on the Project premises, on the date indicated in the RTOA.

34. We had a similar experience as Ms. Kang, as described in the Kang Affidavit at paragraphs 43 – 46 with respect to the lack of financial information requested, the lack of any Korean translations of the documents, the review of only very basic information and the lack of any explanation or discussion of the other terms and conditions of the RTOA.

35. We did not read the RTOA carefully. We trusted John and when he presented documents for us to sign, we signed. Although we had consulted a lawyer with respect to the Project generally, as set out above, no one, including John, ever suggested from that point on that we seek legal advice, or any other advice, with respect to any matter before signing the documents.

36. However, the RTOA that we signed is not the same form as that signed by Hae Jeong Kang. I will go through some of what appear to be the more important clauses in this RTOA and provide my comments on them.

37. The recitals provide:

Purchaser is desirous of purchasing the “right to occupy” one of the units to be constructed.

Also, Clause 1, on page 1, provides:

The Purchaser agrees to purchase from the Community [Rose of Sharon] the right to use, occupy and enjoy the Unit for the purchase price of \$171,000...

Although our lawyer advised us that we would not be acquiring legal title to our Unit, as I noted above, we did believe that we were “purchasing” something. In fact, it was clear to us from everything that we saw and heard, including the documents, that we were purchasing something. So we believed that by paying for something, we would own something that gave us certain rights.

38. As stated in the Kang Affidavit at paragraph 49 and 50, we also would not have paid money to purchase something if we had ever been told that it could be taken away from us because Rose had not complied with its obligations. This makes no sense to us. If we complied with all of our obligations under the RTOA, we should not have been under a risk of having the Unit taken from us. No one ever told us that this was a risk that we would be accepting, or that it was even a possibility.

39. Clause 1, on page 3, provides:

The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor.

This clause was not brought to my attention. I understand now this is related to the life lease concept. Although I did not quite understand the concept of a life lease, I nevertheless believed, based on what I was told, that I and other members of my family could live in the Unit for as long as we lived. It now appears that Peoples is asking the Court to permit it to take possession of the Unit and take it away from me before I die. Again, I was never advised of this possibility by anyone.

40. Clause 8, on page 4, provides:

This agreement shall not create any direct ownership in the real property or building of the Community and the Purchaser agrees not to register notice of this Agreement against title to the lands upon which the building sits, until Occupancy and then only in accordance with the form of notice approved by the Community acting reasonably and in accordance with registration regulations... Any encumbrances in favour of lenders will be discharged or a non-disturbance agreement obtained for the Unit on Occupation or as soon as reasonably possible thereafter.

This clause was also not brought to our attention. According to this clause, I was not permitted to register the RTOA against title. However, I understand that after occupancy, the clause permits the registration of the RTOA against title to the Property. In addition, this clause appears to require Rose to obtain a discharge of the Peoples' mortgage over our Unit, or a non-disturbance agreement in respect of our Unit. To my knowledge, neither of these has occurred despite occupancy having occurred in 2010. I am not aware as to why that is the case.

41. With respect to the ACA, it provides, at para. 4:

The Deposits paid by the Purchaser may be used by the Community in the constructions for the Project. The Deposits are not insured under the Ontario New Homes Warranty program or otherwise.

John did not bring this to our attention. We were not aware of this risk regarding the fact that the deposits were not insured or that the deposits were at risk in any way.

42. The ACA also provides, at para. 5:

As required by Canada Mortgage and Housing Corporation, the Purchaser acknowledges and agrees that he/she has been advised that the construction lender has the legal right, in its sole and absolute discretion but without any obligation, to insist that the Life Lease Project be registered as a condominium corporation. Further, the Purchaser acknowledges and agrees that he/she has been advised that, in this event, the Purchaser may be required to acquire, but he/she is not entitled to require, a condominium unit rather than a life lease unit on terms and conditions that have been fully explained to the Purchaser at the time of executing this Agreement, which terms and conditions will be reflected in the final version of the Agreement.

This clause was not brought to our attention. However, I believe this confirms what John explained to us, and that it had already been decided that the Project would be converted to a condominium once constructed. As such, we believed that we would acquire a condominium unit instead of a life lease unit.

43. Clause 6 of the ACA provides:

The Purchaser has received independent legal advice prior to his/her signing this Acknowledgment and Consent Agreement.

Again, as noted above, although we consulted a lawyer about the Project generally, and the idea of a life lease, prior to signing any documentation, we did not even have copies of the RTOA and the ACA at the time we consulted with the lawyer. Further, we never did meet again with a lawyer once we received the documents to discuss them or their meaning, nor did John ask whether we had met with a lawyer before requesting that we sign the RTOA and the ACA, nor did he encourage us to do so.

44. Clause 7 of the ACA provides:

As required by Canada Mortgage and Housing Corporation, on the date of executing this Agreement and from time to time, the Purchaser agrees to provide to the Community all financial and other information as the Community all financial and other information as the Community may reasonably require in order to confirm the credit worthiness of the Purchaser and the Purchaser's ability to complete the transaction of purchase and sale.

Again, we were never asked by anyone to provide Rose or anyone else with financial and other information regarding our credit worthiness and our ability to complete the transaction.

45. As explained in the Kang Affidavit at paragraphs, 54 – 57, which I adopt John simply showed us where to sign on the documents without explaining the content of the documents, as though they were standard agreements to sign for the purchase of our Unit. We were never advised about any interest of Peoples in the Project and any risk that Peoples may have an ability to remove me from the Project.

DEPOSITS PAID

46. On November 12, 2009, we provided a cheque to John in the amount of \$22,235.00 for the deposit required under the RTOA. On November 18, 2009, we provided a further cheque to John in the amount of \$29,065.00 for the balance of the deposit required under the RTOA, for a total of \$51,300.

47. At all times, we believed that we were current with our deposit payments, and that the deposits were being credited to the overall purchase price we paid in respect of the Unit. At no time did we ever believe that we were behind in respect of any of the required deposits, nor did anyone ever advise us we were behind with respect to the deposits, nor did they ever advise us that the deposits were in danger of being lost, in any way.

THE AMENDED RTOA AND THE PROMISSORY NOTES

48. Although I cannot recall the exact times, John did ask us from time to time to sign additional documents. One of those times was in or about April 2010, when John advised us that we needed to sign an Amended Right to Occupy Agreement (“**Amended RTOA**”). Attached and marked as Exhibit “C” is a copy of the Amended RTOA dated April 1, 2010.

49. We also signed a second Amended RTOA, in or about October 2010. This second Amended RTOA was prepared because we advised Rose that we wanted to purchase a parking space to go along with our Unit. The added cost for a parking space was \$25,000, bringing the total required to complete the transaction of purchase and sale to \$144,700.

50. I do not recall John explaining the nature of either of these documents to us. I remember the October Amended RTOA but believed it was simply an agreement that confirmed our purchase of a parking space.

51. In or about November 2010, when we were permitted to move into our Unit, we were to provide the balance of the purchase price, \$119,700 to Rose. John advised us that Rose was short of money and wanted to use the closing proceeds to pay down Rose's loans. We did not understand John's concern – if we are paying the balance of the purchase price to Rose for our Unit, it was not our concern what Rose did with the money. In our view, Rose was free to use the money as it saw fit.

52. On November 15, 2010, we paid the balance of \$119,700 required to close the transaction of purchase and sale for our Unit by certified cheque. Attached and marked as Exhibit "D" is a true copy of the certified cheque.

53. Around that time, John provided us with another document that sets out the amount of \$119,700, a copy of which is attached hereto and marked as Exhibit "E". This document is entitled Promissory Note and is dated November 1, 2010 and sets out the amount of \$119,700. I thought that was simply a receipt acknowledging that Rose received this amount from us.

54. On September 8, 2011, we paid \$25,000 for the parking space. Attached and marked as Exhibit "F" is a true copy of the cheque. Again, John provided us with a document, a copy of which is attached hereto and marked as Exhibit "G". This document is also entitled Promissory Note and is dated September 8, 2011 and refers to \$25,000. Again, I believed that this was a receipt being provided by Rose to me for the \$25,000 paid for the parking space.

55. Also attached and marked as Exhibit "H" is a copy of a document entitled Promissory Note dated October 1, 2010, which sets out the amount of \$144,700. This document was attached to the October RTOA.

56. I understand now from Cho that these documents called "Promissory Note" purport to evidence a debt payable from Rose of Sharon to Jung Ja and me, on the one hand, and a debt payable by us to Rose of Sharon. I did not understand this when I received these documents from John.

57. As explained above, we have paid the purchase price of the Unit and the parking space in full. At no time did we agree to loan any money to Rose and at the same time, agree to borrow the balance of the purchase price. This does not make any sense to us.

58. Accordingly, we believe that we have paid all amounts owing in respect of the Unit, and that we ought to now own our Unit and the parking space outright.

59. As such, I agree with the statements contained in paragraphs 103 – 107 of the Kang Affidavit. To summarize, we were not notified of any requirement to pay funds to Peoples. We had no knowledge of what obligations Rose had to pay these closing proceeds to Peoples, or what Rose did with the closing funds that we provided to it. This was not our concern. We have complied with our obligations under the RTOA and have paid the purchase price in full. We have also paid, and continue to pay the monthly maintenance fees.

SIGNIFICANT PREJUDICE TO LOSE UNIT

60. Although we purchased the Unit for our mother, given the time that has passed, she is now too ill to live independently, and has had to move into long-term care.

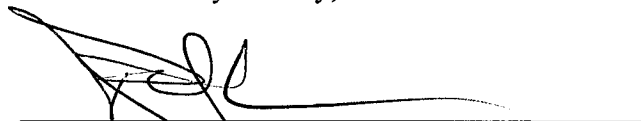
61. Currently, I live in the Unit alone. I sold my house in Stouffville in order to contribute, along with my brothers, towards the purchase of the Unit. I do not have any other place where I could go to live if I could no longer live in the Unit and I am not a wealthy person who could simply afford to lose what we paid toward the Unit. I would therefore suffer significant prejudice and financial hardship if we could not keep our Unit, such that I could no longer live there, and not receive any money back.

62. In addition, my brothers and I would lose the significant sums that we paid for the purchase of the Unit.

63. We too have paid everything that was asked of us in respect of our Unit. While we understand that Peoples' mortgage may be outstanding, it cannot be that we, as innocent unit purchasers, who have paid what was asked of us, and complied with all of our obligations, can be forced out without any compensation whatsoever.

SWORN BEFORE ME at the City of Toronto, Province of Ontario,

on the 28th day of May, 2013



*Commissioner for Taking Affidavits
(or as may be)*

PHILIP CHO



KYUNG YURL LEE

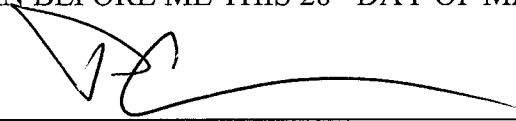
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A1

THIS IS EXHIBIT "A-1" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be 'P. Cho', written over a horizontal line.

Philip Cho
A Commissioner, etc.

Gary Wright, Chief Planner and Executive Director
City Planning Division

2/3/08 20522001 approval

Toronto and East York District
18th Floor East Tower, City Hall
100 Queen Street West
Toronto ON M5H 2N2

Raymond David
Acting Director, Community Planning

Tel: (416) 392-0427
Fax: (416) 392-1330
Refer to: Sipo Maphangoh at 416-338-5747
E-Mail: smaphan@toronto.ca
www.toronto.ca/planning

May 26, 2008

Hacker Gignac Rice LLP
518 Yonge Street
Midland, ON
L4R 2C5

Re: NOTICE OF DECISION
Draft Plan of Standard Condominium
Condominium Approval: **07 136921 STE 21 CD** and **07 129337 STE 21 CD**
165 Vaughan Road
PL 875 BLK F PT LTS 24 & 25
Ward 21 - St. Paul's

The above draft plan of standard condominium has been approved subject to the attached conditions and a 20-day appeal period from the date of this letter. A copy of the plan, endorsed to this effect and signed, is enclosed.

The applicant, any person or public body who made oral or written submissions to the City before a decision was made and the Minister of Municipal Affairs and Housing may appeal the decision within the 20-day appeal period. In addition, the applicant, any public body that made oral or written submission to the City before the decision was made and the Minister of Municipal Affairs and Housing may appeal any of the conditions at any time before the approval of the final plan of standard condominium. The notice of appeal must be made to the Ontario Municipal Board setting out the reasons for the appeal, accompanied by the fee prescribed under the *Ontario Municipal Board Act* in the amount of \$125.00 payable by cheque to the Minister of Finance, Province of Ontario. The appeal notice is to be filed with the City Clerk, Attention: Frances Pritchard, Administrator, Toronto and East York District, 100 Queen St W Floor 12west, Toronto ON M5H 2N2.

Only individuals, corporations or public bodies may appeal decisions in respect of a proposed plan of standard condominium to the Ontario Municipal Board. A notice of appeal may not be filed by an unincorporated association or group. However, a notice of appeal may be filed in the name of an individual who is a member of the association or group on its behalf.

No person or public body shall be added as a party to the hearing of the appeal of the decision of the approval authority, including the lapsing provisions or the conditions, (or any changes to the conditions of approval) unless the person or public body, before the decision of the approval authority, made oral submissions at a public meeting or written submissions to the council or, in the Ontario Municipal Board's opinion, there are reasonable grounds to add the person or public body as a party.

If there is an appeal, you will be notified. If not, the draft plan of standard condominium is approved after the 20th day following the date of this letter.

Any person will be entitled to receive notice of changes to the conditions of approval of the proposed plan of standard condominium if they have made a written request to be notified of changes to the conditions of approval of the proposed plan of standard condominium except that no notice shall be given if the change is considered minor.

When the final plan is prepared it should be forwarded, along with the required copies, to the undersigned. We need to receive:

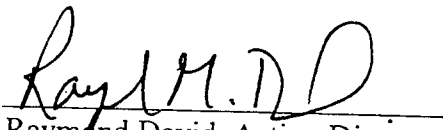
1. the original set of mylars;
2. one (1) mylar print;
3. six (6) paper prints.

If the plan complies with the terms of approval and all conditions have been satisfied or secured, final approval will be given to the plan. Upon approval, a paper print is retained for our files and the remaining copies are forwarded to the Ontario Land Registry Office, which is responsible for registering the plan.

Once the plan has been registered, please ensure that a paper print is returned to our office and that a paper print is sent to the City's Surveying and Mapping Services Section, 4th Floor, 18 Dyas Road, Toronto ON, M3B 1V5.

Please contact Sipo Maphangoh, Assistant Planner at (416) 338-5747 if you have any questions.

Yours truly,



Raymond David, Acting Director
Community Planning, Toronto and East York District

Attachment
Enclosure

- cc:
- **Rose Of Sharon (Ontario) Retirement Community**,
920 Yonge St Suite 500, Toronto ON M4W 3C7
 - City Clerk, Toronto and East York District (no enclosures)
 - Director, Planning & Development Law, Legal Services
 - **R. Avis Surveying Inc**,
235 Yorkland Blvd Room 203, Toronto ON M2J 4Y8 (1 plan enclosed)
 - Joe Mihevc, Councillor (no enclosures)

Attachment: 1
City File No. : 07 136921 STE 21 CD and 129337 STE 21 CD

CONDITIONS

This approval applies to Plan Number 2166-ODP1, 2166-ODP2, 2166-DP3), prepared by R. Avis Surveying Inc, Ontario Land Surveyor, and dated November 2, 2006.

- (1) The owner shall complete all site plan matters or provide financial security satisfactory to the City of Toronto to guarantee completion of the site work.
 - (2) The owner shall provide to the Director of Community Planning, Toronto and East York District, confirmation that the taxes have been paid in full. (statement of account or Tax Clearance Certificate)
 - (3) The owner shall file with the Director of Community Planning Toronto and East York District, a complete copy of the final version of the Declaration and Description to be registered, which includes the following schedules:
 - (i) Schedule "A" containing statement from the declarant's solicitor that in his or her opinion, based on the parcel register or abstract index and the plans and drawings recorded in them, the legal description is correct and the easements mentioned in the schedule will exist in law upon the registration of the Declaration and Description; and
 - (ii) Schedule "G" being the certification of the project engineer and/or architect that all buildings have been constructed in accordance with the regulations made under the Condominium Act.
- When the owner files a copy of the declaration with the City of Toronto, it shall be accompanied with a letter of undertaking, stating that, "This is our undertaking to register the Declaration in the same form and content as was provided to you, subject to any changes the Land Registrar may require. This is also our undertaking to provide you with a registered copy of the Declaration once it is registered. If the Land Registrar requires any amendments to the declaration, we will advise you."
- (4) Visitors parking spaces will be clearly delineated on the condominium plan to be registered and the declaration shall contain a clause clearly specifying visitors parking shall form part of the common elements and neither be used by or sold to unit owners or be considered part of the exclusive use portions of the common elements.
 - (5) The owner shall submit a revised draft Reference Plan of Survey, in metric units and integrated with the Ontario Co-ordinate System, showing the lands to be conveyed to the City to the Executive Director, Technical Services, for review and approval, prior to depositing it in the Land Registry Office. (Technical Services Condition – Ana Maria Luciani to clear: 416-392-3986)

- (6) The owner shall file with the Director of Community Planning Toronto and East York District, fully executed copies of the following certificates satisfactory to the said Director (Technical Services Condition – Ana Maria Luciani to clear: 416-392-3986):
- a) certification from the applicant's solicitor certifying that the appropriate easements/rights-of-way indicated in Condition No. 5, have been granted and that such easements have also been included in the declaration and description of the condominium;
 - b) certification from the applicant's surveyor certifying that the appropriate easements/rights-of-way indicated in Condition 5, have been correctly identified on the reference plan of survey;
 - c) certification from the applicant's engineer with respect to the identification of necessary easements.
- (7) The owner shall pay all costs for registration and preparation of the reference plan. (Technical Services Condition – Ana Maria Luciani to clear: 416-392-3986)
- (8) The owner shall submit any additional environmental site assessments reports prepared by a Qualified Person, in accordance with the Record Site Condition Regulation (O. Reg. 153/04), as may be required by for the peer review, in support of the documentation peer reviewed to date. (Technical Services Condition – Ana Maria Luciani to clear: 416-392-3986)
- (9) The owner shall pay for all additional costs associated with the City retaining a third-party peer reviewer and a 7% administrative cost to the City, and submit to the Executive Director, Technical Services, in excess of the initial deposit towards the cost of peer review and submit further deposits when requested to cover the costs of retaining a third-party peer reviewer. (Technical Services Condition – Ana Maria Luciani to clear: 416-392-3986)
- (10) Upon the completion of the environmental remediation process and prior to the conveyance of any lands to the City, the owner shall submit a Statement to the Executive Director, Technical Services, for peer review and concurrence, that, based on all the necessary supporting environmental documents:
- a) The lands on which the roads and municipal services have been constructed meets the Site Condition Standards of the intended land use OR the most environmentally sensitive adjacent land use, whichever is more stringent; and
 - b) It is unlikely that there is any off-site contamination, resulting from the past land uses on or in the vicinity of the development site, that has migrated from the site to the adjacent rights-of-way, that would exceed applicable Soil Condition Standards;
- (11) The owner shall file the Record of Site Condition (RSC) on the Ontario's Environmental Site Registry for the lands to be conveyed and submit along with all supporting studies indicated therein, the Ministry of the Environment's Letter of Acknowledgement of Filing

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT
(Purchaser Type Mb)

THIS AGREEMENT made in duplicate this 6 day of November, 2009
BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.
165 Vaughan Road, Toronto, ON M6C 2L9

(hereinafter referred to as the "Community")

- and -

Kyung Yul Lee and Jung Ja Lee

of the City of Stouffville, ^{kh} ^{g.g.} ~~and~~ Thornhill

99

In the Province of ONTARIO

(hereinafter referred to as the "Purchaser")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the **Rose of Sharon**;

AND WHEREAS the Purchaser is desirous of purchasing the "right to occupy" one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

THE UNIT

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs Inc. Architect, the unit being identified as #508 (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.

The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of one Hundred seventy one Thousand Dollars (\$171,000.-), including zero (0) parking space(s) (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraph 6 hereof.

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Purchaser on or before the 1st day of December, 2009 (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the

January 1st 2009
87 ^{kh} ^{g.g.}

Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. ~~The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Purchaser shall be entitled to receive a refund of all moneys paid without interest.~~ Deleted.

6. The Purchaser agrees to pay the Right to Occupy Cost to the Community as follows: (Complete and cross out as appropriate)

(a) ~~Thirty percent (30%)~~ within five working days (Nov. 13) 9.7.
Ten percent (10%) of the Right to Occupy Cost upon execution of this agreement; (\$ _____)

(b) ~~Ten percent (10%) of the Right to Occupy Cost by the end of October after the signing of this Right to Occupy Agreement;~~ (\$ _____)

(c) ~~Ten percent (10%) of the Right to Occupy Cost by the end of November after the signing of this Right to Occupy Agreement;~~ (\$ _____)

(d) The final payment is due upon Occupancy permit. This will be note that paid by promissory note under the day of (\$ 119,700.-) on (12/10/99) occupancy date.
The Purchaser shall pay the above-noted sums upon ten (10) days' notice of the appropriate events.

COMMON AREAS

1. The Purchaser shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community. Common areas include general space such as halls, elevators and parking areas other than designated parking space(s) under a Right to Occupy Agreement. Common areas and elements also include specific spaces for cultural, social, worship & recreational activities. These areas are for the use and enjoyment of the community as a whole, and only secondarily for private functions when available and under specified conditions. These areas are the rooftop party room, rooftop patio, café, chapel / meeting room, spa and library.
2. The Purchaser acknowledges that the facilities and amenities are to be developed for the enhancement of the total community and they will open for use by the total community. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.
3. If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Purchaser entitled to any compensation or abatement.

MONTHLY MAINTENANCE FEES

1. The Purchaser shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.
2. The monthly maintenance fee is calculated based on the area of the unit. This includes the gross floor area of the unit, the area of the exterior wall assemblies, the area of any wall that separates the unit from any common spaces (corridor, staircase, duct, or plumbing space) and half the area of any wall that separates two units.

3. The monthly maintenance unit fee is to include, but not limited, to the following:
 - (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit (the purchaser pays for unit damage & insurance), the common areas, the amenities and facilities, as well as the visitor parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance, elevator maintenance contract, equipment costs, equipment replacement reserves, major repairs and major capital repairs/reserves and management fees.
 - (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.
4. The monthly maintenance unit fee excludes all areas within and including the drywall of the: party, exterior and corridor walls, but includes the plumbing, mechanical, and electrical (excluding the fixtures). Fenestration is a common element as are Suite entry doors including hardware.
5. Municipal taxes, electricity and any optional services such as communications and entertainment will be billed separately by the Community and paid for by the unit holder in addition to the foregoing.
6. The monthly maintenance fee for the parking spaces are assessed separately. The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit space to the total of the Unit spaces in the building.

TERMS OF THE AGREEMENT

1. The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:
 - (a) The Purchaser gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;
 - (b) Failure of the Purchaser to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;
2. Upon the Purchaser, who has given notice in accordance with paragraph 1 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with the following provisions.
3. Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 1(b) above for which the Community shall provide the Purchaser or his/her representative with written notice, the Purchaser (which in the case of death shall mean the estate of the Purchaser) or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph the following provisions.
4. If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.
5. Upon termination of this Agreement in accordance with paragraph 1 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.
6. The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Association shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Purchaser shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less any amount outstanding to

the Community. The Purchaser shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.

7. Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Purchaser. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.

8. This agreement shall not create any direct ownership in the real property or building of the Community and the Purchaser agrees not to register notice of this Agreement against title to the lands upon which the building sits, until Occupancy and then only in accordance with the form of notice approved by the Community acting reasonably and in accordance with applicable registration regulations. The property may be subject to a number of agreements with the Municipality, utility providers and others which requires for the regulation and functioning of property. Any encumbrances in favour of lenders will be discharged or a non-disturbance agreement obtained for the Unit on Occupation or as soon as reasonably possible thereafter.

9. The Purchaser shall only be able to sell his/her rights hereunder in accordance with paragraphs 1 and 10 hereof. The Purchaser shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.

10. However, if the community does not sell the unit within 90 days after there is vacant possession, then the purchaser may endeavor to sell the unit as he / she sees fit, and not pay the community the 3% fee.

11. The Purchaser shall use the Unit for residential purposes only.

12. This Agreement shall not be changed or modified except by written instruction, signed by both the Purchaser and the Community.

13. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.

14. Where there are two or more Purchasers bound by the same terms herein contained, their obligations shall be joint and several.

15. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

INSURANCE

1. The Community is required to obtain and maintain all risk insurance coverage for the common elements and the units but not for improvements or betterments made by an owner to his unit or for furnishing, fixtures, equipment, decorating and personal property and chattels of the unit owner. The Corporation assumes no obligation with respect to insurance which may be obtained and maintained by an owner. Each owner is advised to inquire as to additional insurance coverage that may be required by him from his issuance advisors.

2. Proof of the insurance stated above, must be supplied by the purchaser to the Community.

3. The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon, at or relating to the Community's lands or the Unit, or damage to the property of the Purchaser or others; nor shall the Community be responsible for any injury or loss or damage to the Purchaser, or any property of the Purchaser from any cause whatsoever, whether or not any such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.

4. No member shall do or permit to be done anything that will in any way increase the risk of fire or the rate of fire insurance for the Association.
5. All property of the Purchaser kept or stored at the Unit or elsewhere in the building shall be at the sole risk of the Purchaser and the Purchaser shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Purchaser's Insurers.
6. The Purchaser shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.
7. The Purchaser shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.
8. Members shall be careful not to permit water to be left running unattended. Apartment residents in particular shall be responsible for the good condition of hoses on appliances.
9. Each unit owner agrees to indemnify the Corporation against any liability, loss, cost, damage or injury to any unit and to the common elements as a result of any act or omission by such unit owner or by his residents, tenants, or guests.

MAINTENANCE

1. The Purchaser shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.
2. The Purchaser shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.
3. No member shall alter any exterior part or paint colour of a structure inhabited under a Right to Occupy Agreement, including balcony or designated parking area in the parking garage, without written permission of the Board.
4. No interior changes to any unit shall be undertaken which could affect the structural integrity of the unit or any building.
5. The maintenance of and alteration to common space will be under the authority of The Board and not carried out by any individual member(s).
6. The Community shall remain the owner of the building and of the Unit and shall have the right of entry to the Unit at reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.
7. The Community shall have exclusive control and management of the common areas, facilities and amenities.
8. The Community shall maintain and repair when necessary the Unit, its electrical, plumbing systems, Community supplied appliances and Heating, Ventilation and Air Conditioning System. The costs of such repairs shall be borne by the Purchaser if the damage has been caused by the Purchaser or his/her guests.

OPERATION

1. The Purchaser / Occupant may keep pets in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Purchaser. Pets form part of this community on the understanding that they will be kept under control when outside their home unit, not create disturbing noise, and cause no damage to property. Their owners will clean up litter immediately.
2. Moving of household effects & furniture in or out of the building shall be before 7AM & after 11PM, by appointment only. Note that the elevator cannot be held for exclusive use for more than 10 minutes.
3. Garbage will be disposed of only in accordance with posted regulations. Members will ensure that common areas they have used are left secured. Keys and access cards will not be duplicated without authorization.
4. There are staff onsite at all times in case of need – members are expected to use discretion in the use of their time so that they are available for emergencies.
5. Barbeques may be used on the Roof Garden & the Penthouse terraces and in other areas upon approval by the Board.
6. Smoking is not permitted in the building.
7. Members will be considerate of their neighbours when playing music or creating noise.
8. The Community shall report, on an annual basis, to the Purchaser with respect to the management of the residences and the provision of common areas, facilities and amenities.

Notice may be given to the Community at:
 Rose of Sharon (Ontario) Retirement Community
 165 Vaughan Road,
 Toronto, Ontario
 M6C 2L9

Notice may be given to the Purchaser at:

~~Mr.~~ Kyungyurl Lee = 78 BOBBY LOCKE LANE, STOUTT-VILLE, ONTARIO 24A 1R4
Jung Ja Lee = 76 Thornbeck crt, Thornhill, ON. L4J 1X4.

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

DISPUTE RESOLUTION

1. Should a dispute about any of the above rules or regulations involve only a few members, the parties will endeavor in good faith to resolve the dispute.
2. Should a breach or infraction or disregard for any rule or regulation occur without the identity of the offender being known or ascertainable, any member may ask the Board, or its Committee to post a reminder as the Board sees fit.
3. Should disputes remain unresolved despite the efforts of the parties, the Board will set up a dispute resolution mechanism. The Board's decision in all cases is final.
4. Amendments, deletions and additions to these Rules and Regulations shall be proposed by the Board to any general meeting, and ratified by a simple majority of those present and voting.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this this 6
day of NOV. 2009.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: [Signature]

Per: _____

We have authority to bind the
Corporation.

[Signature]
KYUNG YU RIL LEE

Purchaser

[Signature]
Jung Ja hee
Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



A Commissioner, etc.

ROSE OF SHARON - ACKNOWLEDGEMENT AND CONSENT AGREEMENT

In consideration of the sum of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the covenants contained herein and in the Right to Occupy Agreement attached to this Agreement, the undersigned, Kyungyuri Lee and Jung Ja Lee individually and collectively called the "Purchaser", acknowledges and agrees as follows: Jung Ja Lee

1. The Purchaser has been advised by Rose (the "Community") that there are two parts to the development of the Property:
 - (i) a long term care component (the "Long Term Care Project"); and
 - (ii) a residential life lease component consisting of a number of apartment units and related amenities (the "Life Lease Project"), (collectively referred as the "Project")
2. The Purchaser has signed the Agreement to purchase a life lease unit from the Community in the Life Lease Project, dated the 6 day of Nov., 2009. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$ 51,300,-) (the "Deposit") on account of the purchase price as described in the Agreement.
3. The Purchaser acknowledges and agrees that, such Agreement is a good and valid agreement of purchase and sale enforceable against the Purchaser by the Community and its successors and assigns. In addition, on the date of executing this Agreement, the Purchaser acknowledges that he / she has received from the Community and subsequently reviewed with his/her solicitor a draft copy of the Agreement (the "Right to Occupy Agreement"). The Purchaser acknowledges that the Agreement is substantially settled but the Community has the right to amend the Agreement, in its sole and absolute discretion, from time to time, until it is in a form acceptable to the Community, its lender and any regulatory authority. Notwithstanding any provision of the Agreement to the contrary, the Purchaser agrees to execute the final version of the Agreement forthwith after receiving execution copies from the Community provided that there are no amendments to the purchase price, the exclusive right to occupy the unit and entitlement to net sale proceeds on sale or other substantive provisions of such agreements that would have material adverse effect on the Purchaser. The Purchaser waives any right to claim that the Agreement is void for uncertainty or subject to any right of rescission because the Agreement will not be finalized and / or executed by the parties until a future date.
4. The Deposits paid by the Purchaser may be used by the Community in the construction for the Project. The Deposits are not insured under the Ontario New Home Warranty program or otherwise. There is a builder's warranty of one year, with some elements with an extended warranty.
5. As required by Canada Mortgage and Housing Corporation, the Purchaser acknowledges and agrees that he / she has been advised that the construction lender has the legal right, in its sole and absolute discretion but without any obligation, to insist that the Life Lease Project be registered as a condominium corporation. Further, the Purchaser acknowledges and agrees that he/she has been advised that, in this event, the Purchaser may be required to acquire, but he/she is not entitled to require, a condominium unit rather than a life lease unit on terms and conditions that have been fully explained to the Purchaser at the time of executing this Agreement, which terms and conditions will be reflected in the final version of the Agreement.
6. The Purchaser has received independent legal advice prior to his/her signing this Acknowledgment and Consent Agreement.
7. As required by Canada Mortgage and Housing Corporation, on the date of executing this Agreement and from time to time, the Purchaser agrees to provide to the Community all financial and other information as the Community may reasonably require in order to confirm the credit worthiness of the Purchaser and the Purchaser's ability to complete the transaction of purchase and sale.
8. The Purchaser acknowledges that this Agreement is incorporated into and shall form part of the Agreement to Purchase.

9. The Purchaser agrees that this Acknowledgement and the Agreement are binding on the Purchaser and his/her heirs, executors, administrators, personal legal representatives, successors and assigns. This Acknowledgement and the Agreement shall be for the benefit of and be binding upon each of the parties and their successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 6 day of November, 2000.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: [Signature]

Per: _____

We have authority to bind the Corporation.

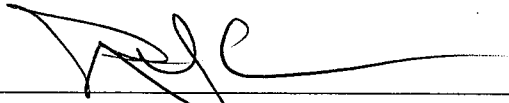
[Signature]
Kyungyuri Lee

Purchaser [Signature]

Jung Ja hee
Purchaser

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be 'JL', written over a horizontal line.

A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of April, 2010.

B E T W E E N :

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

(herein "Rose")

- and -

Kyung Yurl Lee/ Jung Ja Lee

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 708 (508)

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Seventy One Thousand Dollars (\$171,000.00) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of One Hundred Nineteen Thousand and Seven Hundred Dollars (\$119,700.00);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;

- f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.
- 4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.
- 5. Notice may be given to the parties at the following addresses:

Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser

Address : 78 Bobby Locke Lane, Stouffville, ON L4A1R4

76 Thornbrook Crt, Thornhill, ON L4J7X4

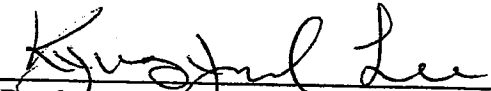
IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

SIGNED, SEALED AND DELIVERED) ROSE OF SHARON (ONTARIO)
) RETIREMENT COMMUNITY INC.

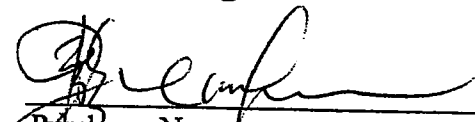
) Per: 

) Per: _____

) I/We have authority to bind the corporation.

) 
 Purchaser Name:

 Witness

) 
 Purchaser Name:

 Witness

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



A Commissioner, etc.

www.tdcanadatrust.com www.tdcanadatrust.com www.tdcanadatrust.com www.tdcanadatrust.com www.tdcanadatrust.com
005 x

CERTIFIED
MRS JUNG OK LEE OR
MR KYUNG-YURL LEE

DATE 2010-11-12
Y Y Y M M D D

PAY TO THE ORDER OF Mrs Rose of Sharon \$ 119,700.00
Seven Hundred Ninety Thousand Seven Hundred

TD Canada Trust
312 SHEPPARD AVENUE EAST
TORONTO, ONTARIO M2N 3B4

[Handwritten Signature]

CERTIFIED CHEQUE
MEMO
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6 6

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 KOREAN (TORONTO) CREDIT
 KOREAN (TORONTO) CREDIT
 NOV 15 2010
 703 BLOOR ST. WEST
 TORONTO, ONT. M6G 1B3
 CIBC
 CIBC DATA CENTRE
 TORONTO ONTARIO
 TORONTO ONTARIO

DIT UNION 20782-828

Endorsement - Signature or Stamp

**CERTIFIED
DO NOT DESTROY**


BACKVERSO

DIT UNION
TORONTO ONTARIO

DIT UNION
TORONTO ONTARIO

TAB E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



A Commissioner, etc.

#708(508)

PROMISSORY NOTE

Amount : \$119,700.00

Date: November 1, 2010

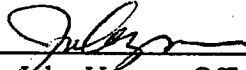
Interest : 6.75% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Lee Kyung Yuri / Lee Jung Ja, on account with the right of survivorship, the sum of One Hundred Nineteen Thousands and Seven Hundred Dollars (\$119,700.00), in lawful money of Canada together with interest thereon at the rate of 6.75% percent per annum.

DATED at Toronto, Ontario on this 1th day of November, 2010.

Rose of Sharon (Ontario) Retirement Community

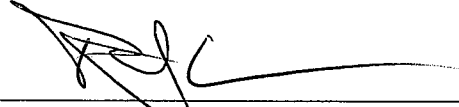
Per 
Name: John Yoon Office: CEO
I have authority to bind the corporation.

Document/demandnote



TAB F

THIS IS EXHIBIT "F" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be 'A. C.', written over a horizontal line.

A Commissioner, etc.

To: Paul

www.tdcanadatrust.com www.tdcanadatrust.com www.tdcanadatrust.com www.tdcanadatrust.com

MRS JUNG OK LEE OR
MR KYUNG-YURL LEE

026

DATE 2011-09-08
Y Y Y Y M M D D

PAY TO THE ORDER OF Rose of Sharon \$ 25,000.-
Twenty Five Thousand ~~00~~ 100 DOLLARS

TD Canada Trust
312 SHEPPARD AT LONGMORE
WILLOWDALE, ONTARIO M2N 3B4

Kyung Yurl Lee
[Signature]

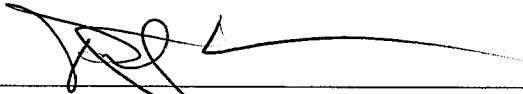
MEMO Inf. 26 space # 25 PURCHASED

⑈026⑈ ⑆02652⑈004⑆ 7878⑈6416566⑈

⑆ 21 261206

TAB G

THIS IS EXHIBIT "G" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



A Commissioner, etc.

#708(508)

PROMISSORY NOTE

Amount : \$25,000.00

Date: September 8, 2011


Interest : 6.75% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Lee Kyung Yurl / Lee Jung Ja, on account with the right of survivorship, the sum of Twenty Five Thousands Dollars (\$25,000.00), in lawful money of Canada together with interest thereon at the rate of 6.75% percent per annum.

DATED at Toronto, Ontario on this 8th day of September, 2011.

Rose of Sharon (Ontario) Retirement Community

Per 
Name: John Yoon Office: CEO
I have authority to bind the corporation.

Document/demandnote

TAB H

THIS IS EXHIBIT "H" REFERRED TO
IN THE AFFIDAVIT OF KYUNG YURL LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



A Commissioner, etc.

PROMISSORY NOTEAmount: \$144,700.00Date: October 1, 2010

FOR VALUE RECEIVED \$144,700.00 ("the Maker") acknowledges him/her/themselves indebted and hereby promises to pay to **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.** ("the Lender") at its address noted below or at such other place as the Lender may designate in writing to the Maker from time to time, the principal sum of One Hundred Forty Four Thousand and Seven Hundred Dollars (\$144,700.00) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 708 (508).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: 78 Bobby Locke Lane, Stouffville, ON L4A1R4

76 Thronbrook Crt, Thornhill, ON L4J7X4

The Lender declares its address to be: 165 Vaughan Road, Toronto, ON M6C 2L9

2. **INTEREST:**

The Principal Sum hereunder shall bear interest at the rate of 6.75 per cent (6.75%) per annum, calculated semi-annually, not in advance, as well after as before maturity both before and after default on such portion of the Principal Sum as remains from time to time unpaid.

3. **PAYMENTS**

- (a) **Blended Payments of Principal and Interest:** Principal and interest from the date hereof shall be payable by the Maker in blended equal consecutive monthly instalments of Eight Hundred Thirteen Dollars and Ninety Four Cents (\$813.94) each on the 1st day of each and every month, commencing on the 1st day of October, 2010, until the 1st day of October, 2012, in each year, and the balance, if any, of the Principal Sum shall be due on the 1st day of October, 2012.

Provided that the aforesaid instalments are to be applied first in payment of the interest due from time to time, calculated at the aforementioned rate of interest and the balance to be applied in reduction of the Principal Sum, subject however to the provisos hereinafter contained.

- (b) **Due on Demand:** Notwithstanding anything else contained herein the Principal Sum and interest owing hereunder shall be due on demand. In the event the Maker is in breach of their obligations contained in the Right to Occupy Agreement between the parties dated the 1st day of October, 2010.
- (c) **Open:** Provided that the indebtedness of the Maker hereunder shall be open to

prepayment in whole or in part on any regular payment date without notice, bonus or penalty.

- (d) **Prepayment Penalty:** The Maker shall be entitled to prepay any part of the Principal Sum upon payment to the Lender of an amount equal to three months' interest.
- (e) **Acceleration:** Provided that in default of a payment of interest or in default of a payment of instalments of principal or in default of the performance of any of the obligations of the Maker hereunder, the balance of the Principal Sum and interest shall immediately become due and payable at the option of the Lender. The Maker shall not be relieved from such default without the Lender's written consent first being obtained.
- (f) **Death of Maker:** Entire balance of principal, interest and any other costs owing under the terms hereof shall become immediately due and payable at the option of the Lender on the death of the Maker or any one of them.

4. **COVENANTS BY MAKER:**

The Maker covenants and agrees with the Lender as follows:

- (a) **Right to Occupy Agreement:** To abide by the terms and conditions of the Right to Occupy Agreement dated the 1st day of October, 2010; To provide to the Lender a full copy of its financial statements within 90 days of its fiscal year end.

5. **COSTS:**

And the Maker hereby covenants with the Lender that he will pay the costs, charges and expenses of and incidental to the taking, preparation, execution and filing of Notice of this Note and any documents relating thereto and of every renewal thereof, and also all costs which the Lender may incur by reason of the default of the Maker in payment of the moneys advanced hereunder, including costs between solicitor and client, and all bailiffs and other fees and expenses and bank charges.

6. **DEFAULT:**

Upon the occurrence of any default on the part of the Maker as hereinafter defined, all indebtedness hereunder shall, at the option of the Lender, forthwith become due and payable.

The Maker shall be in default under this Promissory Note upon the occurrence of any of the following events:

- (a) the Maker shall fail to pay any of the indebtedness when due or to observe or perform any of the covenants contained herein;
- (b) the Maker shall become insolvent or commit an act of bankruptcy or make an assignment in bankruptcy.
- (c) the Maker shall breach the covenant in paragraph 4 above;

7. **LIMITATIONS:**

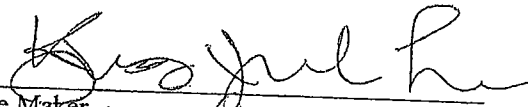
- (a) This Promissory Note is made for business purposes and is a "business agreement" as defined in the Limitations Act, 2002 (herein "the Act"); and
- (b) No limitation periods found in the Act, other than the ultimate limitation period found in Section 15 of that Act, shall apply to this Promissory Note and to the obligations imposed by this Promissory Note.

8. **INTERPRETATION AND GENERAL:**


- (a) **Proof of Compliance:** The Lender may require reasonable proof that the borrower is not in default under the terms of this Promissory Note and failing the Maker providing such reasonable proof, the Lender may take whatever steps are necessary to obtain such proof and the costs of obtaining such proof shall be added to the principal amount outstanding on this Note.
- (b) **Judgments:** Provided and it is hereby agreed, that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Lender's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.
- (c) **Advance of Funds:** This Promissory Note is issued pursuant to the advance of funds by the Lender to the Maker in the amount of the face value of this Promissory Note, the receipt of which is acknowledged by the Maker.
- (d) **Successors:** This Promissory Note and all of its provisions, terms and conditions shall be binding upon and enure to the benefit of the Lender, its successors and assigns and the Maker and its successors. The term "successors" shall include, without limitation, any company resulting from the amalgamation of a party hereto with any other company.
- (e) **Waiver of Presentment:** The Maker of this Promissory Note does hereby waive presentment for payment, notice of nonpayment, protest and notice of protest and does hereby consent to all extensions and renewals hereto, without notice.
- (f) **Laws of Ontario:** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
- (g) **Number - Gender:** Provided and it is hereby agreed that in construing these presents the words "Maker" and "Lender" and the personal pronoun "it" or "its" relating thereto and used therewith, shall be read and construed as "Maker or Makers," "Lender or Lenders," and "his," "her," "its" or "theirs," respectively, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted; and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Lender or Lenders shall be equally secured to and exercisable by his, her, its or their heirs, executors, administrators and assigns, or successors and assigns as the case may be; and that all covenants, liabilities and obligations entered into or imposed hereunder upon the Maker or Makers shall be equally binding upon his, her or their heirs, executors, administrators and permitted assigns, or successors and assigns as the case may be; and that all such covenants

- (i) and liabilities and obligations shall be joint and several.
- (i) **Joint and Several Liability:** All the covenants, liability and obligations entered into or imposed hereunder upon the Maker or Makers shall be joint and several.
- (h) **Severability:** Provided that if any of the covenants or conditions in this Promissory Note contained shall be void for any reason if shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance;

DATED at Toronto, Ontario, this 1st day of October, 2010.

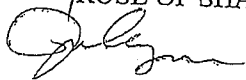


 The Maker -



 The Lender -

JOHN YOON, CEO
 ROSE OF SHARON



q:\49149.569\49.569.002\promissory note - v2.doc (1)

TAB 4

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

**AFFIDAVIT OF
YOUNG SOOK CHA
(sworn May 28th, 2013)**

I, YOUNG SOOK CHA, of the Town of Richmond Hill, in the Regional Municipality of York, MAKE OATH AND SAY:

1. I am the owner of Unit 308 (the “**Unit**”) in the Rose of Sharon housing project (the “**Project**”), which is owned by the respondent Rose of Sharon (Ontario) Retirement Community (“**Rose**”). I am also one of the Arm’s Length Unit-holders as set out in Schedule “A” to the Representative Counsel Order of Justice Mesbur dated April 11, 2013 (the “**Mesbur Order**”). As such, I have knowledge, information and belief of the matters to which I hereinafter depose. Where matters are stated as being based on information, I verily believe such information to be true. Where matters are stated as being based on belief, I identify the fact and the reason for my belief.

2. This affidavit is made in response to a motion brought by Peoples Trust Company (“**Peoples**”) for, among other things, an order that the Peoples mortgage ranks in priority over my interests as the unit-holder of my Units, and indeed over all other unit-holders’ interests.

3. This affidavit is also made in support of a cross-motion brought by the Arm’s Length Claimants for, among other things, a declaration that the Arm’s Length Unit-holders (“**ALU’s**”) have a life estate in the property municipally known as 15-17 Maplewood Avenue, Toronto, Ontario and/or in specific units in the building located on the property (the “**Property**”).

4. I understand that other ALU’s will also be providing affidavits in support of our common position, and that my affidavit will serve as one of the “principal” affidavits, such that other affiants may adopt portions of my affidavit, where appropriate, in an effort to be more efficient, to reduce the number of similar affidavits to be filed, and to save time and expense. I understand that those other affiants will provide additional information to the Court where necessary to set out how their experiences differ from my own.

5. I am advised by Philip Cho (“**Cho**”), of the law firm Kronis Rotsztain Margles Cappel LLP (“**KRMC**”) that Hae Jeong Kang and Kyung Yurl Lee will be providing their affidavits (the “**Kang Affidavit**” and the “**Lee Affidavit**”, respectively), which will also serve as “principal” affidavits. I have reviewed drafts of the Kang Affidavit and the Lee Affidavit and, where appropriate, adopt portions of these Affidavits, again, in an effort to be more efficient.

6. For consistency, I also use certain capitalized terms that, unless defined in my affidavit, are as defined in the Kang Affidavit.

7. My affidavit will deal with the following areas:

- a. My personal information and background;
- b. My introduction to the Project;
- c. The initial documentation, including the Right to Occupy Agreement;
- d. The deposits that I paid;
- e. The Acknowledgement and Postponement agreement;
- f. The Amended Right to Occupy Agreement and the “mortgage”; and,
- g. The substantial prejudice my mother and I would suffer.

PERSONAL INFORMATION AND BACKGROUND

8. I am of Korean heritage and was born in South Korea in 1955. My husband and I immigrated to Canada with my two daughters in 1999, and like many other Koreans, we wanted to establish a better life for ourselves and our children.

9. Before coming to Canada, I had obtained a bachelor’s degree in Korean Literature from a university in Korea. My husband completed two years of university in Korea but did not graduate.

10. After settling in Canada, we operated a small Korean restaurant in North York, which we sold about 3 years ago.

11. My command of the English language is limited. Like Ms. Kang, when I met with Cho for the purpose of providing information to him with respect to this matter, and for the purpose of preparing this affidavit, the interview was conducted primarily in Korean because it is

difficult for me to understand and express myself properly in English. This affidavit also had to be translated into Korean for me so that I could fully understand the contents, and before I agreed to swear it. I am also advised by Cho that KRMC retained a translation service to translate this affidavit into Korean for the purposes of having it available for myself and others to similarly use when making their own affidavits.

12. I agree with what Ms. Kang states in paragraph 20 of the Kang Affidavit, as I also have difficulty and often struggle to fully understand situations that involve financial arrangements or where more detailed information is required. I too must rely primarily on what we are told by the person with whom I am dealing, rather than any written documentation.

INTRODUCTION TO THE ROSE OF SHARON PROJECT

13. Unless otherwise noted, all of my discussions with Rose were also through John Yoon (“**John**”). To my knowledge, John was a director of Rose. All of our conversations and discussions took place in the Korean language.

14. I first heard about the Project in 2006 after reading an article in a Korean-language newspaper. My mother was aging and I had been thinking about suitable living arrangements for her. After reading about the Project, I was very excited about what was being offered. I thought then that if I purchased a condominium unit in the Project for my mother, then I would also be able to purchase services for her from the nursing home portion. The focus on the Korean heritage was ideal because my mother cannot speak English and was not accustomed to non-Korean foods.

15. Shortly after reading the article, I sought out additional information, and was directed to John’s office, which I remember was located somewhere on Yonge Street. John

explained that if I purchased a unit in the residence portion of the Project, I could also pay for extra services from the nursing home, such as a meal plan featuring Korean food. This was an important factor for me because my mother would eventually have difficulty cooking for herself.

16. John also explained at that time that the Project would be converted to a condominium. I had purchased a condominium unit before and I remember paying a down payment of approximately ^{25%}~~30%~~. I remember that the building was not registered as a condominium until after it was completed and people began to move into their units. I believed that the Project would be no different, and therefore, I was happy to purchase a unit.

17. Based on my discussions with John and the article that I read, my understanding of the Project was also substantially similar to what Ms. Kang sets out in the Kang Affidavit at paragraph 29.

THE INITIAL DOCUMENTATION

18. I adopt the statements contained in paragraphs 36 – 38 of the Kang Affidavit. In my case, I also:

- a. do not specifically recall John explaining anything about a “life lease” to me;
- b. do recall John telling me that the after the Project was complete, it would be converted to a condominium; and
- c. was not advised of any restrictions on who could live in my Unit.

19. However, based on what John told me, I signed a document entitled Right to Occupy Agreement (“RTOA”). Attached to my Affidavit and marked as Exhibit “A” is a copy of my RTOA dated August 18, 2006.

20. I also signed a document entitled Acknowledgement and Consent Agreement (“ACA”). Attached to my affidavit and marked as Exhibit “B” is a copy of the ACA dated August 18, 2006.

21. I had a similar experience to what Ms. Kang describes in paragraphs 42 – 46 of the Kang Affidavit, with respect to:

- a. The lack of legal or professional advice;
- b. The lack of any financial documents or information requested;
- c. The lack of any Korean translation of the documents;
- d. The review of only the basic information set out in the RTOA;
- e. The lack of any review or discussion of any of the other terms and conditions contained in the RTOA.

22. The form of RTOA and ACA that I signed is similar to those set out in the Lee Affidavit. As such, I adopt the comments made in paragraphs 33 – 39 of the Lee Affidavit, except that I did not have the benefit of any legal advice. To summarize:

- a. I also believed that I was purchasing a unit in the Project. In this regard, I also adopt the statement in paragraphs 47 - 48 of the Kang Affidavit, and I too, would not have purchased the unit if I was aware of any risk that I could lose my unit to Peoples because Rose did not comply with its obligations to Peoples;
- b. I was not aware of any “term” of the RTOA that was based on my life;

- c. With respect to the ACA, I was not aware of the risk to my deposits. I will add that I did expect that the deposits would be used by Rose of Sharon in the construction of the Project. However, I believed that in Canada, there were protections for me such as insurance and regulations. I never imagined that my deposits or my purchase was at risk. Perhaps in Korea, but not in Canada. I remember hearing from real estate agents that my money would be safe in a condo project;
- d. I also believed that the Project would be converted to a condominium;
- e. John never required that I obtain legal advice before signing the ACA;
- f. No financial information was requested of me.

23. I agree with what is stated in paragraphs 54 – 57 of the Kang Affidavit regarding the way John simply showed me where to sign on the documents and the lack of explanation; the lack of any Korean translation and my inability to understand the documents; and that I was never advised about Peoples' interest in the Project and the risk that Peoples could remove me from the Project.

DEPOSITS PAID

24. I have paid the following amounts, in respect of my deposits, as required by the RTOA:

- a. on April 21, 2006, I paid the sum of \$1,466;
- b. on August 29, 2006, \$13,197;

- 8
 PC ✓ 224 ✓ PC (19)
- c. on September 18, 2006, \$18,~~244~~;
- d. on September 18, 2006, \$3,561;
- e. on December 21, 2006, \$5,000; and
- f. on April 19, 2007, \$13,224.

I had difficulty making the deposit payments on the schedule required by the RTOA. However, the amounts paid total \$54,672, which is the required 30% of the purchase price.

25. On each occasion, like Ms. Kang, I also provided the deposit payments to John. Attached hereto and marked as Exhibit "C" are copies of the payment receipts that John provided to us for each payment made.

THE ACKNOWLEDGEMENT AND POSTPONEMENT

26. On or about April 30, 2007, I believe that I signed a document entitled Acknowledgement and Postponement. Like Ms. Kang, I also do not have any specific recollection of this document. Attached hereto and marked as Exhibit "D" is the Acknowledgement and Postponement.

27. I agree with the statements contained in paragraphs 71 – 76 of the Kang Affidavit. To summarize, I did not know that the Acknowledgment and Postponement affected my rights or interest and this was not explained to me. I also did not consult a lawyer before signing, nor was I encouraged to do so. Peoples also never contact me about this document. I would not have agreed to risk my deposits and permit Peoples' mortgage to have priority.

THE AMENDED RTOA AND THE "MORTGAGE"

28. Attached and marked as Exhibit "E" is a copy of the Amended Right to Occupy Agreement ("**Amended RTOA**") dated April 1, 2010 for the Units. I was told by John that I had to sign this for the purpose of occupancy of the Unit, and to confirm the balance of the purchase price owing. I understood from what John said that this document sets out the mortgage terms for the balance owing on my Unit.

29. Attached to the Amended RTOA was a document entitled "Promissory Note" and a document entitled "Mortgages and Loans" and it sets out the balance owing, the interest rate, the monthly payment and other information. Also attached to the Amended RTOA is another document with my name on the top and sets out all of the monthly payments that I must make for a 2-year period.

30. I had always intended to finance the purchase of the Unit. I could not otherwise afford to purchase the Unit. As a result, I understood that Rose was providing me with a mortgage loan for the balance of the purchase price, and that if I continue to pay my mortgage, I would continue to be entitled to my Unit.

31. Although I cannot recall the specific circumstances, I do remember hearing that until the Project was registered as a condominium, purchasers of units could not get bank financing. This made sense to me as I recall something similar with respect to the other condominium that I had purchased.

32. I am advised by Cho that this payment arrangement with Rose is not a mortgage loan in the way that I believed. I was surprised by this as everything provided to me by Rose appeared to indicate that I had a mortgage.

33. I adopt the statements in paragraphs 95 – 96 of the Kang Affidavit regarding the fact that these documents were also not translated, I was not advised to see a lawyer or anyone else, and that I simply trusted John when he asked me to sign.

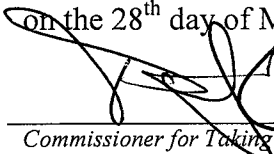
SIGNIFICANT PREJUDICE IF UNIT LOST

34. I purchased the Unit for my mother, who is living there now. My mother is 84 years old and enjoys living in the community that has been created by the Project. The staff and many residents are of Korean heritage.

35. If I am not able to keep the Unit, my mother will have to find another place to live. In all likelihood, it will not be in a community focused on the Korean heritage. As such, I worry that she would not be happy and her health may suffer as a result.

36. In addition, I have paid significant sums to Rose, which was not easy for me to do. If I am unable to recover the monies that I have paid to Rose of Sharon, I will suffer a significant financial loss. We currently do not own any other property, and rent our home. To lose even the deposits in this Unit is a significant loss for us that may prove difficult to recover from.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on the 28th day of May, 2013

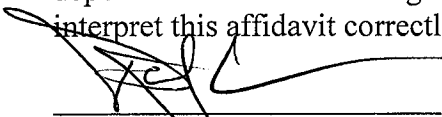


Commissioner for Taking Affidavits (or as may be)
PHILIP CHO



YOUNG SOOK CHA

I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF YOUNG SOOK CHA
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be 'J. A. ...', written over a horizontal line.

A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT
(Purchaser Type M)

THIS AGREEMENT made in duplicate this 18th day of August, 2006.
BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.
Proposed Project 165 / 171 Vaughan Road, Toronto (the Property)

(hereinafter referred to as the "Community")

- and -

Mrs. Youngsook CHA

of the City of Mississauga.

in the Province of Ont.

(hereinafter referred to as the "Purchaser")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the **Rose of Sharon**;

AND WHEREAS the Purchaser is desirous of purchasing the "right to occupy" one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

THE UNIT

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs Inc. Architect, the unit being identified as #UM8 (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.

The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of One Hundred Eighty Two Thousand Two Hundred Two Hundred Forty Dollars (\$ 182,240), including zero (0) parking space(s) (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraph 6 hereof.

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Purchaser on or before the 30th day of November, 2007 (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the

Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Purchaser shall be entitled to receive a refund of all moneys paid without interest.

6. The Purchaser agrees to pay the Right to Occupy Cost to the Community as follows:
(Complete and cross out as appropriate)

- (a) One percent (1%) of the Right to Occupy Cost upon execution of this agreement; **Eighteen Hundred Twenty Two Dollars (\$ 1,822)**
- (b) Nine percent (9%) of the Right to Occupy Cost 10 days after the signing of this Right to Occupy Agreement; **Sixteen Thousand Four Hundred Two Dollars (\$ 16,402)**
- (c) Ten percent (10%) of the Right to Occupy Cost within 30 days after the signing of this Right to Occupy Agreement; **Eighteen Thousand Two Hundred Twenty Four Dollars (\$18,224)**
- (d) Ten percent (10%) of the Right to Occupy Cost upon the 1st basement slab poured **Eighteen Thousand Two Hundred Twenty Four Dollars (\$18,224)**
- (e) The final payment is due upon Occupancy permit **One Hundred Twenty Seven Thousand Five Hundred Sixty Eight Dollars (\$127,568)**

The Purchaser shall pay the above-noted sums upon ten (10) days' notice of the appropriate events.

COMMON AREAS

1. The Purchaser shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community. Common areas include general space such as halls, elevators and parking areas other than designated parking space(s) under a Right to Occupy Agreement. Common areas and elements also include specific spaces for cultural, social, worship & recreational activities. These areas are for the use and enjoyment of the community as a whole, and only secondarily for private functions when available and under specified conditions. These areas are the rooftop party room, rooftop patio, café, chapel / meeting room, spa and library.

2. The Purchaser acknowledges that the facilities and amenities are to be developed for the enhancement of the total community and they will open for use by the total community. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.

3. If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Purchaser entitled to any compensation or abatement.

MONTHLY MAINTENANCE FEES

1. The Purchaser shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.

2. The monthly maintenance fee is calculated based on the area of the unit. This includes the gross floor area of the unit, the area of the exterior wall assemblies, the area of any wall that separates the unit from any common spaces (corridor, staircase, duct, or plumbing space) and half the area of any wall that separates two units.
3. The monthly maintenance unit fee is to include, but not limited, to the following:
 - (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit (the purchaser pays for unit damage & insurance), the common areas, the amenities and facilities, as well as the visitor parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance, elevator maintenance contract, equipment costs, equipment replacement reserves, major repairs and major capital repair reserves and management fees.
 - (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.
4. The monthly maintenance unit fee excludes all areas within and including the drywall of the: party, exterior and corridor walls, but includes the plumbing, mechanical, and electrical (excluding the fixtures). Fenestration is a common element as are Suite entry doors including hardware.
5. Municipal taxes, electricity and any optional services such as communications and entertainment will be billed separately by the Community and paid for by the unit holder in addition to the foregoing.
6. The monthly maintenance fee for the parking spaces are assessed separately. The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit space to the total of the Unit spaces in the building.

TERMS OF THE AGREEMENT

1. The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:
 - (a) The Purchaser gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;
 - (b) Failure of the Purchaser to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;
2. Upon the Purchaser, who has given notice in accordance with paragraph 1 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with the following provisions.
3. Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 1(b) above for which the Community shall provide the Purchaser or his/her representative with written notice, the Purchaser (which in the case of death shall mean the estate of the Purchaser) or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph the following provisions.
4. If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.
5. Upon termination of this Agreement in accordance with paragraph 1 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.

6. The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Association shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Purchaser shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less any amount outstanding to the Community. The Purchaser shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.

7. Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Purchaser. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.

8. This agreement shall not create any direct ownership in the real property or building of the Community and the Purchaser agrees not to register notice of this Agreement against title to the lands upon which the building sits, until Occupancy and then only in accordance with the form of notice approved by the Community acting reasonably and in accordance with applicable registration regulations. The property may be subject to a number of agreements with the Municipality, utility providers and others which requires for the regulation and functioning of property. Any encumbrances in favour of lenders will be discharged or a non-disturbance agreement obtained for the Unit on Occupation or as soon as reasonably possible thereafter.

9. The Purchaser shall only be able to sell his/her rights hereunder in accordance with paragraphs 1 and 10 hereof. The Purchaser shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.

10. However, if the community does not sell the unit within 90 days after there is vacant possession, then the purchaser may endeavor to sell the unit as he / she sees fit, and not pay the community the 3% fee.

11. The Purchaser shall use the Unit for residential purposes only.

12. This Agreement shall not be changed or modified except by written instruction, signed by both the Purchaser and the Community.

13. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.

14. Where there are two or more Purchasers bound by the same terms herein contained, their obligations shall be joint and several.

15. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

INSURANCE

1. The Community is required to obtain and maintain all risk insurance coverage for the common elements and the units but not for improvements or betterments made by an owner to his unit or for furnishing, fixtures, equipment, decorating and personal property and chattels of the unit owner. The Corporation assumes no obligation with respect to insurance which may be obtained and maintained by an owner. Each owner is advised to inquire as to additional insurance coverage that may be required by him from his issuance advisors.

2. Proof of the insurance stated above, must be supplied by the purchaser to the Community.

3. The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon, at or relating to the Community's lands or the Unit, or damage to the property of the Purchaser or others; nor shall the Community be responsible for any injury or loss or damage to the Purchaser, or any property of the Purchaser from any cause whatsoever, whether or not any

such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.

4. No member shall do or permit to be done anything that will in any way increase the risk of fire or the rate of fire insurance for the Association.
5. All property of the Purchaser kept or stored at the Unit or elsewhere in the building shall be at the sole risk of the Purchaser and the Purchaser shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Purchaser's Insurers.
6. The Purchaser shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.
7. The Purchaser shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.
8. Members shall be careful not to permit water to be left running unattended. Apartment residents in particular shall be responsible for the good condition of hoses on appliances.
9. Each unit owner agrees to indemnify the Corporation against any liability, loss, cost, damage or injury to any unit and to the common elements as a result of any act or omission by such unit owner or by his residents, tenants, or guests.

MAINTENANCE

1. The Purchaser shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.
2. The Purchaser shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.
3. No member shall alter any exterior part or paint colour of a structure inhabited under a Right to Occupy Agreement, including balcony or designated parking area in the parking garage, without written permission of the Board.
4. No interior changes to any unit shall be undertaken which could affect the structural integrity of the unit or any building.
5. The maintenance of and alteration to common space will be under the authority of The Board and not carried out by any individual member(s).
6. The Community shall remain the owner of the building and of the Unit and shall have the right of entry to the Unit at reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.
7. The Community shall have exclusive control and management of the common areas, facilities and amenities.
8. The Community shall maintain and repair when necessary the Unit, its electrical, plumbing systems, Community supplied appliances and Heating, Ventilation and Air Conditioning System. The costs of such repairs shall be borne by the Purchaser if the damage has been caused by the Purchaser or his/her guests.

OPERATION

1. The Purchaser / Occupant may keep pets in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Purchaser. Pets form part of this community on the understanding that they will be kept under control when outside their home unit, not create disturbing noise, and cause no damage to property. Their owners will clean up litter immediately.
2. Moving of household effects & furniture in or out of the building shall be before 7AM & after 11PM, by appointment only. Note that the elevator cannot be held for exclusive use for more than 10 minutes.
3. Garbage will be disposed of only in accordance with posted regulations. Members will ensure that common areas they have used are left secured. Keys and access cards will not be duplicated without authorization.
4. There are staff onsite at all times in case of need – members are expected to use discretion in the use of their time so that they are available for emergencies.
5. Barbeques may be used on the Roof Garden & the Penthouse terraces and in other areas upon approval by the Board.
6. Smoking is not permitted in the building.
7. Members will be considerate of their neighbours when playing music or creating noise.
8. The Community shall report, on an annual basis, to the Purchaser with respect to the management of the residences and the provision of common areas, facilities and amenities.

Notice may be given to the Community at:

Rose of Sharon (Ontario) Retirement Community
920 Yonge Street, Suite 500.
Toronto, Ontario
M4W 3C7

Notice may be given to the Purchaser at:

35 Kingsbridge Garden Circle
Mississauga, ON L5R 3Z5
Tel: 905-510-8989

*162 Pinewood Dr
Vaughan, ON. L4J 5P5
Post-110-8989*

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

DISPUTE RESOLUTION

1. Should a dispute about any of the above rules or regulations involve only a few members, the parties will endeavor in good faith to resolve the dispute.
2. Should a breach or infraction or disregard for any rule or regulation occur without the identity of the offender being known or ascertainable, any member may ask the Board, or its Committee to post a reminder as the Board sees fit.
3. Should disputes remain unresolved despite the efforts of the parties, the Board will set up a dispute resolution mechanism. The Board's decision in all cases is final.
4. Amendments, deletions and additions to these Rules and Regulations shall be proposed by the Board to any general meeting, and ratified by a simple majority of those present and voting.

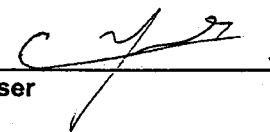
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 18th
day of August, 2006.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

We have authority to bind the
Corporation.


Purchaser

Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF YOUNG SOOK CHA
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be "A. K.", written over a horizontal line.

A Commissioner, etc.

ROSE OF SHARON - ACKNOWLEDGEMENT AND CONSENT AGREEMENT


In consideration of the sum of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the covenants contained herein and in the Right to Occupy Agreement attached to this Agreement, the undersigned, Mrs. Youngsook CHA individually and collectively called the "Purchaser", acknowledges and agrees as follows:

1. The Purchaser has been advised by Rose (the "Community") that there are two parts to the development of the Property:
 - (i) a long term care component (the "Long Term Care Project"); and
 - (ii) a residential life lease component consisting of a number of apartment units and related amenities (the "Life Lease Project"), (collectively referred as the "Project")
2. The Purchaser has signed the Agreement to purchase a life lease unit from the Community in the Life Lease Project, dated the 18th day of August, 2006. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$ 56,672) (the "Deposit") on account of the purchase price as described in the Agreement.
3. The Purchaser acknowledges and agrees that, such Agreement is a good and valid agreement of purchase and sale enforceable against the Purchaser by the Community and its successors and assigns. In addition, on the date of executing this Agreement, the Purchaser acknowledges that he / she has received from the Community and subsequently reviewed with his/her solicitor a draft copy of the Agreement (the "Right to Occupy Agreement"). The Purchaser acknowledges that the Agreement is substantially settled but the Community has the right to amend the Agreement, in its sole and absolute discretion, from time to time, until it is in a form acceptable to the Community, its lender and any regulatory authority. Notwithstanding any provision of the Agreement to the contrary, the Purchaser agrees to execute the final version of the Agreement forthwith after receiving execution copies from the Community provided that there are no amendments to the purchase price, the exclusive right to occupy the unit and entitlement to net sale proceeds on sale or other substantive provisions of such agreements that would have material adverse effect on the Purchaser. The Purchaser waives any right to claim that the Agreement is void for uncertainty or subject to any right of rescission because the Agreement will not be finalized and / or executed by the parties until a future date.
4. The Deposits paid by the Purchaser may be used by the Community in the construction for the Project. The Deposits are not insured under the Ontario New Home Warranty program or otherwise. There is a builder's warranty of one year, with some elements with an extended warranty.
5. As required by Canada Mortgage and Housing Corporation, the Purchaser acknowledges and agrees that he / she has been advised that the construction lender has the legal right, in its sole and absolute discretion but without any obligation, to insist that the Life Lease Project be registered as a condominium corporation. Further, the Purchaser acknowledges and agrees that he/she has been advised that, in this event, the Purchaser may be required to acquire, but he/she is not entitled to require, a condominium unit rather than a life lease unit on terms and conditions that have been fully explained to the Purchaser at the time of executing this Agreement, which terms and conditions will be reflected in the final version of the Agreement.
6. The Purchaser has received independent legal advice prior to his/her signing this Acknowledgment and Consent Agreement.
7. As required by Canada Mortgage and Housing Corporation, on the date of executing this Agreement and from time to time, the Purchaser agrees to provide to the Community all financial and other information as the Community may reasonably require in order to confirm the credit worthiness of the Purchaser and the Purchaser's ability to complete the transaction of purchase and sale.
8. The Purchaser acknowledges that this Agreement is incorporated into and shall form part of the Agreement to Purchase.

9. The Purchaser agrees that this Acknowledgement and the Agreement are binding on the Purchaser and his/her heirs, executors, administrators, personal legal representatives, successors and assigns. This Acknowledgement and the Agreement shall be for the benefit of and be binding upon each of the parties and their successors and assigns.

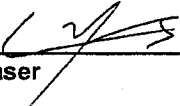
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 18th day of August, 2006

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

We have authority to bind the
Corporation.


Purchaser

Purchaser

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF YOUNG SOOK CHA
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be "J. L.", written over a horizontal line.

A Commissioner, etc.

SECURITY RECEIPT

DATE Sept. 18, 2006 RECEIVED FROM MRS. CHA 602635

ADDRESS _____

FOR Unit # UMB (Eighteen Thousand Two Hundred Twenty Four Dollars) DOLLARS (\$ 18,224.⁰⁰)

FROM _____ TO _____ TAX REG. NO. _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

as per ROS
BY J. J. [Signature]

SECURITY RECEIPT

DATE Aug. 28, 2006 RECEIVED FROM MRS. CHA 602628

ADDRESS _____

FOR Unit # ~~U17~~ UMB (Thirteen Thousand One Hundred Ninety Seven Dollars) DOLLARS (\$ 13,197.⁰⁰)

FROM G.Y. TO _____ TAX REG. NO. _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

as per ROS
BY J. J. [Signature]

SECURITY RECEIPT

DATE Aug. 23, 2006 RECEIVED FROM MRS. CHA 602629

ADDRESS _____

FOR UMB (Thirty Five Thousand Sixty One Dollars) mature on SEP. 18, 2006 DOLLARS (\$ 3,561.⁰⁰)

FROM _____ TO _____ TAX REG. NO. _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

as per ROS
BY J. J. [Signature]

SECURITY RECEIPT

DATE Aug. 18, 2006 RECEIVED FROM MRS. CHA 602627

ADDRESS _____

FOR Unit # ~~U17~~ UMB (Fourteen Hundred Sixty Six Dollars) DOLLARS (\$ 1,466.⁰⁰)

FROM ref. TO _____ TAX REG. NO. _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

as per ROS
BY J. J. [Signature]

SECURITY RECEIPT

DATE Oct. 30, 2008 602799

RECEIVED FROM Youngsook Cha

ADDRESS _____

DOLLARS (\$ 20,000)

FOR Unit # UMB (Twenty Thousand Dollars)

FROM repaying the loan (refer to UMB Account) TO _____ TAX REG. NO. _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

as per ROS
BY Jaluzin

BlueLine D71

SECURITY RECEIPT

DATE April 30, 2007 602773

RECEIVED FROM MRS. CHA

ADDRESS _____

DOLLARS (\$ 13,229.⁰⁰)

FOR Unit # UMB (Thirteen Thousand Two Hundred Twenty Four Dollars)

FROM _____ TO _____ TAX REG. NO. _____

METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

as per ROS
BY Jaluzin

BlueLine D71

SECURITY RECEIPT

DATE Dec. 20, 2006 602759

RECEIVED FROM Mrs. Cha

ADDRESS _____

DOLLARS (\$ 5,000.⁰⁰)

FOR Unit # UMB (Five Thousand Dollars)

FROM _____ TO _____ TAX REG. NO. _____

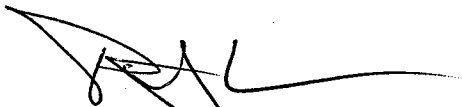
METHOD OF PAYMENT		ACCOUNT	
CASH		TOTAL AMOUNT	
CHEQUE		AMOUNT PAID	
MONEY ORDER		BALANCE DUE	

as per ROS
BY Jaluzin

BlueLine D71

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF YOUNG SOOK CHA
SWORN BEFORE ME THIS 28TH DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be 'J. L.', written over a horizontal line.

A Commissioner, etc.

05/11/2007 14:45 9057636906
From: 920 Yonge ST Suite 600 M4W 3C7

416 899 2884

MR. JEE

06/11/2007 13:24

PAGE 01
#108 P.001/001

UMJ
✓

ACKNOWLEDGEMENT AND POSTPONMENT

TO: PEOPLES TRUST COMPANY

AND TO: TRAUB • MOLDAVER, its solicitors

RE: PEOPLES TRUST COMPANY (the "Lender")
loan to ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY ("Community")
16 and 17 Maplewood Avenue Toronto (the "Property")

WHEREAS:

- A. Community as vendor has entered into a Right To Occupy Agreement (the "Agreement") with the undersigned whereby the undersigned has/have agreed to purchase the right to use, occupy and enjoy a residential dwelling unit (the "Unit") at the Property;
- B. The undersigned has/have paid and will pay to Community certain deposits as portions of the Right to Occupy Costs as set out in the Agreement;
- C. Community has entered into a loan arrangement (the "Loan") with the Lender with respect to the Property and has or will grant to the Lender certain security for the Loan including a Charge/Mortgage of the Property and an assignment of the Agreement (collectively, the "Lender's Security").

NOW THEREFORE, in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the undersigned acknowledges, covenants and agrees as follows:

- 1. The undersigned acknowledge(s) that Community has assigned to the Lender, all of Community's right, title and interest in the Agreement including its right to receive all deposits paid or to be paid thereunder and all proceeds due to Community thereunder; and
- 2. The undersigned agree(s) and acknowledge(s) that all deposits paid and to be paid under the Agreement are subordinated and postponed to, and shall not rank in priority to, the Loan and the Lender's Security.

The covenants and agreements contained herein shall extend to and be binding upon the undersigned and their heirs, personal representatives, successors and assigns.

This Acknowledgement and Postponment may be executed and delivered by facsimile or email transmission and, when so executed and delivered, shall be binding on the undersigned effective upon such execution and delivery.

DATED this 30th day of April, 2007.

WITNESS:

x *[Signature]*
Name: YOUNG Sook CHA
Unit Number: UMB

Name: _____
Unit Number: _____

T A B E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF YOUNG SOOK CHA
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be 'A. C.', written over a horizontal line.

A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of April, 2010.

B E T W E E N :

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

(herein "Rose")

- and -

Youngsook Cha

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 308 (UM8)

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Eighty Two Thousand and Two Hundred Forty Dollars (\$182,240.00) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of One Hundred Thirty Five Thousand and Four Hundred Fifty Seven Dollars and Forty Three Cents (\$135,457.43);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;

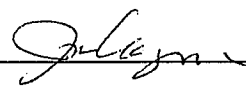
- f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.
- 4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.
- 5. Notice may be given to the parties at the following addresses:

Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser

Address : 162 Pinewood Dr ,Vaughan, ON L4J5P5

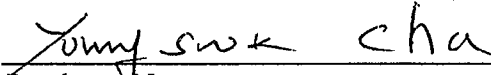
IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

SIGNED, SEALED AND DELIVERED) ROSE OF SHARON (ONTARIO)
) RETIREMENT COMMUNITY INC.
)
) Per: 


Per: _____

I/We have authority to bind the corporation.

 Witness

) 
 Purchaser Name:

 Witness

) 
 Purchaser Name:

PROMISSORY NOTE

Amount: \$135,457.43

Date: April 1, 2010

FOR VALUE RECEIVED \$135,457.43 ("the Maker") acknowledges him/her/themselves indebted and hereby promises to pay to **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.** ("the Lender") at its address noted below or at such other place as the Lender may designate in writing to the Maker from time to time, the principal sum of One Hundred Thirty Five Thousand and Four Hundred Fifty Seven Dollars and Forty Three Cents (\$135,457.43) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 308 (UM8).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: 162 Pinewood Dr, Vaughan, ON L4J5P5

The Lender declares its address to be: 165 Vaughan Road, Toronto, ON M6C 2L9

2. **INTEREST:**

The Principal Sum hereunder shall bear interest at the rate of 6.75 per cent (6.75%) per annum, calculated semi-annually, not in advance, as well after as before maturity both before and after default on such portion of the Principal Sum as remains from time to time unpaid.

3. **PAYMENTS**

- (a) **Blended Payments of Principal and Interest:** Principal and interest from the date hereof shall be payable by the Maker in blended equal consecutive monthly instalments of Nine Hundred Twenty Two Dollars and Eighty Three Cents (\$922.83) each on the 1st day of each and every month, commencing on the 1st day of April, 2010, until the 1st day of April, 2012, in each year, and the balance, if any, of the Principal Sum shall be due on the 1st day of April, 2012.

Provided that the aforesaid instalments are to be applied first in payment of the interest due from time to time, calculated at the aforementioned rate of interest and the balance to be applied in reduction of the Principal Sum, subject however to the provisos hereinafter contained.

- (b) **Due on Demand:** Notwithstanding anything else contained herein the Principal Sum and interest owing hereunder shall be due on demand. In the event the Maker is in breach of their obligations contained in the Right to Occupy Agreement between the parties dated the 1st day of April, 2010.
- (c) **Open:** Provided that the indebtedness of the Maker hereunder shall be open to prepayment in whole or in part on any regular payment date without notice, bonus or penalty.

- (d) **Prepayment Penalty:** The Maker shall be entitled to prepay any part of the Principal Sum upon payment to the Lender of an amount equal to three months' interest.
- (e) **Acceleration:** Provided that in default of a payment of interest or in default of a payment of instalments of principal or in default of the performance of any of the obligations of the Maker hereunder, the balance of the Principal Sum and interest shall immediately become due and payable at the option of the Lender. The Maker shall not be relieved from such default without the Lender's written consent first being obtained.
- (f) **Death of Maker:** Entire balance of principal, interest and any other costs owing under the terms hereof shall become immediately due and payable at the option of the Lender on the death of the Maker or any one of them.

4. **COVENANTS BY MAKER:**

The Maker covenants and agrees with the Lender as follows:

- (a) **Right to Occupy Agreement:** To abide by the terms and conditions of the Right to Occupy Agreement dated the 1st day of April, 2010; To provide to the Lender a full copy of its financial statements within 90 days of its fiscal year end.

5. **COSTS:**

And the Maker hereby covenants with the Lender that he will pay the costs, charges and expenses of and incidental to the taking, preparation, execution and filing of Notice of this Note and any documents relating thereto and of every renewal thereof, and also all costs which the Lender may incur by reason of the default of the Maker in payment of the moneys advanced hereunder, including costs between solicitor and client, and all bailiff's and other fees and expenses and bank charges.

6. **DEFAULT:**

Upon the occurrence of any default on the part of the Maker as hereinafter defined, all indebtedness hereunder shall, at the option of the Lender, forthwith become due and payable.

The Maker shall be in default under this Promissory Note upon the occurrence of any of the following events:

- (a) the Maker shall fail to pay any of the indebtedness when due or to observe or perform any of the covenants contained herein;
- (b) the Maker shall become insolvent or commit an act of bankruptcy or make an assignment in bankruptcy.
- (c) the Maker shall breach the covenant in paragraph 4 above;

7. **LIMITATIONS:**

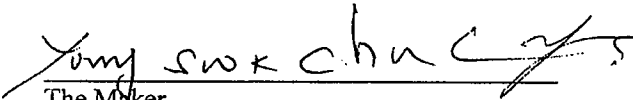
- (a) This Promissory Note is made for business purposes and is a "business agreement" as defined in the Limitations Act, 2002 (herein "the Act"); and
- (b) No limitation periods found in the Act, other than the ultimate limitation period found in Section 15 of that Act, shall apply to this Promissory Note and to the obligations imposed by this Promissory Note.


8. **INTERPRETATION AND GENERAL:**

- (a) **Proof of Compliance:** The Lender may require reasonable proof that the borrower is not in default under the terms of this Promissory Note and failing the Maker providing such reasonable proof, the Lender may take whatever steps are necessary to obtain such proof and the costs of obtaining such proof shall be added to the principal amount outstanding on this Note.
- (b) **Judgments:** Provided and it is hereby agreed, that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Lender's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.
- (c) **Advance of Funds:** This Promissory Note is issued pursuant to the advance of funds by the Lender to the Maker in the amount of the face value of this Promissory Note, the receipt of which is acknowledged by the Maker.
- (d) **Successors:** This Promissory Note and all of its provisions, terms and conditions shall be binding upon and enure to the benefit of the Lender, its successors and assigns and the Maker and its successors. The term "successors" shall include, without limitation, any company resulting from the amalgamation of a party hereto with any other company.
- (e) **Waiver of Presentment:** The Maker of this Promissory Note does hereby waive presentment for payment, notice of nonpayment, protest and notice of protest and does hereby consent to all extensions and renewals hereto, without notice.
- (f) **Laws of Ontario:** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
- (g) **Number - Gender:** Provided and it is hereby agreed that in construing these presents the words "Maker" and "Lender" and the personal pronoun "it" or "its" relating thereto and used therewith, shall be read and construed as "Maker or Makers," "Lender or Lenders," and "his," "her," "its" or "theirs," respectively, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted; and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Lender or Lenders shall be equally secured to and exercisable by his, her, its or their heirs, executors, administrators and assigns, or successors and assigns as the case may be; and that all covenants, liabilities and obligations entered into or imposed hereunder upon the Maker or Makers shall be equally binding upon his, her or their heirs, executors, administrators and permitted assigns, or successors and assigns as the case may be; and that all such covenants and liabilities and obligations shall be joint and several.
- (i) **Joint and Several Liability:** All the covenants, liability and obligations entered into or imposed hereunder upon the Maker or Makers shall be joint and several.

- (h) **Severability:** Provided that if any of the covenants or conditions in this Promissory Note contained shall be void for any reason if shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance;

DATED at Toronto, Ontario, this 1st day of April . 2010.


The Maker -


The Lender -
JOHN YOON, CEO
ROSE OF SHARON

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Mortgages and Loans

Schedule Heading:

Origination Date: **Apr 01, 2010**Loan Type: **Normal**First Payment Date: **Apr 01, 2010**Basis Year: **365 Days**Principal: **\$135,457.43**Compounded: **Semi-annually**Interest Rate: **6.7500%**Exact Day: **No**Effective Rate: **6.8639%**Payment: **\$922.83**Payment Frequency: **Monthly**Period: **25.000 Years**Balloon Payment: **\$0.00**

Youngsook Cha

Loan Date: Apr 01, 2010
 Compounded: Semi-annually

Loan Type: Normal
 Period: 2.000 Year(s)

Principal: \$135,457.43
 Total Payments: \$152,365.41

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$922.83	\$0.00	\$922.83	\$134,534.60
2	May 01, 2010	6.7500%	\$922.83	\$746.33	\$176.50	\$134,358.10
3	Jun 01, 2010	6.7500%	\$922.83	\$745.35	\$177.48	\$134,180.62
4	Jul 01, 2010	6.7500%	\$922.83	\$744.37	\$178.46	\$134,002.16
5	Aug 01, 2010	6.7500%	\$922.83	\$743.38	\$179.45	\$133,822.71
6	Sep 01, 2010	6.7500%	\$922.83	\$742.38	\$180.45	\$133,642.26
7	Oct 01, 2010	6.7500%	\$922.83	\$741.38	\$181.45	\$133,460.81
8	Nov 01, 2010	6.7500%	\$922.83	\$740.37	\$182.46	\$133,278.35
9	Dec 01, 2010	6.7500%	\$922.83	\$739.36	\$183.47	\$133,094.88
10	Jan 01, 2011	6.7500%	\$922.83	\$738.34	\$184.49	\$132,910.39
11	Feb 01, 2011	6.7500%	\$922.83	\$737.32	\$185.51	\$132,724.88
12	Mar 01, 2011	6.7500%	\$922.83	\$736.29	\$186.54	\$132,538.34
13	Apr 01, 2011	6.7500%	\$922.83	\$735.26	\$187.57	\$132,350.77
14	May 01, 2011	6.7500%	\$922.83	\$734.21	\$188.62	\$132,162.15
15	Jun 01, 2011	6.7500%	\$922.83	\$733.17	\$189.66	\$131,972.49
16	Jul 01, 2011	6.7500%	\$922.83	\$732.12	\$190.71	\$131,781.78
17	Aug 01, 2011	6.7500%	\$922.83	\$731.06	\$191.77	\$131,590.01
18	Sep 01, 2011	6.7500%	\$922.83	\$729.99	\$192.84	\$131,397.17
19	Oct 01, 2011	6.7500%	\$922.83	\$728.92	\$193.91	\$131,203.26
20	Nov 01, 2011	6.7500%	\$922.83	\$727.85	\$194.98	\$131,008.28
21	Dec 01, 2011	6.7500%	\$922.83	\$726.77	\$196.06	\$130,812.22
22	Jan 01, 2012	6.7500%	\$922.83	\$725.68	\$197.15	\$130,615.07
23	Feb 01, 2012	6.7500%	\$922.83	\$724.59	\$198.24	\$130,416.83
24	Mar 01, 2012	6.7500%	\$131,140.32	\$723.49	\$130,416.83	\$0.00
Fiscal 2012 Totals			\$152,365.41	\$16,907.98	\$135,457.43	
Running Totals to Q1 of 2012			\$152,365.41	\$16,907.98	\$135,457.43	

TAB 5

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

**AFFIDAVIT OF MARY CHON
(Sworn May 28, 2013)**

I, Mary Chon, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am one of the Arms' Length Unit-holders set out in Schedule "A" to the Representative Counsel Order of Justice Mesbur dated April 11, 2013. I signed an agreement for Units 304 and 306 (the "Units"). As such, I have knowledge, information and belief of the matters to which I hereinafter depose. Where matters are stated as being based on information, I verily believe such information to be true. Where matters are stated as being based on belief, I identify the fact and the reason for my belief.

2. This affidavit is made in response to a motion brought by Peoples Trust Company (“**Peoples**”) for, among other things, an order that the Peoples mortgage ranks in priority over my interests as the unit-holder of my Units, and indeed over all other unit-holders’ interests.

3. This affidavit is also made in support of a cross-motion brought by the Arm’s Length Claimants for, among other things, a declaration that the Arm’s Length Unit-holders (“**ALU’s**”) have a life estate in the property municipally known as 15-17 Maplewood Avenue, Toronto, Ontario and/or in specific units in the building located on the property (the “**Property**”).

4. I have reviewed the draft affidavits of Hae Jeong Kang, Kyung Yurl Lee, and Young Sook Cha (the “**Kang Affidavit**”, “**Lee Affidavit**” and “**Cha Affidavit**”, respectively). In an effort to be efficient and reduce the number of similar affidavits to be filed, and to save time and expense, I adopt portions of these affidavits.

5. For consistency, I also use certain capitalized terms that, unless defined in my affidavit, are as defined in the Kang Affidavit.

6. First, I will provide some basic personal information and background. Then, I will identify the portions of the affidavits setting out facts which are substantially similar to the evidence that I would be able to provide. Where appropriate, I will provide additional evidence that may be relevant to the issues and may differ from the evidence already provided by the Kang Affidavit, Lee Affidavit and the Cha Affidavit.

PERSONAL INFORMATION AND BACKGROUND

7. I am of Korean heritage and was born in South Korea in 1955. I came to Canada in 1972. I attended the University of Waterloo and graduated from the Computer Science and Math program. I am currently employed at my husband's accounting firm, Robert Gore and Associates, CA, as the office manager.

8. My husband, Robert Gore, was the accountant for Rose. I was not involved in the Rose matter, except perhaps to send invoices for services rendered, from time to time. I had no knowledge of any matters with respect to the accounting practices of Rose.

9. My command of the English is near-fluent and my interview with Cho was conducted in English.

SUBSTANTIALLY SIMILAR EXPERIENCE

A. Introduction to Rose of Sharon

10. I cannot recall exactly how I learned about the Project, but I was involved in fund-raising for Rose since as early as ^{PC 2005. ✓ PC} 1998. I eventually met John and we had several discussions regarding the Project.

11. I strongly believed in the importance of the Project for the Korean-Canadian community and wanted to support the Project and adopt paragraphs 25 and 26 of the Kang Affidavit.

12. Based on my discussions with John, I believed that the Project would be as described in the Kang Affidavit at paragraph 29.

B. Initial Documentation

13. As described in the Kang Affidavit at paragraphs 36 – 38, which statements I adopt, I do not recall specifically if John explained the concept of a “life lease”. My husband knew it was a life lease and I remember he tried to explain something to me about it but I did not understand. My husband advises me, that at that time, in 2005, he was aware of the life lease concept being used for retirement homes, and did not see anything particularly difficult in this regard. As such, he supported my decision to purchase a unit in the Project.

14. It was on that basis that I agreed to purchase a unit from Rose. The first one I purchased was in May 2005, and then I purchased another one in August 2005. Attached hereto and marked collectively as Exhibit “A” are copies of the Right to Occupy Agreements for my Units, dated May 10, 2005 and August 24, 2005, respectively. Attached hereto and marked collectively as Exhibit “B” are copies of the Acknowledgment and Consent Agreements, dated May 10, 2005 and August 24, 2005, respectively. The documents were signed by my husband Robert Gore, on my behalf and with my authority.

15. My experience in signing the RTOAs was substantially similar to what is described in paragraphs 42 – 46 of the Kang Affidavit with respect to the absence of any encouragement to obtain legal advice, requirement to provide financial information, Korean translations of the documents, and the cursory review of the RTOA by John. My husband and I did, however, know from our discussions with John that the sale process for the Units would be

different from a typical condominium, in that the sale process would be controlled by Rose. Also, I did not require Korean translations of the documents.

16. My RTOAs are similar to the RTOA described in the Lee Affidavit and I adopt the statements made in the Lee Affidavit at paragraphs 37 – 40 pertaining to the clauses set out therein, except that I did not have the benefit of any legal advice beforehand.

17. The ACAs that I signed are similar to the one described in paragraphs 41 – 44. My husband advises that he knew what the ACA provided for when we signed the ACA.

18. I also agree with the belief set out in paragraphs 49 – 50 of the Kang Affidavit regarding the notion of “purchase”, and I would not have agreed to purchase the Unit if I was aware of the risk that I could lose the Units because Rose did not comply with its obligations to Peoples.

19. Finally, I adopt the statements set out in paragraph 54 – 57 of the Kang Affidavit regarding the manner in which John had me sign the documents, the inability to understand the RTOA, and in particular, the lack of knowledge regarding Peoples’ interest in the Project and my Units. However, I did not understand the terms of the RTOA because they are conceptually complex, and not because of any language issue.

C. Deposits Paid

20. I have paid a total of \$98,190 in deposits as required by the RTOA in the following manner:

- a. On August 24, 2005, I paid \$1,377 for Unit 304;
- b. On March 3, 2006, I paid \$7,276 for Unit 304;
- c. On May 5, 2006, I paid \$12,000 for Unit 304;
- d. On August 21, 2006, I paid \$6,884 for Unit 304;
- e. On January 11, 2007, I paid \$13,768 for Unit 304;
- f. On May 19, 2005, I paid \$1,896 for Unit 306;
- g. On June 29, 2005, I paid \$17,065 for Unit 306;
- h. On March 3, 2006, I paid \$9,481 for Unit 306;
- i. On August 29, 2006, I paid \$9,481 for Unit 306; and
- j. On January 11, 2007, I paid \$18,961 for Unit 306.

21. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced in Exhibit "K" of the Kang Affidavit.

D. Postponement

22. Attached hereto and marked as Exhibit "C" is a copy of the Acknowledgment and Postponement that I signed, dated April ~~30~~²⁶, 2007.

23. My husband signed this on my behalf. He advises me that he understood that our deposits were being postponed to Peoples and that John had advised him that Peoples would not advance any funds unless these documents were signed. However, we did not know or believe that our rights in the Unit were being, or could be, compromised by this document. John did not explain that to us, nor did John suggest we consult with a lawyer before signing the document.

E. The Amended RTOA

24. Attached hereto and marked as Exhibit "D" are copies of the Amended RTOAs for my Units.

25. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOAs to me in great detail.

26. Similar to the Kang Affidavit and the Lee Affidavit, I believe we have paid for our Units in full. These payments are summarized in the Payment Summary (Exhibit "K" in the Kang Affidavit) for our two Units as follows:

- a. On July 20, 2009, a payment of \$25,000;
- b. On February 18, 2010, a payment of \$5,000;
- c. On July 14, 2010, a payment of \$85,000;
- d. On August 10, 2010, a payment of \$15,000;

- e. On October 1, 2010, a payment of \$32,730; and
- f. On January 12, 2011, a payment of \$30,000.

27. While my husband advises me that he was aware that Rose was treating these payments as “loans”, we made these payments with the intention and belief that they would be credited to the balance owing on the purchase price. We would not have made these payments otherwise.

28. I therefore adopt the statements set out in paragraphs 102 – 107 of the Kang Affidavit regarding the lack of any notice to pay any funds to Peoples, and paragraphs 52 – 57 of the Lee affidavit regarding the lack of any intention that our payments be treated as a “loan” to Rose.

F. Prejudice to Lose Unit

29. Our original intention was to purchase one unit for use by my parents. When John persuaded us to purchase the second Unit, we thought that since they were next to each other, we could create individual “spaces” for my mother and for my father (who at times like to have their own space from each other). However, my mother passed away in February 2010, before the Project was complete. My father ~~has no interest in changing~~ his current living accommodations. The Units are now rented to tenants.

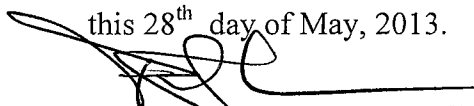
PN is not yet ready to change



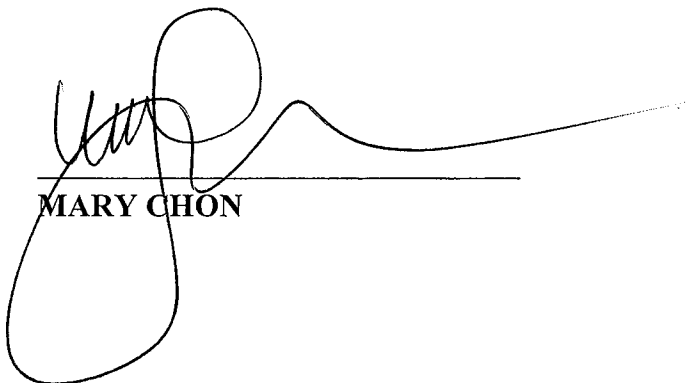
30. However, if I cannot keep the Unit and am unable to recover the monies that I have paid to Rose, I will suffer significant financial loss. I have paid significant sums of money for the Unit, close to \$100,000.

320,000 ✓ *mf*

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)



Philip Cho
A Commissioner, etc.



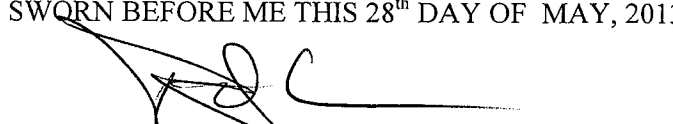
MARY CHON

I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.

Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF MARY CHON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read 'Philip Cho', is written over a horizontal line. The signature is stylized and somewhat cursive.

Philip Cho
A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT

(Purchaser Type Mb)

THIS AGREEMENT made in duplicate this ^{10th} day of May, 2005
BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.
 Proposed Project 165 / 171 Vaughan Road, Toronto (the Property)

(hereinafter referred to as the "Community")

- and -

MARY (Mrs) and Joe Fallsof the City of Toronto,in the Province of Ontario

(hereinafter referred to as the "Purchaser")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the **Rose of Sharon**;

AND WHEREAS the Purchaser is desirous of purchasing the "right to occupy" one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

THE UNIT

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs Inc. Architect, the unit being identified as **#UM6** (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.

The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of **One Hundred Eighty Nine Thousand Six Hundred Ten Dollars (\$189,610) including Zero (0)** parking space(s) (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraph 6 hereof.

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Purchaser on or before the **31st** day of **December, 2006** (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the

Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Purchaser shall be entitled to receive a refund of all moneys paid without interest.

6. The Purchaser agrees to pay the Right to Occupy Cost to the Community as follows:
(Complete and cross out as appropriate)

(a) One percent (1%) of the Right to Occupy Cost upon execution of this agreement; **One Thousand Eight Hundred Ninety Six Dollars (\$1,896)**

(b) Nine percent (9%) of the Right to Occupy Cost 10 days after the signing of this Right to Occupy Agreement; **Seventeen Thousand Sixty Five Dollars (\$17,065)**

(c) Five percent (5%) of the Right to Occupy Cost within 90 days after the signing of this Right to Occupy Agreement; **Nine Thousand Four Hundred Eighty One Dollars (\$9,481)**

(d) Five percent (5%) of the Right to Occupy Cost upon shoring completed; **Nine Thousand Four Hundred Eighty One Dollars (\$9,481)**

(e) Ten percent (10%) of the Right to Occupy Cost upon Main Floor Slab poured; **Eighteen Thousand Nine Hundred Sixty One Dollars (\$18,961)**

(f) The final payment is due upon Occupancy permit; **One Hundred Thirty Two Thousand Seven Hundred Twenty Seven Dollars (\$132,727)**

The Purchaser shall pay the above-noted sums upon ten (10) days' notice of the appropriate events.

COMMON AREAS

1. The Purchaser shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community. Common areas include general space such as halls, elevators and parking areas other than designated parking space(s) under a Right to Occupy Agreement. Common areas and elements also include specific spaces for cultural, social, worship & recreational activities. These areas are for the use and enjoyment of the community as a whole, and only secondarily for private functions when available and under specified conditions. These areas are the rooftop party room, rooftop patio, café, chapel / meeting room, spa and library.

2. The Purchaser acknowledges that the facilities and amenities are to be developed for the enhancement of the total community and they will open for use by the total community. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.

3. If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Purchaser entitled to any compensation or abatement.

MONTHLY MAINTENANCE FEES

1. The Purchaser shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.

2. The monthly maintenance fee is calculated based on the area of the unit. This includes the gross floor area of the unit, the area of the exterior wall assemblies, the area of any wall that separates the unit from any common spaces (corridor, staircase, duct, or plumbing space) and half the area of any wall that separates two units.
3. The monthly maintenance unit fee is to include, but not limited, to the following:
 - (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit (the purchaser pays for unit damage & insurance), the common areas, the amenities and facilities, as well as the visitor parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance, elevator maintenance contract, equipment costs, equipment replacement reserves, major repairs and major capital repair reserves and management fees.
 - (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.
4. The monthly maintenance unit fee excludes all areas within and including the drywall of the party, exterior and corridor walls, but includes the plumbing, mechanical, and electrical (excluding the fixtures). Fenestration is a common element as are Suite entry doors including hardware.
5. Municipal taxes, electricity and any optional services such as communications and entertainment will be billed separately by the Community and paid for by the unit holder in addition to the foregoing.
6. The monthly maintenance fee for the parking spaces are assessed separately. The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit space to the total of the Unit spaces in the building.

TERMS OF THE AGREEMENT

1. The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:
 - (a) The Purchaser gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;
 - (b) Failure of the Purchaser to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;
2. Upon the Purchaser, who has given notice in accordance with paragraph 1 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with paragraph 5 below.
3. Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 5 for which the Community shall provide the Purchaser or his/her representative with written notice, the Purchaser or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph 19 below.
4. If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.
5. Upon termination of this Agreement in accordance with paragraph 1 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.

6. The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Association shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Purchaser shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less any amount outstanding to the Community. The purchaser shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.
7. Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Purchaser. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.
8. This agreement shall not create any direct ownership in the real property or building of the Community and the Purchaser agrees not to register notice of this Agreement against title to the lands upon which the building sits, until Occupancy and then only in accordance with the form of notice approved by the Community acting reasonably and in accordance with applicable registration regulations. The property may be subject to a number of agreements with the Municipality, utility providers and others which requires for the regulation and functioning of property. Any encumbrances in favour of lenders will be discharged or a non-disturbance agreement obtained for the Unit on Occupation or as soon as reasonably possible thereafter.
9. The Purchaser shall only be able to sell his/her rights hereunder in accordance with paragraphs 1 and 10 hereof. The Purchaser shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.
10. However, if the community does not sell the unit within 90 days after there is vacant possession, then the purchaser may endeavor to sell the unit as he / she sees fit, and not pay the community the 3% fee.
11. The Purchaser shall use the Unit for residential purposes only.
12. This Agreement shall not be changed or modified except by written instruction, signed by both the Purchaser and the Community.
13. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.
14. Where there are two or more Purchasers bound by the same terms herein contained, their obligations shall be joint and several.
15. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

INSURANCE

1. The Community is required to obtain and maintain all risk insurance coverage for the common elements and the units but not for improvements or betterments made by an owner to his unit or for furnishing, fixtures, equipment, decorating and personal property and chattels of the unit owner. The Corporation assumes no obligation with respect to insurance which may be obtained and maintained by an owner. Each owner is advised to inquire as to additional insurance coverage that may be required by him from his issuance advisors.
2. Proof of the insurance stated above, must be supplied by the purchaser to the Community.
3. The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon, at or relating to the Community's lands or the Unit, or damage to the property of the Purchaser or others; nor shall the Community be responsible for any injury or loss or damage to the Purchaser, or any property of the Purchaser from any cause whatsoever, whether or not any

such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.

4. No member shall do or permit to be done anything that will in any way increase the risk of fire or the rate of fire insurance for the Association.
5. All property of the Purchaser kept or stored at the Unit or elsewhere in the building shall be at the sole risk of the Purchaser and the Purchaser shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Purchaser's Insurers.
6. The Purchaser shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.
7. The Purchaser shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.
8. Members shall be careful not to permit water to be left running unattended. Apartment residents in particular shall be responsible for the good condition of hoses on appliances.
9. Each unit owner agrees to indemnify the Corporation against any liability, loss, cost, damage or injury to any unit and to the common elements as a result of any act or omission by such unit owner or by his residents, tenants, or guests.

MAINTENANCE

1. The Purchaser shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.
2. The Purchaser shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.
3. No member shall alter any exterior part or paint colour of a structure inhabited under a Right to Occupy Agreement, including balcony or designated parking area in the parking garage, without written permission of the Board.
4. No interior changes to any unit shall be undertaken which could affect the structural integrity of the unit or any building.
5. The maintenance of and alteration to common space will be under the authority of The Board and not carried out by any individual member(s).
6. The Community shall remain the owner of the building and of the Unit and shall have the right of entry to the Unit at reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.
7. The Community shall have exclusive control and management of the common areas, facilities and amenities.
8. The Community shall maintain and repair when necessary the Unit, its electrical, plumbing systems, Community supplied appliances and Heating, Ventilation and Air Conditioning System. The costs of such repairs shall be borne by the Purchaser if the damage has been caused by the Purchaser or his/her guests.

OPERATION

1. The Purchaser / Occupant may keep pets in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Purchaser. Pets form part of this community on the understanding that they will be kept under control when outside their home unit, not create disturbing noise, and cause no damage to property. Their owners will clean up litter immediately.
2. Moving of household effects & furniture in or out of the building shall be before 7AM & after 11PM, by appointment only. Note that the elevator cannot be held for exclusive use for more than 10 minutes.
3. Garbage will be disposed of only in accordance with posted regulations. Members will ensure that common areas they have used are left secured. Keys and access cards will not be duplicated without authorization.
4. There are staff onsite at all times in case of need – members are expected to use discretion in the use of their time so that they are available for emergencies.
5. Barbeques may be used on the Roof Garden & the Penthouse terraces and in other areas upon approval by the Board.
6. Smoking is not permitted in the building.
7. Members will be considerate of their neighbours when playing music or creating noise.
8. The Community shall report, on an annual basis, to the Purchaser with respect to the management of the residences and the provision of common areas, facilities and amenities.

Notice may be given to the Community at:

Rose of Sharon (Ontario) Retirement Community
920 Yonge Street, Suite 500.
Toronto, Ontario
4W 3C7

Notice may be given to the Purchaser at:

27 BURLINGTON AVENUE
TORONTO, ONTARIO M7A 1Y8

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

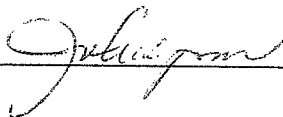
DISPUTE RESOLUTION

1. Should a dispute about any of the above rules or regulations involve only a few members, the parties will endeavor in good faith to resolve the dispute.
2. Should a breach or infraction or disregard for any rule or regulation occur without the identity of the offender being known or ascertainable, any member may ask the Board, or its Committee to post a reminder as the Board sees fit.
3. Should disputes remain unresolved despite the efforts of the parties, the Board will set up a dispute resolution mechanism. The Board's decision in all cases is final.

4. Amendments, deletions and additions to these Rules and Regulations shall be proposed by the Board to any general meeting, and ratified by a simple majority of those present and voting.

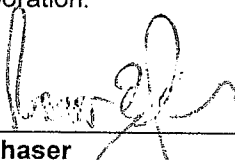
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 10th day of MAY, 2005

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

We have authority to bind the
Corporation.



Purchaser

Purchaser

RIGHT TO OCCUPY AGREEMENT*(Purchaser Type Mb)*

THIS AGREEMENT made in duplicate this 24th day of August, 2005.
BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.
 Proposed Project 165 / 171 Vaughan Road, Toronto (the Property)

(hereinafter referred to as the "Community")

- and -

Mary Chan

of the City of Toronto

in the Province of Ontario

(hereinafter referred to as the "Purchaser")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the **Rose of Sharon**;

AND WHEREAS the Purchaser is desirous of purchasing the "right to occupy" one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

THE UNIT

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs Inc. Architect, the unit being identified as #U145 (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.

The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of One Hundred & Thirty Seven Thousand Six Hundred & Eighty Five (\$137,685), including Zero (0) parking space(s) (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraph 6 hereof.

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Purchaser on or before the 31st day of May, 2007 (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the

Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Purchaser shall be entitled to receive a refund of all moneys paid without interest.

6. The Purchaser agrees to pay the Right to Occupy Cost to the Community as follows:
(Complete and cross out as appropriate)

- (a) One percent (1%) of the Right to Occupy Cost upon execution of this agreement;
_____ (\$ _____)
- (b) Nine percent (9%) of the Right to Occupy Cost 10 days after the signing of this Right to Occupy Agreement; _____
_____ (\$ _____)
- (c) Five percent (5%) of the Right to Occupy Cost within 90 days after the signing of this Right to Occupy Agreement; _____
(\$ _____)
- (d) Five percent (5%) of the Right to Occupy Cost upon shoring completed;
_____ (\$ _____)
- (e) Five percent (5%) of the Right to Occupy Cost upon the 1st basement slab poured; _____
_____ (\$ _____)
- (f) Five percent (5%) of the Right to Occupy Cost upon Main Floor Slab poured;
_____ (\$ _____)
- (g) The final payment is due upon Occupancy permit _____
_____ (\$ _____)

The Purchaser shall pay the above-noted sums upon ten (10) days' notice of the appropriate events.

COMMON AREAS

1. The Purchaser shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community. Common areas include general space such as halls, elevators and parking areas other than designated parking space(s) under a Right to Occupy Agreement. Common areas and elements also include specific spaces for cultural, social, worship & recreational activities. These areas are for the use and enjoyment of the community as a whole, and only secondarily for private functions when available and under specified conditions. These areas are the rooftop party room, rooftop patio, café, chapel / meeting room, spa and library.

2. The Purchaser acknowledges that the facilities and amenities are to be developed for the enhancement of the total community and they will open for use by the total community. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.

3. If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Purchaser entitled to any compensation or abatement.

MONTHLY MAINTENANCE FEES

1. The Purchaser shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.
2. The monthly maintenance fee is calculated based on the area of the unit. This includes the gross floor area of the unit, the area of the exterior wall assemblies, the area of any wall that separates the unit from any common spaces (corridor, staircase, duct, or plumbing space) and half the area of any wall that separates two units.
3. The monthly maintenance unit fee is to include, but not limited, to the following:
 - (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit (the purchaser pays for unit damage & insurance), the common areas, the amenities and facilities, as well as the visitor parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance, elevator maintenance contract, equipment costs, equipment replacement reserves, major repairs and major capital repair reserves and management fees.
 - (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.
4. The monthly maintenance unit fee excludes all areas within and including the drywall of the party, exterior and corridor walls, but includes the plumbing, mechanical, and electrical (excluding the fixtures). Fenestration is a common element as are Suite entry doors including hardware.
5. Municipal taxes, electricity and any optional services such as communications and entertainment will be billed separately by the Community and paid for by the unit holder in addition to the foregoing.
6. The monthly maintenance fee for the parking spaces are assessed separately. The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit space to the total of the Unit spaces in the building.

TERMS OF THE AGREEMENT

1. The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:
 - (a) The Purchaser gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;
 - (b) Failure of the Purchaser to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;
2. Upon the Purchaser, who has given notice in accordance with paragraph 1 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with the following provisions.
3. Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 1(b) above for which the Community shall provide the Purchaser or his/her representative with written notice, the Purchaser (which in the case of death shall mean the estate of the Purchaser) or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph the following provisions.

4. If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.
5. Upon termination of this Agreement in accordance with paragraph 1 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.
6. The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Association shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Purchaser shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less any amount outstanding to the Community. The Purchaser shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.
7. Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Purchaser. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.
8. This agreement shall not create any direct ownership in the real property or building of the Community and the Purchaser agrees not to register notice of this Agreement against title to the lands upon which the building sits, until Occupancy and then only in accordance with the form of notice approved by the Community acting reasonably and in accordance with applicable registration regulations. The property may be subject to a number of agreements with the Municipality, utility providers and others which requires for the regulation and functioning of property. Any encumbrances in favour of lenders will be discharged or a non-disturbance agreement obtained for the Unit on Occupation or as soon as reasonably possible thereafter.
9. The Purchaser shall only be able to sell his/her rights hereunder in accordance with paragraphs 1 and 10 hereof. The Purchaser shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.
10. However, if the community does not sell the unit within 90 days after there is vacant possession, then the purchaser may endeavor to sell the unit as he / she sees fit, and not pay the community the 3% fee.
11. The Purchaser shall use the Unit for residential purposes only.
12. This Agreement shall not be changed or modified except by written instruction, signed by both the Purchaser and the Community.
13. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.
14. Where there are two or more Purchasers bound by the same terms herein contained, their obligations shall be joint and several.
15. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

INSURANCE

1. The Community is required to obtain and maintain all risk insurance coverage for the common elements and the units but not for improvements or betterments made by an owner to his unit or for furnishing, fixtures, equipment, decorating and personal property and chattels of the unit owner. The Corporation assumes no obligation with respect to insurance which may be obtained and maintained by an owner. Each owner is advised to inquire as to additional insurance coverage that may be required by him from his issuance advisors.

2. Proof of the insurance stated above, must be supplied by the purchaser to the Community.
3. The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon, at or relating to the Community's lands or the Unit, or damage to the property of the Purchaser or others; nor shall the Community be responsible for any injury or loss or damage to the Purchaser, or any property of the Purchaser from any cause whatsoever, whether or not any such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.
4. No member shall do or permit to be done anything that will in any way increase the risk of fire or the rate of fire insurance for the Association.
5. All property of the Purchaser kept or stored at the Unit or elsewhere in the building shall be at the sole risk of the Purchaser and the Purchaser shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Purchaser's Insurers.
6. The Purchaser shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.
7. The Purchaser shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.
8. Members shall be careful not to permit water to be left running unattended. Apartment residents in particular shall be responsible for the good condition of hoses on appliances.
9. Each unit owner agrees to indemnify the Corporation against any liability, loss, cost, damage or injury to any unit and to the common elements as a result of any act or omission by such unit owner or by his residents, tenants, or guests.

MAINTENANCE

1. The Purchaser shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.
2. The Purchaser shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.
3. No member shall alter any exterior part or paint colour of a structure inhabited under a Right to Occupy Agreement, including balcony or designated parking area in the parking garage, without written permission of the Board.
4. No interior changes to any unit shall be undertaken which could affect the structural integrity of the unit or any building.
5. The maintenance of and alteration to common space will be under the authority of The Board and not carried out by any individual member(s).
6. The Community shall remain the owner of the building and of the Unit and shall have the right of entry to the Unit at reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.
7. The Community shall have exclusive control and management of the common areas, facilities and amenities.

8. The Community shall maintain and repair when necessary the Unit, its electrical, plumbing systems, Community supplied appliances and Heating, Ventilation and Air Conditioning System. The costs of such repairs shall be borne by the Purchaser if the damage has been caused by the Purchaser or his/her guests.

OPERATION

1. The Purchaser / Occupant may keep pets in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Purchaser. Pets form part of this community on the understanding that they will be kept under control when outside their home unit, not create disturbing noise, and cause no damage to property. Their owners will clean up litter immediately.
2. Moving of household effects & furniture in or out of the building shall be before 7AM & after 11PM, by appointment only. Note that the elevator cannot be held for exclusive use for more than 10 minutes.
3. Garbage will be disposed of only in accordance with posted regulations. Members will ensure that common areas they have used are left secured. Keys and access cards will not be duplicated without authorization.
4. There are staff onsite at all times in case of need – members are expected to use discretion in the use of their time so that they are available for emergencies.
5. Barbeques may be used on the Roof Garden & the Penthouse terraces and in other areas upon approval by the Board.
6. Smoking is not permitted in the building.
7. Members will be considerate of their neighbours when playing music or creating noise.
8. The Community shall report, on an annual basis, to the Purchaser with respect to the management of the residences and the provision of common areas, facilities and amenities.

Notice may be given to the Community at:

Rose of Sharon (Ontario) Retirement Community
920 Yonge Street, Suite 500.
Toronto, Ontario
4W 3C7

Notice may be given to the Purchaser at:

37 Bauland Ave
Toronto, Ont M4E 1Y2

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

DISPUTE RESOLUTION

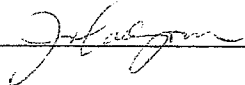
1. Should a dispute about any of the above rules or regulations involve only a few members, the parties will endeavor in good faith to resolve the dispute.
2. Should a breach or infraction or disregard for any rule or regulation occur without the identity of the offender being known or ascertainable, any member may ask the Board, or its Committee to post a reminder as the Board sees fit.

3. Should disputes remain unresolved despite the efforts of the parties, the Board will set up a dispute resolution mechanism. The Board's decision in all cases is final.

4. Amendments, deletions and additions to these Rules and Regulations shall be proposed by the Board to any general meeting, and ratified by a simple majority of those present and voting.

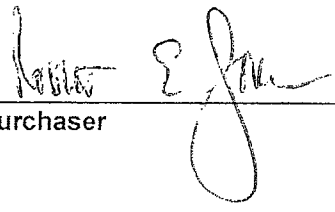
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 24th day of August 2005.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

We have authority to bind the Corporation.


Purchaser

Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF MARY CHON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read 'Philip Cho', is written over a horizontal line.

Philip Cho
A Commissioner, etc.

ROSE OF SHARON - ACKNOWLEDGEMENT AND CONSENT AGREEMENT

In consideration of the sum of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the covenants contained herein and in the Right to Occupy Agreement attached to this Agreement, the undersigned, Maria Chiu and her Estate individually and collectively called the "Purchaser", acknowledges and agrees as follows:

1. The Purchaser has been advised by Rose (the "Community") that there are two parts to the development of the Property:
 - (i) a long term care component (the "Long Term Care Project"); and
 - (ii) a residential life lease component consisting of a number of apartment units and related amenities (the "Life Lease Project"), (collectively referred as the "Project")

2. The Purchaser has signed the Agreement to purchase a life lease unit from the Community in the Life Lease Project, dated the 10th day of April, 2008. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$56,883) (the "Deposit") on account of the purchase price as described in the Agreement.

3. The Purchaser acknowledges and agrees that, such Agreement is a good and valid agreement of purchase and sale enforceable against the Purchaser by the Community and its successors and assigns. In addition, on the date of executing this Agreement, the Purchaser acknowledges that he / she has received from the Community and subsequently reviewed with his/her solicitor a draft copy of the Agreement (the "Right to Occupy Agreement"). The Purchaser acknowledges that the Agreement is substantially settled but the Community has the right to amend the Agreement, in its sole and absolute discretion, from time to time, until it is in a form acceptable to the Community, its lender and any regulatory authority. Notwithstanding any provision of the Agreement to the contrary, the Purchaser agrees to execute the final version of the Agreement forthwith after receiving execution copies from the Community provided that there are no amendments to the purchase price, the exclusive right to occupy the unit and entitlement to net sale proceeds on sale or other substantive provisions of such agreements that would have material adverse effect on the Purchaser. The Purchaser waives any right to claim that the Agreement is void for uncertainty or subject to any right of rescission because the Agreement will not be finalized and / or executed by the parties until a future date.

4. The Deposits paid by the Purchaser may be used by the Community in the construction for the Project. The Deposits are not insured under the Ontario New Home Warranty program or otherwise. There is a builder's warranty of one year, with some elements with an extended warranty.

5. As required by Canada Mortgage and Housing Corporation, the Purchaser acknowledges and agrees that he / she has been advised that the construction lender has the legal right, in its sole and absolute discretion but without any obligation, to insist that the Life Lease Project be registered as a condominium corporation. Further, the Purchaser acknowledges and agrees that he/she has been advised that, in this event, the Purchaser may be required to acquire, but he/she is not entitled to require, a condominium unit rather than a life lease unit on terms and conditions that have been fully explained to the Purchaser at the time of executing this Agreement, which terms and conditions will be reflected in the final version of the Agreement.

6. The Purchaser has received independent legal advice prior to his/her signing this Acknowledgment and Consent Agreement.

7. As required by Canada Mortgage and Housing Corporation, on the date of executing this Agreement and from time to time, the Purchaser agrees to provide to the Community all financial and other information as the Community may reasonably require in order to confirm the credit worthiness of the Purchaser and the Purchaser's ability to complete the transaction of purchase and sale.

8. The Purchaser acknowledges that this Agreement is incorporated into and shall form part of the Agreement to Purchase.

9. The Purchaser agrees that this Acknowledgement and the Agreement are binding on the Purchaser and his/her heirs, executors, administrators, personal legal representatives, successors and assigns. This Acknowledgement and the Agreement shall be for the benefit of and be binding upon each of the parties and their successors and assigns.

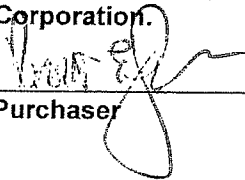
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 10th day of May, 2005.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

We have authority to bind the
Corporation.



Purchaser

Purchaser

ROSE OF SHARON - ACKNOWLEDGEMENT AND CONSENT AGREEMENT

In consideration of the sum of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the covenants contained herein and in the Right to Occupy Agreement attached to this Agreement, the undersigned, Mary Chong individually and collectively called the "Purchaser"), acknowledges and agrees as follows:

1. The Purchaser has been advised by Rose (the "Community") that there are two parts to the development of the Property:
 - (i) a long term care component (the "Long Term Care Project"); and
 - (ii) a residential life lease component consisting of a number of apartment units and related amenities (the "Life Lease Project"), (collectively referred as the "Project")

2. The Purchaser has signed the Agreement to purchase a life lease unit from the Community in the Life Lease Project, dated the 24th day of August, 2005. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$ _____) (the "Deposit") on account of the purchase price as described in the Agreement.

3. The Purchaser acknowledges and agrees that, such Agreement is a good and valid agreement of purchase and sale enforceable against the Purchaser by the Community and its successors and assigns. In addition, on the date of executing this Agreement, the Purchaser acknowledges that he / she has received from the Community and subsequently reviewed with his/her solicitor a draft copy of the Agreement (the "Right to Occupy Agreement"). The Purchaser acknowledges that the Agreement is substantially settled but the Community has the right to amend the Agreement, in its sole and absolute discretion, from time to time, until it is in a form acceptable to the Community, its lender and any regulatory authority. Notwithstanding any provision of the Agreement to the contrary, the Purchaser agrees to execute the final version of the Agreement forthwith after receiving execution copies from the Community provided that there are no amendments to the purchase price, the exclusive right to occupy the unit and entitlement to net sale proceeds on sale or other substantive provisions of such agreements that would have material adverse effect on the Purchaser. The Purchaser waives any right to claim that the Agreement is void for uncertainty or subject to any right of rescission because the Agreement will not be finalized and / or executed by the parties until a future date.

4. The Deposits paid by the Purchaser may be used by the Community in the construction for the Project. The Deposits are not insured under the Ontario New Home Warranty program or otherwise. There is a builder's warranty of one year, with some elements with an extended warranty.

5. As required by Canada Mortgage and Housing Corporation, the Purchaser acknowledges and agrees that he / she has been advised that the construction lender has the legal right, in its sole and absolute discretion but without any obligation, to insist that the Life Lease Project be registered as a condominium corporation. Further, the Purchaser acknowledges and agrees that he/she has been advised that, in this event, the Purchaser may be required to acquire, but he/she is not entitled to require, a condominium unit rather than a life lease unit on terms and conditions that have been fully explained to the Purchaser at the time of executing this Agreement, which terms and conditions will be reflected in the final version of the Agreement.

6. The Purchaser has received independent legal advice prior to his/her signing this Acknowledgment and Consent Agreement.

7. As required by Canada Mortgage and Housing Corporation, on the date of executing this Agreement and from time to time, the Purchaser agrees to provide to the Community all financial and other information as the Community may reasonably require in order to confirm the credit worthiness of the Purchaser and the Purchaser's ability to complete the transaction of purchase and sale.

8. The Purchaser acknowledges that this Agreement is incorporated into and shall form part of the Agreement to Purchase.

9. The Purchaser agrees that this Acknowledgement and the Agreement are binding on the Purchaser and his/her heirs, executors, administrators, personal legal representatives, successors and assigns. This Acknowledgement and the Agreement shall be for the benefit of and be binding upon each of the parties and their successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 24th day of August, 2005.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: [Signature]

Per: _____

We have authority to bind the
Corporation.

[Signature]

Purchaser

Purchaser

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF MARY CHON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



Philip Cho
A Commissioner, etc.

ACKNOWLEDGEMENT AND POSTPONMENT

TO: PEOPLES TRUST COMPANY
AND TO: TRAUB • MOLDAVER, its solicitors
RE: PEOPLES TRUST COMPANY (the "Lender")
loan to ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY ("Community")
15 and 17 Maplewood Avenue Toronto (the "Property")

WHEREAS:

- A. Community as vendor has entered into a Right To Occupy Agreement (the "Agreement") with the undersigned whereby the undersigned has/have agreed to purchase the right to use, occupy and enjoy a residential dwelling unit (the "Unit") at the Property;
- B. The undersigned has/have paid and will pay to Community certain deposits as portions of the Right to Occupy Costs as set out in the Agreement;
- C. Community has entered into a loan arrangement (the "Loan") with the Lender with respect to the Property and has or will grant to the Lender certain security for the Loan including a Charge/Mortgage of the Property and an assignment of the Agreement (collectively, the "Lender's Security").

NOW THEREFORE, in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the undersigned acknowledges, covenants and agrees as follows:

- 1. The undersigned acknowledge(s) that Community has assigned to the Lender, all of Community's right, title and interest in the Agreement including its right to receive all deposits paid or to be paid thereunder and all proceeds due to Community thereunder; and
- 2. The undersigned agree(s) and acknowledge(s) that all deposits paid and to be paid under the Agreement are subordinated and postponed to, and shall not rank in priority to, the Loan and the Lender's Security.

The covenants and agreements contained herein shall extend to and be binding upon the undersigned and their heirs, personal representatives, successors and assigns.

This Acknowledgement and Postponment may be executed and delivered by facsimile or email transmission and, when so executed and delivered, shall be binding on the undersigned effective upon such execution and delivery.

DATED this 26th day of April, 2007.

WITNESS:

[Signature]

[Signature]

[Signature] POA for M. Chan
Name: MARY CHAN
Unit Number: LM5

[Signature] POA for M. Chan
Name: MARY CHAN
Unit Number: LM6

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF MARY CHON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read 'Philip Cho', written over a horizontal line.

Philip Cho
A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of April, 2010.

B E T W E E N :

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

(herein "Rose")

- and -

Mary Chon

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 304 (UM5)

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Thirty Seven Thousands and Six Hundred Eighty Five Dollars (\$137,685.00) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of Ninety Six Thousands and Three Hundred Eighty Dollars and Fifteen Cents (\$96,380.15);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;

- f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.
- 4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.
- 5. Notice may be given to the parties at the following addresses:

Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser

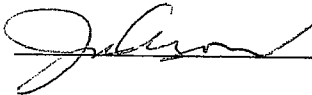
Address : c/o Henry Chon

430 McLevin Ave, #1503 Scarborough, Ontario M4E 1Y8

IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

SIGNED, SEALED AND DELIVERED) **ROSE OF SHARON (ONTARIO)**
) **RETIREMENT COMMUNITY INC.**

)

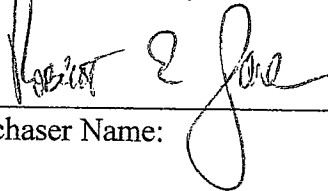
) Per: 

Per: _____

)

I/We have authority to bind the corporation.

)


 Purchaser Name:

 Witness

)

 Witness

)

 Purchaser Name:

PROMISSORY NOTE

Amount: \$96,380.15

Date: April 1, 2010

FOR VALUE RECEIVED \$96,380.15 ("the Maker") acknowledges him/her/themselves indebted and hereby promises to pay to **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.** ("the Lender") at its address noted below or at such other place as the Lender may designate in writing to the Maker from time to time, the principal sum of Ninety Six Thousands and Three Hundred Eighty Dollars and Fifteen Cents (\$96,380.15) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 304 (UM5).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: c/o Henry Chon
430 McLevin Ave, #1503 Scarborough, Ontario M4E 1Y8

The Lender declares its address to be: 165 Vaughan Road, Toronto, ON M6C 2L9

2. **INTEREST:**

The Principal Sum hereunder shall bear interest at the rate of 6.75 per cent (6.75%) per annum, calculated semi-annually, not in advance, as well after as before maturity both before and after default on such portion of the Principal Sum as remains from time to time unpaid.

3. **PAYMENTS**

- (a) **Blended Payments of Principal and Interest:** Principal and interest from the date hereof shall be payable by the Maker in blended equal consecutive monthly instalments of Six Hundred Fifty Six Dollars and Sixty One Cents (\$656.61) each on the 1st day of each and every month, commencing on the 1st day of April, 2010, until the 1st day of April, 2012, in each year, and the balance, if any, of the Principal Sum shall be due on the 1st day of April, 2012.

Provided that the aforesaid instalments are to be applied first in payment of the interest due from time to time, calculated at the aforementioned rate of interest and the balance to be applied in reduction of the Principal Sum, subject however to the provisos hereinafter contained.

- (b) **Due on Demand:** Notwithstanding anything else contained herein the Principal Sum and interest owing hereunder shall be due on demand. In the event the Maker is in breach of their obligations contained in the Right to Occupy Agreement between the parties dated the 1st day of April, 2010.
- (c) **Open:** Provided that the indebtedness of the Maker hereunder shall be open to prepayment in whole or in part on any regular payment date without notice, bonus or

penalty.

- (d) **Prepayment Penalty:** The Maker shall be entitled to prepay any part of the Principal Sum upon payment to the Lender of an amount equal to three months' interest.
- (e) **Acceleration:** Provided that in default of a payment of interest or in default of a payment of instalments of principal or in default of the performance of any of the obligations of the Maker hereunder, the balance of the Principal Sum and interest shall immediately become due and payable at the option of the Lender. The Maker shall not be relieved from such default without the Lender's written consent first being obtained.
- (f) **Death of Maker:** Entire balance of principal, interest and any other costs owing under the terms hereof shall become immediately due and payable at the option of the Lender on the death of the Maker or any one of them.

4. **COVENANTS BY MAKER:**

The Maker covenants and agrees with the Lender as follows:

- (a) **Right to Occupy Agreement:** To abide by the terms and conditions of the Right to Occupy Agreement dated the 1st day of April, 2010; To provide to the Lender a full copy of its financial statements within 90 days of its fiscal year end.

5. **COSTS:**

And the Maker hereby covenants with the Lender that he will pay the costs, charges and expenses of and incidental to the taking, preparation, execution and filing of Notice of this Note and any documents relating thereto and of every renewal thereof, and also all costs which the Lender may incur by reason of the default of the Maker in payment of the moneys advanced hereunder, including costs between solicitor and client, and all bailiff's and other fees and expenses and bank charges.

6. **DEFAULT:**

Upon the occurrence of any default on the part of the Maker as hereinafter defined, all indebtedness hereunder shall, at the option of the Lender, forthwith become due and payable.

The Maker shall be in default under this Promissory Note upon the occurrence of any of the following events:

- (a) the Maker shall fail to pay any of the indebtedness when due or to observe or perform any of the covenants contained herein;
- (b) the Maker shall become insolvent or commit an act of bankruptcy or make an assignment in bankruptcy.
- (c) the Maker shall breach the covenant in paragraph 4 above;

7. **LIMITATIONS:**


- (a) This Promissory Note is made for business purposes and is a "business agreement" as defined in the Limitations Act, 2002 (herein "the Act"); and
- (b) No limitation periods found in the Act, other than the ultimate limitation period found in Section 15 of that Act, shall apply to this Promissory Note and to the obligations imposed by this Promissory Note.

8. **INTERPRETATION AND GENERAL:**


- (a) **Proof of Compliance:** The Lender may require reasonable proof that the borrower is not in default under the terms of this Promissory Note and failing the Maker providing such reasonable proof, the Lender may take whatever steps are necessary to obtain such proof and the costs of obtaining such proof shall be added to the principal amount outstanding on this Note.
- (b) **Judgments:** Provided and it is hereby agreed, that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Lender's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.
- (c) **Advance of Funds:** This Promissory Note is issued pursuant to the advance of funds by the Lender to the Maker in the amount of the face value of this Promissory Note, the receipt of which is acknowledged by the Maker.
- (d) **Successors:** This Promissory Note and all of its provisions, terms and conditions shall be binding upon and enure to the benefit of the Lender, its successors and assigns and the Maker and its successors. The term "successors" shall include, without limitation, any company resulting from the amalgamation of a party hereto with any other company.
- (e) **Waiver of Presentment:** The Maker of this Promissory Note does hereby waive presentment for payment, notice of nonpayment, protest and notice of protest and does hereby consent to all extensions and renewals hereto, without notice.
- (f) **Laws of Ontario:** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
- (g) **Number - Gender:** Provided and it is hereby agreed that in construing these presents the words "Maker" and "Lender" and the personal pronoun "it" or "its" relating thereto and used therewith, shall be read and construed as "Maker or Makers," "Lender or Lenders," and "his," "her," "its" or "theirs," respectively, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted; and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Lender or Lenders shall be equally secured to and exercisable by his, her, its or their heirs, executors, administrators and assigns, or successors and assigns as the case may be; and that all covenants, liabilities and obligations entered into or imposed hereunder upon the Maker or Makers shall be equally binding upon his, her or their heirs, executors, administrators and permitted assigns, or successors and assigns as the case may be; and that all such covenants and liabilities and obligations shall be joint and several.

- (i) **Joint and Several Liability:** All the covenants, liability and obligations entered into or imposed hereunder upon the Maker or Makers shall be joint and several.
- (h) **Severability:** Provided that if any of the covenants or conditions in this Promissory Note contained shall be void for any reason if shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance;

DATED at Toronto, Ontario, this 1st day of April, 2010.



The Maker -



The Lender -

JOHN YOON, CEO
ROSE OF SHARON

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Mortgages and Loans

Schedule Heading:

Origination Date: **Apr 01, 2010**Loan Type: **Normal**First Payment Date: **Apr 01, 2010**Basis Year: **365 Days**Principal: **\$96,380.15**Compounded: **Semi-annually**Interest Rate: **6.7500%**Exact Day: **No**Effective Rate: **6.8639%**Payment: **\$656.61**Payment Frequency: **Monthly**Period: **25.000 Years**Balloon Payment: **\$0.00**

Mary Chon

Loan Date: Apr 01, 2010
Compounded: Semi-annually

Loan Type: Normal
Period: 2.000 Year(s)

Principal: \$96,380.15
Total Payments: \$108,410.44

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$656.61	\$0.00	\$656.61	\$95,723.54
2	May 01, 2010	6.7500%	\$656.61	\$531.03	\$125.58	\$95,597.96
3	Jun 01, 2010	6.7500%	\$656.61	\$530.33	\$126.28	\$95,471.68
4	Jul 01, 2010	6.7500%	\$656.61	\$529.63	\$126.98	\$95,344.70
5	Aug 01, 2010	6.7500%	\$656.61	\$528.92	\$127.69	\$95,217.01
6	Sep 01, 2010	6.7500%	\$656.61	\$528.22	\$128.39	\$95,088.62
7	Oct 01, 2010	6.7500%	\$656.61	\$527.50	\$129.11	\$94,959.51
8	Nov 01, 2010	6.7500%	\$656.61	\$526.79	\$129.82	\$94,829.69
9	Dec 01, 2010	6.7500%	\$656.61	\$526.07	\$130.54	\$94,699.15
Totals for Year 2010			\$5,909.49	\$4,228.49	\$1,681.00	
Running Totals to End of 2010			\$5,909.49	\$4,228.49	\$1,681.00	
10	Jan 01, 2011	6.7500%	\$656.61	\$525.34	\$131.27	\$94,567.88
11	Feb 01, 2011	6.7500%	\$656.61	\$524.61	\$132.00	\$94,435.88
12	Mar 01, 2011	6.7500%	\$656.61	\$523.88	\$132.73	\$94,303.15
13	Apr 01, 2011	6.7500%	\$656.61	\$523.15	\$133.46	\$94,169.69
14	May 01, 2011	6.7500%	\$656.61	\$522.41	\$134.20	\$94,035.49
15	Jun 01, 2011	6.7500%	\$656.61	\$521.66	\$134.95	\$93,900.54
16	Jul 01, 2011	6.7500%	\$656.61	\$520.91	\$135.70	\$93,764.84
17	Aug 01, 2011	6.7500%	\$656.61	\$520.16	\$136.45	\$93,628.39
18	Sep 01, 2011	6.7500%	\$656.61	\$519.40	\$137.21	\$93,491.18
19	Oct 01, 2011	6.7500%	\$656.61	\$518.64	\$137.97	\$93,353.21
20	Nov 01, 2011	6.7500%	\$656.61	\$517.88	\$138.73	\$93,214.48
21	Dec 01, 2011	6.7500%	\$656.61	\$517.11	\$139.50	\$93,074.98
Totals for Year 2011			\$7,879.32	\$6,255.15	\$1,624.17	
Running Totals to End of 2011			\$13,788.81	\$10,483.64	\$3,305.17	
22	Jan 01, 2012	6.7500%	\$656.61	\$516.33	\$140.28	\$92,934.70
23	Feb 01, 2012	6.7500%	\$656.61	\$515.55	\$141.06	\$92,793.64
24	Mar 01, 2012	6.7500%	\$93,308.41	\$514.77	\$92,793.64	\$0.00
Totals for Year 2012			\$94,621.63	\$1,546.65	\$93,074.98	
Running Totals to Q1 of 2012			\$108,410.44	\$12,030.29	\$96,380.15	

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of April, 2010.

B E T W E E N :

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

(herein "Rose")

- and -

Mary Chon

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 306 (UM6)

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Eighty Nine Thousands and Six Hundred Ten Dollars (\$189,610.00) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of One Hundred Thirteen Two Thousands and Seven Hundred Twenty Five Dollars (\$132,725.00);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;

- f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.
- 4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.
- 5. Notice may be given to the parties at the following addresses:

Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

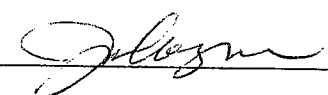
Purchaser

Address : c/o Henry Chon

430 McLevin Ave, #1503 Scarborough, Ontario M4E 1Y8

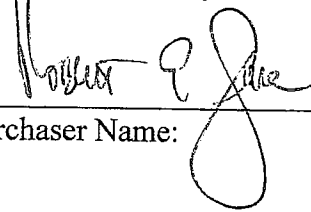
IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st
day of April, 2010.

SIGNED, SEALED AND DELIVERED) **ROSE OF SHARON (ONTARIO)**
) **RETIREMENT COMMUNITY INC.**

) Per: 

Per: _____

) I/We have authority to bind the corporation.

) 
 Purchaser Name: _____

 Witness

 Witness

) _____
 Purchaser Name:

PROMISSORY NOTE

Amount: \$132,725.00

Date: April 1, 2010

FOR VALUE RECEIVED \$132,725.00 ("the Maker") acknowledges him/her/themselves indebted and hereby promises to pay to **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.** ("the Lender") at its address noted below or at such other place as the Lender may designate in writing to the Maker from time to time, the principal sum of One Hundred Thirty Two Thousands and Seven Hundred Twenty Five Dollars (\$132,725.00) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 306 (UM6).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: c/o Henry Chon
430 McLevin Ave, #1503 Scarborough, Ontario M4E 1Y8

The Lender declares its address to be: 165 Vaughan Road, Toronto, ON M6C 2L9

2. **INTEREST:**

The Principal Sum hereunder shall bear interest at the rate of 6.75 per cent (6.75%) per annum, calculated semi-annually, not in advance, as well after as before maturity both before and after default on such portion of the Principal Sum as remains from time to time unpaid.

3. **PAYMENTS**

- (a) **Blended Payments of Principal and Interest:** Principal and interest from the date hereof shall be payable by the Maker in blended equal consecutive monthly instalments of Nine Hundred Four Dollars and Twenty Two Cents (\$904.22) each on the 1st day of each and every month, commencing on the 1st day of April, 2010, until the 1st day of April, 2012, in each year, and the balance, if any, of the Principal Sum shall be due on the 1st day of April, 2012.

Provided that the aforesaid instalments are to be applied first in payment of the interest due from time to time, calculated at the aforementioned rate of interest and the balance to be applied in reduction of the Principal Sum, subject however to the provisos hereinafter contained.

- (b) **Due on Demand:** Notwithstanding anything else contained herein the Principal Sum and interest owing hereunder shall be due on demand. In the event the Maker is in breach of their obligations contained in the Right to Occupy Agreement between the parties dated the 1st day of April, 2010.
- (c) **Open:** Provided that the indebtedness of the Maker hereunder shall be open to prepayment in whole or in part on any regular payment date without notice, bonus or

penalty.

- (d) **Prepayment Penalty:** The Maker shall be entitled to prepay any part of the Principal Sum upon payment to the Lender of an amount equal to three months' interest.
- (e) **Acceleration:** Provided that in default of a payment of interest or in default of a payment of instalments of principal or in default of the performance of any of the obligations of the Maker hereunder, the balance of the Principal Sum and interest shall immediately become due and payable at the option of the Lender. The Maker shall not be relieved from such default without the Lender's written consent first being obtained.
- (f) **Death of Maker:** Entire balance of principal, interest and any other costs owing under the terms hereof shall become immediately due and payable at the option of the Lender on the death of the Maker or any one of them.

4. **COVENANTS BY MAKER:**

The Maker covenants and agrees with the Lender as follows:

- (a) **Right to Occupy Agreement:** To abide by the terms and conditions of the Right to Occupy Agreement dated the 1st day of April, 2010; To provide to the Lender a full copy of its financial statements within 90 days of its fiscal year end.

5. **COSTS:**

And the Maker hereby covenants with the Lender that he will pay the costs, charges and expenses of and incidental to the taking, preparation, execution and filing of Notice of this Note and any documents relating thereto and of every renewal thereof, and also all costs which the Lender may incur by reason of the default of the Maker in payment of the moneys advanced hereunder, including costs between solicitor and client, and all bailiff's and other fees and expenses and bank charges.

6. **DEFAULT:**

Upon the occurrence of any default on the part of the Maker as hereinafter defined, all indebtedness hereunder shall, at the option of the Lender, forthwith become due and payable.

The Maker shall be in default under this Promissory Note upon the occurrence of any of the following events:

- (a) the Maker shall fail to pay any of the indebtedness when due or to observe or perform any of the covenants contained herein;
- (b) the Maker shall become insolvent or commit an act of bankruptcy or make an assignment in bankruptcy.
- (c) the Maker shall breach the covenant in paragraph 4 above;

7. **LIMITATIONS:**

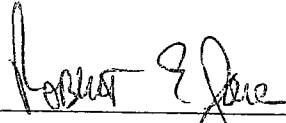
- (a) This Promissory Note is made for business purposes and is a "business agreement" as defined in the Limitations Act, 2002 (herein "the Act"); and
- (b) No limitation periods found in the Act, other than the ultimate limitation period found in Section 15 of that Act, shall apply to this Promissory Note and to the obligations imposed by this Promissory Note.

8. **INTERPRETATION AND GENERAL:**

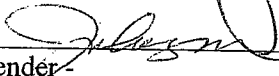
- (a) **Proof of Compliance:** The Lender may require reasonable proof that the borrower is not in default under the terms of this Promissory Note and failing the Maker providing such reasonable proof, the Lender may take whatever steps are necessary to obtain such proof and the costs of obtaining such proof shall be added to the principal amount outstanding on this Note.
- (b) **Judgments:** Provided and it is hereby agreed, that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Lender's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.
- (c) **Advance of Funds:** This Promissory Note is issued pursuant to the advance of funds by the Lender to the Maker in the amount of the face value of this Promissory Note, the receipt of which is acknowledged by the Maker.
- (d) **Successors:** This Promissory Note and all of its provisions, terms and conditions shall be binding upon and enure to the benefit of the Lender, its successors and assigns and the Maker and its successors. The term "successors" shall include, without limitation, any company resulting from the amalgamation of a party hereto with any other company.
- (e) **Waiver of Presentment:** The Maker of this Promissory Note does hereby waive presentment for payment, notice of nonpayment, protest and notice of protest and does hereby consent to all extensions and renewals hereto, without notice.
- (f) **Laws of Ontario:** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
- (g) **Number - Gender:** Provided and it is hereby agreed that in construing these presents the words "Maker" and "Lender" and the personal pronoun "it" or "its" relating thereto and used therewith, shall be read and construed as "Maker or Makers," "Lender or Lenders," and "his," "her," "its" or "theirs," respectively, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted; and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Lender or Lenders shall be equally secured to and exercisable by his, her, its or their heirs, executors, administrators and assigns, or successors and assigns as the case may be; and that all covenants, liabilities and obligations entered into or imposed hereunder upon the Maker or Makers shall be equally binding upon his, her or their heirs, executors, administrators and permitted assigns, or successors and assigns as the case may be; and that all such covenants and liabilities and obligations shall be joint and several.

- (i) **Joint and Several Liability:** All the covenants, liability and obligations entered into or imposed hereunder upon the Maker or Makers shall be joint and several.
- (h) **Severability:** Provided that if any of the covenants or conditions in this Promissory Note contained shall be void for any reason if shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance;

DATED at Toronto, Ontario, this 1st day of April, 2010.



The Maker -



The Lender -

JOHN YOON, CEO
ROSE OF SHARON

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Mortgages and Loans

Schedule Heading:

Origination Date: **Apr 01, 2010**Loan Type: **Normal**First Payment Date: **Apr 01, 2010**Basis Year: **365 Days**Principal: **\$132,725.00**Compounded: **Semi-annually**Interest Rate: **6.7500%**Exact Day: **No**Effective Rate: **6.8639%**Payment: **\$904.22**Payment Frequency: **Monthly**Period: **25.000 Years**Balloon Payment: **\$0.00**

Mary Chon

Loan Date: Apr 01, 2010
 Compounded: Semi-annually

Loan Type: Normal
 Period: 2.000 Year(s)

Principal: \$132,725.00
 Total Payments: \$149,291.90

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$904.22	\$0.00	\$904.22	\$131,820.78
2	May 01, 2010	6.7500%	\$904.22	\$731.27	\$172.95	\$131,647.83
3	Jun 01, 2010	6.7500%	\$904.22	\$730.32	\$173.90	\$131,473.93
4	Jul 01, 2010	6.7500%	\$904.22	\$729.35	\$174.87	\$131,299.06
5	Aug 01, 2010	6.7500%	\$904.22	\$728.38	\$175.84	\$131,123.22
6	Sep 01, 2010	6.7500%	\$904.22	\$727.40	\$176.82	\$130,946.40
7	Oct 01, 2010	6.7500%	\$904.22	\$726.42	\$177.80	\$130,768.60
8	Nov 01, 2010	6.7500%	\$904.22	\$725.44	\$178.78	\$130,589.82
9	Dec 01, 2010	6.7500%	\$904.22	\$724.45	\$179.77	\$130,410.05
Totals for Year 2010			\$8,137.98	\$5,823.03	\$2,314.95	
Running Totals to End of 2010			\$8,137.98	\$5,823.03	\$2,314.95	
10	Jan 01, 2011	6.7500%	\$904.22	\$723.45	\$180.77	\$130,229.28
11	Feb 01, 2011	6.7500%	\$904.22	\$722.45	\$181.77	\$130,047.51
12	Mar 01, 2011	6.7500%	\$904.22	\$721.44	\$182.78	\$129,864.73
13	Apr 01, 2011	6.7500%	\$904.22	\$720.42	\$183.80	\$129,680.93
14	May 01, 2011	6.7500%	\$904.22	\$719.40	\$184.82	\$129,496.11
15	Jun 01, 2011	6.7500%	\$904.22	\$718.38	\$185.84	\$129,310.27
16	Jul 01, 2011	6.7500%	\$904.22	\$717.35	\$186.87	\$129,123.40
17	Aug 01, 2011	6.7500%	\$904.22	\$716.31	\$187.91	\$128,935.49
18	Sep 01, 2011	6.7500%	\$904.22	\$715.27	\$188.95	\$128,746.54
19	Oct 01, 2011	6.7500%	\$904.22	\$714.22	\$190.00	\$128,556.54
20	Nov 01, 2011	6.7500%	\$904.22	\$713.17	\$191.05	\$128,365.49
21	Dec 01, 2011	6.7500%	\$904.22	\$712.11	\$192.11	\$128,173.38
Totals for Year 2011			\$10,850.64	\$8,613.97	\$2,236.67	
Running Totals to End of 2011			\$18,988.62	\$14,437.00	\$4,551.62	
22	Jan 01, 2012	6.7500%	\$904.22	\$711.04	\$193.18	\$127,980.20
23	Feb 01, 2012	6.7500%	\$904.22	\$709.97	\$194.25	\$127,785.95
24	Mar 01, 2012	6.7500%	\$128,494.84	\$708.89	\$127,785.95	\$0.00
Totals for Year 2012			\$130,303.28	\$2,129.90	\$128,173.38	
Running Totals to Q1 of 2012			\$149,291.90	\$16,566.90	\$132,725.00	

TAB 6

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

**AFFIDAVIT OF SUNG-SUN YOON
(Sworn May 28, 2013)**

I, Sung-Sun Yoon, of the City of Hamilton, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am one of the Arms' Length Unit-holders set out in Schedule "A" to the Representative Counsel Order of Justice Mesbur dated April 11, 2013. My wife, Mi-Kyung Yoon, and I signed an agreement for Unit 706 (the "Unit"). As such, I have knowledge, information and belief of the matters to which I hereinafter depose. Where matters are stated as being based on information, I verily believe such information to be true. Where matters are stated as being based on belief, I identify the fact and the reason for my belief.

2. This affidavit is made in response to a motion brought by Peoples Trust Company (“**Peoples**”) for, among other things, an order that the Peoples mortgage ranks in priority over my interests as the unit-holder of my Unit, and indeed over all other unit-holders’ interests.

3. This affidavit is also made in support of a cross-motion brought by the Arm’s Length Claimants for, among other things, a declaration that the Arm’s Length Unit-holders (“**ALU’s**”) have a life estate in the property municipally known as 15-17 Maplewood Avenue, Toronto, Ontario and/or in specific units in the building located on the property (the “**Property**”).

4. I have reviewed the Korean-language translated draft affidavits of Hae Jeong Kang, Kyung Yurl Lee, and Young Sook Cha (the “**Kang Affidavit**”, “**Lee Affidavit**” and “**Cha Affidavit**”, respectively). In an effort to be efficient and reduce the number of similar affidavits to be filed, and to save time and expense, I adopt portions of these affidavits.

5. For consistency, I also use certain capitalized terms that, unless defined in my affidavit, are as defined in the Kang Affidavit.

6. First, I will provide some basic personal information and background. Then, I will identify the portions of the affidavits setting out facts which are substantially similar to the evidence that I would be able to provide. Where appropriate, I will provide additional evidence that may be relevant to the issues and may differ from the evidence already provided by the Kang Affidavit, Lee Affidavit and the Cha Affidavit.

PERSONAL INFORMATION AND BACKGROUND

7. My wife and I are both of Korean heritage and were both born in South Korea, my wife in 1963, and I in 1955. I came to Canada in 1976 and my wife came in the late 1980's. We met here in Canada. My wife and I own and operate a coin laundry business in the Hamilton area. Prior to that, we owned and operated a small computer store.

8. Like Kyung Yurl Lee, my command of the English language is good but not fluent. My wife, however, has a limited command of the English language and as a result, our interview with Cho was primarily conducted in the Korean language. Before I swore this affidavit, it was translated into Korean for me by a live Korean-English interpreter retained by the law firm KRMC so that I could fully understand the contents of this affidavit before I agreed to swear it.

SUBSTANTIALLY SIMILAR EXPERIENCE

A. Introduction to Rose of Sharon

9. My wife and I first learned about the Project from an advertisement in a Korean language newspaper. We called the number listed and were introduced to John.

10. We believed in the importance of the Project for the Korean-Canadian community and wanted to support the Project and adopt paragraphs 25 and 26 of the Kang Affidavit.

11. Based on our discussions with John and from the advertisement in the paper, we believed that the Project would be as described in the Kang Affidavit at paragraph 29.

B. Initial Documentation

12. As described in the Kang Affidavit at paragraphs 36 – 38, which statements I adopt, I do not recall specifically if John explained the concept of a “life lease” but I specifically recall being told by John that the Project would be converted to a condominium. Thus, I believed we would eventually own a condominium.

13. It was on that basis that I agreed to purchase the Unit from Rose. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated September 22, 2003. Attached hereto and marked as Exhibit “B” is a copy of the Letter of Acknowledgment, dated September, 2003.

14. My experience in signing the RTOA was substantially similar to what is described in paragraphs 42 – 46 of the Kang Affidavit with respect to the absence of any encouragement to obtain legal advice, requirement to provide financial information, Korean translations of the documents, and the cursory review of the RTOA by John.

15. My RTOA is similar to that described in the Kang Affidavit and I adopt the statements made in the Kang Affidavit at paragraphs 48 – 52 pertaining to the clauses set out therein, and also share the belief set out in paragraphs 49 – 50 of the Kang Affidavit regarding the notion of “purchase”. I would not have agreed to purchase the Unit if I was aware of the risk that I could lose the Unit because Rose did not comply with its obligations to Peoples.

16. The LOA that we signed is similar to the one described in paragraphs 40 and 53 of the Kang Affidavit and I adopt the statements contained therein.

17. Finally, I adopt the statements set out in paragraph 54 – 57 of the Kang Affidavit regarding the manner in which John had me sign the documents, the inability to understand the RTOA, and in particular, the lack of knowledge regarding Peoples' interest in the Project and my Unit.

C. Deposits Paid

18. I have paid a total of \$31,770 in deposits as required by the RTOA in the following manner:

- a. On November 14, 2003, I paid \$10,590;
- b. On July 21, 2004, I paid \$10,590; and
- c. On August 21, 2006, I paid \$10,590.

19. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced in Exhibit "K" of the Kang Affidavit.

D. Postponement

20. Attached hereto and marked as Exhibit "C" is a copy of the Acknowledgment and Postponement that we signed, dated April 26, 2007.

21. My experience was similar to what is set out in paragraphs 71 – 75 of the Kang Affidavit and I do not recall John explaining this to me or suggesting that I consult a lawyer before signing. I would not have agreed to risk my deposits in this manner.

D. Loans to Rose of Sharon

22. During the course of construction, John explained that Rose was in need of financial support for the Project. He suggested that if we could pay a portion of the purchase price in advance, then Rose would pay interest on that amount, which would then be applied to the purchase price owing on our Unit at the time of closing. In our view, it seemed appropriate to advance money in this manner because we would eventually be required to pay the money anyway in order to complete the purchase of the Unit. As such, we agreed to pay the following advances to Rose:

- a. On May 30, 2008, we paid \$10,000;
- b. On August 22, 2009, we paid \$10,000; and
- c. On October 22, 2010, we paid \$5,000.

23. Attached hereto and marked as Exhibit "D" is a copy of a "Promissory Note" that we received from John in November 2010 which combines the three prior advances, with interest.

E. The Amended RTOA

24. Attached hereto and marked as Exhibit "E" is a copy of the Amended RTOA for our Unit.

25. I adopt paragraphs 92 – 96 of the Kang Affidavit. I do not recall John explaining the Amended RTOA for me in great detail. I recall that I believed the Amended RTOA to be the document that we needed to sign to take possession of the Unit.

26. Shortly after taking possession, we paid the balance owing on the Unit purchase price. Similar to what is set out in the Lee Affidavit at paragraph 53, we thought that the “Promissory Note” was a receipt for payment of the purchase price. We did not believe that we were granting a loan to Rose at a time when we owed Rose money for the same amount. As expressed in the Lee Affidavit at paragraph 57, such an arrangement does not make any sense to us. Attached and marked collectively as Exhibit “F” is a copy of our cheque for \$49,560, the “Promissory Note” from Rose that we mistook for a receipt, and a subsequent “Promissory Note” from Rose, which combined all prior “Promissory Notes” given to us by Rose.

27. Therefore, I believe that I have paid in full for my Unit and adopt the statements set out in paragraphs 102 – 107 of the Kang Affidavit, and in particular, regarding the lack of any notification of any requirement to pay any funds to Peoples.

F. Prejudice to Lose Unit

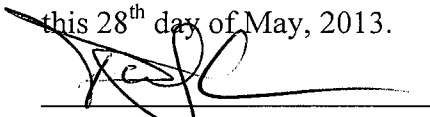
28. Our original intention was to have my parents-in-law live in the Unit. We wanted them to move to Canada from South Korea. Since that time, my parents-in-law decided not to move to Canada and we decided to use the Unit upon our retirement. In the meantime, we continue to have our business in Hamilton, such that it is impractical for us to live in the Unit.

29. If I cannot keep the Unit and am unable to recover the monies that I have paid to Rose, I will suffer significant prejudice. I have paid significant sums of money for the Unit, in excess of \$100,000. We borrowed money from our home equity line of credit to make these payments. The loss of this Unit without any compensation would have a serious impact on our financial situation.

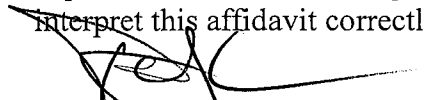
SWORN BEFORE ME
at the City of Toronto
in the Province of Ontario,
this 28th day of May, 2013.

)
)
)
)


SUNG-SUN YOON

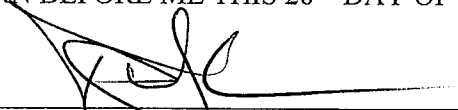

Philip Cho
A Commissioner, etc.

I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.


Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF SUNG-SUN YOON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read "Philip Cho", is written over a horizontal line.

Philip Cho
A Commissioner, etc.

Asc

RIGHT TO OCCUPY AGREEMENT*(Founders' Circle)*

THIS AGREEMENT made in duplicate this *22nd* day of *September*, 2003

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

- and -

SUNG-SUN / MI-KYUNG YOON

86 89 IRONWOOD CR. L8W 3B8

of the City of HAMILTON,

in the Province of ONTARIO

(hereinafter referred to as the "Purchaser")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the **Rose of Sharon**;

AND WHEREAS the Purchaser is desirous of purchasing the "right to occupy" one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs, Architect, the unit being identified as *Garden Portulaca, Unit #507* (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.
2. The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of *One Hundred Five Thousand and Nine Hundred Dollars.*

(\$ 105,900⁰⁰), including ____ (0) parking space(s) (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraph 6 hereof.

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Purchaser on or before the last day of December, 2004 (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Purchaser shall be entitled to receive a refund of all moneys paid without interest.

6. The Purchaser agrees to pay the Right to Occupy Cost to the Community as follows:

(Complete and cross out as appropriate)

- (a) A deposit (10%) of the Right to Occupy Cost, upon execution of this agreement, being _____ (\$ 10,590.⁰⁰).
- (b) A further ten percent (10%) of the Right to Occupy Cost, being _____ (\$ 10,590.⁰⁰) upon receipt of Building Permit.
- (c) A further ten percent (10%) of the Right to Occupy Cost, being _____ (\$ 10,590.⁰⁰) upon the footings being complete.
- (d) The balance upon the Issuance of the Occupancy Permit.

The Purchaser shall pay the above-noted sum upon ten (10) days' notice of the appropriate events.

7. The Purchaser shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community.

The Purchaser acknowledges that the facilities and amenities are to be developed for the enhancement of the local community and they will open for use by

the local community and will not be limited to the Purchaser. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.

If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Purchaser entitled to any compensation or abatement.

8. The Purchaser shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.

The monthly maintenance fee is to include, but not limited, to the following:

- (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit, the common areas, the amenities and facilities, as well as the parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance, equipment costs, equipment replacement reserves, major repairs and major capital repair reserves;
- (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.

Municipal taxes and Hydro, which will be individually metered, will be separate and paid for by the unit holder in addition to the foregoing.

The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit/parking space to the total of the Units/parking spaces in the building.

9. The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:

- (a) The Purchaser gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;
- (b) Failure of the Purchaser to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;
- (c) The destruction or damage by fire or other casualty so as to render the Unit unfit for occupancy.

10. Upon the Purchaser, who has given notice in accordance with paragraph 9 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with paragraph 11 below.

Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 9 (b) or (c), for which the Community shall provide the Purchaser or his/her representative with written notice, the Purchaser or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph 11 below.

If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.

11. Upon termination of this Agreement in accordance with paragraph 9 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.

The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Association shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Purchaser shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less any amount outstanding to the Community.

The Purchaser shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.

The Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Purchaser. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.

12. This Agreement shall not create any ownership in the real property or building of the Community and the Purchaser agrees not to register this Agreement against title to the lands upon which the building sits.

The Purchaser shall only be able to sell his/her rights hereunder in accordance with paragraphs 9 and 11 hereof. The Purchaser shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.

The Purchaser shall use the Unit for residential purposes only, and shall be occupied only by the Purchaser hereunder. The Community may grant permission for temporary occupancy by others, as it determines appropriate.

13. The Community shall insure the Unit against loss by fire and other casualty.

The Purchaser shall be responsible for insuring the contents within the Unit.

The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon, at or relating to the Community's lands or the Unit, or damage to the property of the Purchaser or others; nor shall the Community be responsible for any injury or loss or damage to the Purchaser, or any property of the Purchaser from any cause whatsoever, whether or not any such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.

All property of the Purchaser kept or stored at the Unit or elsewhere in the building shall be at the sole risk of the Purchaser and the Purchaser shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Purchaser's Insurers.

14. The Purchaser shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.

15. The Purchaser shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.

The Purchaser shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.

The Purchaser shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.

The Purchaser may keep a small pet in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Purchaser.

The Purchaser shall, in relation to the Unit, be responsible for paying the monthly maintenance fee, the charges for hydro, telephone, cable TV and all other metered or billable services which may be available and subscribed to by the Purchaser.

The Community shall remain the owner and manager of the building and of the Unit and shall have the right of entry to the Unit at reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.

The Community shall have exclusive control and management of the common areas, facilities and amenities.

The Community shall maintain and repair when necessary the Unit, its electrical and plumbing systems and all Community supplied appliances. The costs of such repairs shall be borne by the Purchaser, if the damage has been caused by the Purchaser or his/her guests.

The Community shall report, on an annual basis, to the Purchaser with respect to the management of the residences and the provision of common areas, facilities and amenities.

16. Notice may be given to the Community at: Rose of Sharon (Ontario)
Retirement Community
920 Yonge St., Suite 500
Toronto, Ontario
M4W 3C7

Notice may be given to the Purchaser at:

86
89 IRONWOOD CR.
HAMILTON, ONTARIO
L8W 3B8

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

17. This Agreement shall not be changed or modified except by written instruction, signed by both the Purchaser and the Community.

18. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.

19. Where there are two or more Purchasers bound by the same terms herein contained, their obligations shall be joint and several.

20. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

Founders' Circle

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 22nd day of *September* 2003.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *[Signature]*

Per: _____

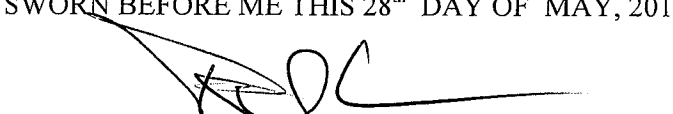
We have authority to bind the Corporation.

[Signature]
Purchaser

[Signature]
Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF SUNG-SUN YOON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be "P. Cho", written over a horizontal line.

Philip Cho
A Commissioner, etc.

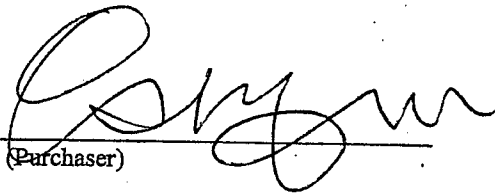
Letter of Acknowledgement

Residence No. 507

I / we acknowledge that I / we are aware that the deposits as per our Right to Occupy Agreement will be used for construction, land, and other capital costs relating to the Rose of Sharon.


September, 2003
Date

Signature (Witness)



Signature (Purchaser)

Signature (Witness)

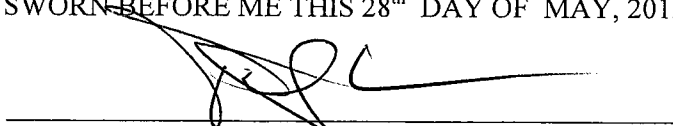


Signature (Purchaser)

(This information is required for financial purposes)

TAB C

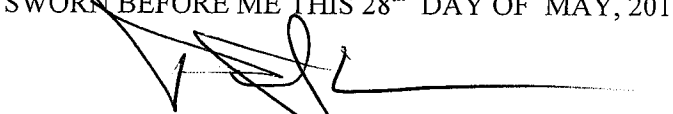
THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF SUNG-SUN YOON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read 'Phillip Cho', is written over a horizontal line.

Phillip Cho
A Commissioner, etc.

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF SUNG-SUN YOON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read "Philip Cho", is written over a horizontal line.

Philip Cho
A Commissioner, etc.

#706(507)

PROMISSORY NOTE

Amount : \$29,011.00

Date: November 1, 2010

Interest : 6.75% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Sunny Yoon, on account with the right of survivorship, the sum of Twenty Nine Thousand and Eleven Dollars (\$29,011.00), in lawful money of Canada together with interest thereon at the rate of 6.75% percent per annum.

DATED at Toronto, Ontario on this 1th day of November, 2010.

Rose of Sharon (Ontario) Retirement Community

Per _____.

Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

Note:

This will replace the promissory note issued as follows ;

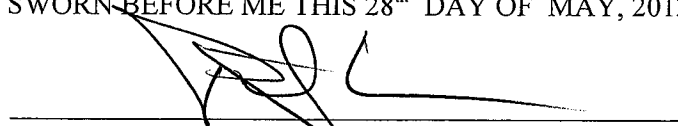
1. The promissory note (\$24,011) as of Oct 1, 2010
2. The promissory note (\$5,000) as of Oct 23, 2010

The copy is attached.

Monthly Payment : \$163.19

TAB E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF SUNG-SUN YOON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read "Philip Cho", is written over a horizontal line.

Philip Cho
A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of April, 2010.

B E T W E E N :

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

(herein "Rose")

- and -

Yoon, Sung-Sun / Mi-Kyung

(herein "Purchaser")

Loan to Rose

Promissory Note

Unsecured Loan?

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 706 (507)

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Eleven Thousand and One Hundred Ninety Five Dollars (\$111,195.00) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of Seventy Nine Thousand and Four Hundred Twenty Five Dollars (\$79,425.00);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;

- f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.
- 4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.
- 5. Notice may be given to the parties at the following addresses:

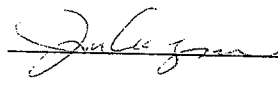
Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser

Address : 86 Ironwood Cres, Hamilton, ON L8W3B8

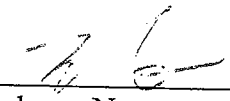
IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

SIGNED, SEALED AND DELIVERED) **ROSE OF SHARON (ONTARIO)**
) **RETIREMENT COMMUNITY INC.**

) Per: 

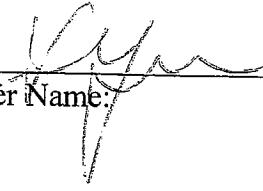
) Per: _____

) I/We have authority to bind the corporation.

) 
 Purchaser Name:

 Witness

 Witness

) 
 Purchaser Name:

PROMISSORY NOTE

Amount: \$79,425.00

Date: April 1, 2010

FOR VALUE RECEIVED \$79,425.00 ("the Maker") acknowledges him/her/themselves indebted and hereby promises to pay to **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.** ("the Lender") at its address noted below or at such other place as the Lender may designate in writing to the Maker from time to time, the principal sum of Seventy Nine Thousand and Four Hundred Twenty Five Dollars (\$79,425.00) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 706 (507).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: 86 Ironwood Cres, Hamilton, ON L8W3B8

The Lender declares its address to be: 165 Vaughan Road, Toronto, ON M6C 2L9

2. **INTEREST:**

The Principal Sum hereunder shall bear interest at the rate of 6.75 per cent (6.75%) per annum, calculated semi-annually, not in advance, as well after as before maturity both before and after default on such portion of the Principal Sum as remains from time to time unpaid.

3. **PAYMENTS**

- (a) **Blended Payments of Principal and Interest:** Principal and interest from the date hereof shall be payable by the Maker in blended equal consecutive monthly instalments of Five Hundred Forty One Dollars and Ten Cents (\$541.10) each on the 1st day of each and every month, commencing on the 1st day of April, 2010, until the 1st day of April, 2012, in each year, and the balance, if any, of the Principal Sum shall be due on the 1st day of April, 2012.

Provided that the aforesaid instalments are to be applied first in payment of the interest due from time to time, calculated at the aforementioned rate of interest and the balance to be applied in reduction of the Principal Sum, subject however to the provisos hereinafter contained.

- (b) **Due on Demand:** Notwithstanding anything else contained herein the Principal Sum and interest owing hereunder shall be due on demand. In the event the Maker is in breach of their obligations contained in the Right to Occupy Agreement between the parties dated the 1st day of April, 2010.
- (c) **Open:** Provided that the indebtedness of the Maker hereunder shall be open to prepayment in whole or in part on any regular payment date without notice, bonus or penalty.

- (d) **Prepayment Penalty:** The Maker shall be entitled to prepay any part of the Principal Sum upon payment to the Lender of an amount equal to three months' interest.
- (e) **Acceleration:** Provided that in default of a payment of interest or in default of a payment of instalments of principal or in default of the performance of any of the obligations of the Maker hereunder, the balance of the Principal Sum and interest shall immediately become due and payable at the option of the Lender. The Maker shall not be relieved from such default without the Lender's written consent first being obtained.
- (f) **Death of Maker:** Entire balance of principal, interest and any other costs owing under the terms hereof shall become immediately due and payable at the option of the Lender on the death of the Maker or any one of them.

4. **COVENANTS BY MAKER:**

The Maker covenants and agrees with the Lender as follows:

- (a) **Right to Occupy Agreement:** To abide by the terms and conditions of the Right to Occupy Agreement dated the 1st day of April, 2010; To provide to the Lender a full copy of its financial statements within 90 days of its fiscal year end.

5. **COSTS:**

And the Maker hereby covenants with the Lender that he will pay the costs, charges and expenses of and incidental to the taking, preparation, execution and filing of Notice of this Note and any documents relating thereto and of every renewal thereof, and also all costs which the Lender may incur by reason of the default of the Maker in payment of the moneys advanced hereunder, including costs between solicitor and client, and all bailiff's and other fees and expenses and bank charges.

6. **DEFAULT:**

Upon the occurrence of any default on the part of the Maker as hereinafter defined, all indebtedness hereunder shall, at the option of the Lender, forthwith become due and payable.

The Maker shall be in default under this Promissory Note upon the occurrence of any of the following events:

- (a) the Maker shall fail to pay any of the indebtedness when due or to observe or perform any of the covenants contained herein;
- (b) the Maker shall become insolvent or commit an act of bankruptcy or make an assignment in bankruptcy.
- (c) the Maker shall breach the covenant in paragraph 4 above;

7. **LIMITATIONS:**


- (a) This Promissory Note is made for business purposes and is a "business agreement" as defined in the Limitations Act, 2002 (herein "the Act"); and
- (b) No limitation periods found in the Act, other than the ultimate limitation period found in Section 15 of that Act, shall apply to this Promissory Note and to the obligations imposed by this Promissory Note.

8. **INTERPRETATION AND GENERAL:**

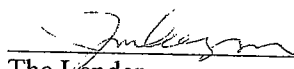
- (a) **Proof of Compliance:** The Lender may require reasonable proof that the borrower is not in default under the terms of this Promissory Note and failing the Maker providing such reasonable proof, the Lender may take whatever steps are necessary to obtain such proof and the costs of obtaining such proof shall be added to the principal amount outstanding on this Note.
- (b) **Judgments:** Provided and it is hereby agreed, that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Lender's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.
- (c) **Advance of Funds:** This Promissory Note is issued pursuant to the advance of funds by the Lender to the Maker in the amount of the face value of this Promissory Note, the receipt of which is acknowledged by the Maker.
- (d) **Successors:** This Promissory Note and all of its provisions, terms and conditions shall be binding upon and enure to the benefit of the Lender, its successors and assigns and the Maker and its successors. The term "successors" shall include, without limitation, any company resulting from the amalgamation of a party hereto with any other company.
- (e) **Waiver of Presentment:** The Maker of this Promissory Note does hereby waive presentment for payment, notice of nonpayment, protest and notice of protest and does hereby consent to all extensions and renewals hereto, without notice.
- (f) **Laws of Ontario:** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
- (g) **Number - Gender:** Provided and it is hereby agreed that in construing these presents the words "Maker" and "Lender" and the personal pronoun "it" or "its" relating thereto and used therewith, shall be read and construed as "Maker or Makers," "Lender or Lenders," and "his," "her," "its" or "theirs," respectively, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted; and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Lender or Lenders shall be equally secured to and exercisable by his, her, its or their heirs, executors, administrators and assigns, or successors and assigns as the case may be; and that all covenants, liabilities and obligations entered into or imposed hereunder upon the Maker or Makers shall be equally binding upon his, her or their heirs, executors, administrators and permitted assigns, or successors and assigns as the case may be; and that all such covenants and liabilities and obligations shall be joint and several.
- (i) **Joint and Several Liability:** All the covenants, liability and obligations entered into or imposed hereunder upon the Maker or Makers shall be joint and several.

- (h) **Severability:** Provided that if any of the covenants or conditions in this Promissory Note contained shall be void for any reason if shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance;

DATED at Toronto, Ontario, this 1st day of April, 2010.



The Maker -



The Lender -

JOHN YOON, CEO
ROSE OF SHARON

q:\49149.569149.569.002\promissory note - v2.doc (1)

Loan Date: Apr 01, 2010
 Compounded: Semi-annually

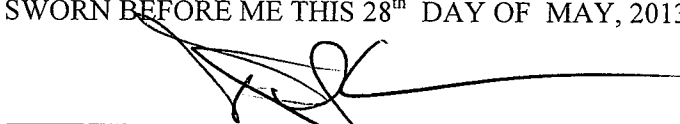
Loan Type: Normal
 Period: 2.000 Year(s)

Principal: \$79,425.00
 Total Payments: \$89,338.90

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$541.10	\$0.00	\$541.10	\$78,883.90
2	May 01, 2010	6.7500%	\$541.10	\$437.61	\$103.49	\$78,780.41
3	Jun 01, 2010	6.7500%	\$541.10	\$437.03	\$104.07	\$78,676.34
4	Jul 01, 2010	6.7500%	\$541.10	\$436.46	\$104.64	\$78,571.70
5	Aug 01, 2010	6.7500%	\$541.10	\$435.88	\$105.22	\$78,466.48
6	Sep 01, 2010	6.7500%	\$541.10	\$435.29	\$105.81	\$78,360.67
7	Oct 01, 2010	6.7500%	\$541.10	\$434.71	\$106.39	\$78,254.28
8	Nov 01, 2010	6.7500%	\$541.10	\$434.11	\$106.99	\$78,147.29
9	Dec 01, 2010	6.7500%	\$541.10	\$433.52	\$107.58	\$78,039.71
Totals for Year 2010			\$4,869.90	\$3,484.61	\$1,385.29	
Running Totals to End of 2010			\$4,869.90	\$3,484.61	\$1,385.29	
10	Jan 01, 2011	6.7500%	\$541.10	\$432.92	\$108.18	\$77,931.53
11	Feb 01, 2011	6.7500%	\$541.10	\$432.32	\$108.78	\$77,822.75
12	Mar 01, 2011	6.7500%	\$541.10	\$431.72	\$109.38	\$77,713.37
13	Apr 01, 2011	6.7500%	\$541.10	\$431.11	\$109.99	\$77,603.38
14	May 01, 2011	6.7500%	\$541.10	\$430.50	\$110.60	\$77,492.78
15	Jun 01, 2011	6.7500%	\$541.10	\$429.89	\$111.21	\$77,381.57
16	Jul 01, 2011	6.7500%	\$541.10	\$429.27	\$111.83	\$77,269.74
17	Aug 01, 2011	6.7500%	\$541.10	\$428.65	\$112.45	\$77,157.29
18	Sep 01, 2011	6.7500%	\$541.10	\$428.03	\$113.07	\$77,044.22
19	Oct 01, 2011	6.7500%	\$541.10	\$427.40	\$113.70	\$76,930.52
20	Nov 01, 2011	6.7500%	\$541.10	\$426.77	\$114.33	\$76,816.19
21	Dec 01, 2011	6.7500%	\$541.10	\$426.14	\$114.96	\$76,701.23
Totals for Year 2011			\$6,493.20	\$5,154.72	\$1,338.48	
Running Totals to End of 2011			\$11,363.10	\$8,639.33	\$2,723.77	
22	Jan 01, 2012	6.7500%	\$541.10	\$425.50	\$115.60	\$76,585.63
23	Feb 01, 2012	6.7500%	\$541.10	\$424.86	\$116.24	\$76,469.39
24	Mar 01, 2012	6.7500%	\$76,893.60	\$424.21	\$76,469.39	\$0.00
Totals for Year 2012			\$77,975.80	\$1,274.57	\$76,701.23	
Running Totals to Q1 of 2012			\$89,338.90	\$9,913.90	\$79,425.00	

TAB F

THIS IS EXHIBIT "F" REFERRED TO
IN THE AFFIDAVIT OF SUNG-SUN YOON
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read "Philip Cho", is written over a horizontal line. The signature is stylized and somewhat cursive.

Philip Cho
A Commissioner, etc.

#706(507)

PROMISSORY NOTE

Amount : \$49,560.70

Date: February 18, 2011

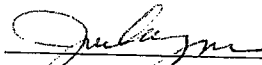
Interest : 6.75% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Sunny Yoon, on account with the right of survivorship, the sum of Forty Nine Thousand and Five Hundred Sixty Dollars and Seventy Cents (\$49,560.70), in lawful money of Canada together with interest thereon at the rate of 6.75% percent per annum.

DATED at Toronto, Ontario on this 18th day of Feb, 2011.

Rose of Sharon (Ontario) Retirement Community

Per 
Name: John Yoon Office: CEO
I have authority to bind the corporation.

Document/demandnote

#706(507)

PROMISSORY NOTE

Amount : \$78,571.70

Date: March 1, 2011

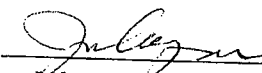
Interest : 6.75% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Sunny Yoon, on account with the right of survivorship, the sum of Seventy Eight Thousand and Five Hundred Seventy One Dollars and Seventy Cents (\$78,571.70), in lawful money of Canada together with interest thereon at the rate of 6.75% percent per annum.

DATED at Toronto, Ontario on this 1th day of March, 2011.

Rose of Sharon (Ontario) Retirement Community

Per 
 Name: John Yoon Office: CEO
 I have authority to bind the corporation.

Document/demandnote

Note:

This will replace the promissory note issued as follows ;

1. The promissory note (\$29,011) as of Nov 1, 2010
2. The promissory note (\$49,560.70) as of Feb18, 2010

The copy is attached.

Monthly Payment : \$441.97

TAB 7

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

**AFFIDAVIT OF HYUNG-GOOK LEE
(Sworn May 28, 2013)**

I, Hyung-Gook Lee, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am one of the Arms' Length Unit-holders set out in Schedule "A" to the Representative Counsel Order of Justice Mesbur dated April 11, 2013. I signed an agreement for Unit 707 (the "**Unit**"), together with my mother, Soon-Sup Lee. As such, I have knowledge, information and belief of the matters to which I hereinafter depose. Where matters are stated as being based on information, I verily believe such information to be true. Where matters are stated as being based on belief, I identify the fact and the reason for my belief.

2. This affidavit is made in response to a motion brought by Peoples Trust Company (“**Peoples**”) for, among other things, an order that the Peoples mortgage ranks in priority over my interests as the unit-holder of my Unit, and indeed over all other unit-holders’ interests.

3. This affidavit is also made in support of a cross-motion brought by the Arm’s Length Claimants for, among other things, a declaration that the Arm’s Length Unit-holders (“**ALU’s**”) have a life estate in the property municipally known as 15-17 Maplewood Avenue, Toronto, Ontario and/or in specific units in the building located on the property (the “**Property**”).

4. I have reviewed the Korean-language translated draft affidavits of Hae Jeong Kang, Kyung Yurl Lee, and Young Sook Cha (the “**Kang Affidavit**”, “**Lee Affidavit**” and “**Cha Affidavit**”, respectively). In an effort to be efficient and reduce the number of similar affidavits to be filed, and to save time and expense, I adopt portions of these affidavits.

5. For consistency, I also use certain capitalized terms that, unless defined in my affidavit, are as defined in the Kang Affidavit.

6. First, I will provide some basic personal information and background. Then, I will identify the portions of the affidavits setting out facts which are substantially similar to the evidence that I would be able to provide. Where appropriate, I will provide additional evidence that may be relevant to the issues and may differ from the evidence already provided by the Kang Affidavit, Lee Affidavit and the Cha Affidavit.

PERSONAL INFORMATION AND BACKGROUND

7. I am of Korean heritage and was born in Korea. I came to Canada in 1985. My mother is 78 years old. I am employed as a chemist for a pharmaceutical company.

8. Like Kyung Yurl Lee, my command of the English language is good but not fluent. My mother, however, cannot speak, read or write English. During our meeting with Cho, a significant portion of the interview was conducted in the Korean language, for the benefit of my mother. Before I swore this affidavit, it was translated into Korean for me by a live Korean-English interpreter retained by the law firm KRMC so that I could fully understand the contents of this affidavit before I agreed to swear it.

SUBSTANTIALLY SIMILAR EXPERIENCE

A. Introduction to Rose of Sharon

9. My mother first learned of the Project through a friend of hers that had signed an agreement for one of the units. This was in 1997.

10. She discussed this Project with me and our plan was to have my father, who suffered from Alzheimer's disease, live in the nursing home, and to have my mother live close to him in one of the units.

B. Initial Documentation

11. My mother had met with John and signed a Right to Occupy Agreement sometime in 1997. Unfortunately, we cannot locate this document. My mother paid a number of deposits pursuant to that agreement.

12. Sometime in 2009, a new Right to Occupy Agreement was entered into. I believe that we entered into the new RTOA because my mother wished to change the unit that she was purchasing. At this time, my name was added to the RTOA. Attached hereto and marked as Exhibit "A" is a copy of the Right to Occupy Agreement for my Unit, dated August 6, 2009. Attached hereto and marked as Exhibit "B" is a copy of the Acknowledgment and Consent Agreement, dated August 6, 2009.

13. As described in the Kang Affidavit at paragraphs 36 – 38, which statements I adopt, I do not recall specifically if John explained the concept of a "life lease" but I specifically recall being told by John that the Project would be converted to a condominium. Thus, we believed we were purchasing a condominium.

14. Our experience in signing the RTOA was substantially similar to what is described in paragraphs 42 – 46 of the Kang Affidavit with respect to the absence of any encouragement to obtain legal advice, requirement to provide financial information, Korean translations of the documents, and the cursory review of the RTOA by John.

15. The form of the RTOA is similar to that described in the Lee Affidavit and I adopt the statements made in the Lee Affidavit at paragraphs 37 – 40 pertaining to the clauses set out therein, except that I did not have the benefit of any legal advice beforehand.

16. The ACA that we signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein.

17. I also agree with the belief set out in paragraphs 49 – 50 of the Kang Affidavit regarding the notion of “purchase”, and I would not have agreed to purchase the Unit if I was aware of the risk that I could lose the Unit because Rose did not comply with its obligations to Peoples.

18. Finally, I adopt the statements set out in paragraph 54 – 57 of the Kang Affidavit regarding the manner in which John had me sign the documents, the inability to understand the RTOA, and in particular, the lack of knowledge regarding Peoples’ interest in the Project and my Unit.

C. Deposits Paid

19. Before signing the new RTOA, my mother made a number of payments to Rose. The amounts were confirmed on the new RTOA as it shows that the initial deposit was to be \$95,403, which was in fact the amount that had already been paid to Rose by that time.

20. These payments, along with a number of additional payments, appear to be listed by the Receiver in the Payment Summary which is reproduced in Exhibit "K" of the Kang Affidavit.

D. Postponement

21. Attached hereto and marked as Exhibit "C" is a copy of the Acknowledgment and Postponement, dated April 30, 2007. This document was shown to us by Cho, who advised that he received it from the Receiver. However, my mother does not recall seeing this document or being asked to sign it.

D. Loans to Rose of Sharon

22. My mother made a number of payments to John and received back "Promissory Notes". She advised me that she believed these to be receipts for the payments she made. Attached and collectively marked as Exhibit "D" are the "Promissory Notes" that my mother has in her possession. My mother advises that she never intended to make any loans to Rose. As a result, we were both surprised to learn the purpose of a promissory note. We were also surprised when we found our names on the list of creditors of Rose in one of the documents we received from the Receiver.

E. The Amended RTOA

23. Attached hereto and marked as Exhibit "E" is a copy of the Amended RTOA for my Unit.

24. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, neither my mother nor I recall John explaining the Amended RTOA to me in great detail.

25. We believe that we have paid in full for our Unit and adopt the statements set out in paragraphs 102 – 107 of the Kang Affidavit, and in particular, regarding the lack of any notification of any requirement to pay any funds to Peoples.

26. I also adopt the statements set out in paragraphs 52 – 57 of the Lee Affidavit regarding the Promissory Notes, with respect to never agreeing to loan money to Rose, or to borrow money from Rose at the same time. This does not make sense to us.

F. Prejudice to Lose Unit

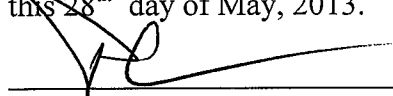
27. My mother lives in the Unit. If we cannot keep the Unit and are unable to recover the monies that we have paid to Rose, we will suffer significant prejudice. My mother and I have paid significant sums of money for the Unit, close to \$170,000. It would be a tremendous hardship for us to lose all of the money paid for the Unit.

28. It would also be a tremendous hardship if my mother lost her Unit. As an elderly Korean, my mother is the type of person that the Project was originally intended.

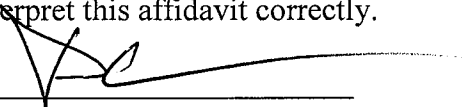
SWORN BEFORE ME
at the City of Toronto
in the Province of Ontario,
this 28th day of May, 2013.

)
)
)
)


HYUNG-GOOK LEE


Philip Cho
A Commissioner, etc.

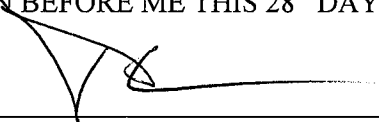
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.

A handwritten signature in black ink, appearing to be 'Philip Cho', written over a horizontal line.

Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF HYUNG-GOOK LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be "Philip Cho", written over a horizontal line.

Philip Cho
A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT
(Purchaser Type Mb)

THIS AGREEMENT made in duplicate this 6th day of August, 2009
(Original was signed as of August 25th, 1997)

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.
Proposed Project 165 / 171 Vaughan Road, Toronto (the Property)

(hereinafter referred to as the "Community")

- and -

Mrs. Soon-Sup Lee & Mr. Hyung-Gook Lee

of the City of Toronto

in the Province of Ontario

(hereinafter referred to as the "Purchaser")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the **Rose of Sharon**;

AND WHEREAS the Purchaser is desirous of purchasing the "right to occupy" one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

THE UNIT

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs Inc. Architect, the unit being identified as **#506** (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.

The Purchaser agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of One Hundred Seventy Seven Thousand Six Hundred Forty Five ~~One Hundred Seventy Seven Thousand Six Hundred Forty Five~~ Dollars (\$177,645), including Zero (0) parking space(s) and Terrace (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraph 6 hereof. *J.G. SS. HL*

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Purchaser on or before the 31st day of October, 2009 (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the

Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Purchaser shall be entitled to receive a refund of all moneys paid without interest.

6. The Purchaser agrees to pay the Right to Occupy Cost to the Community as follows:
(Complete and cross out as appropriate)

- (a) The Right to Occupy Cost upon execution of this agreement;
~~One Hundred Thirty Eight Thousand Seventy Five Thousand Dollars (\$138,075)~~
Ninety Five Thousand Four Hundred Three Dollars (\$95,403) J.Y. S.S.
- (e) The final payment is due upon Occupancy permit ~~Thirty Nine Thousand Five Hundred Seventy Dollars (\$39,570)~~
Forty Two Dollars (\$42) *Eighty Two Thousand Two Hundred* J.Y. S.S.
The Purchaser shall pay the above-noted sums upon ten (10) days' notice of the appropriate events.

COMMON AREAS

1. The Purchaser shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community. Common areas include general space such as halls, elevators and parking areas other than designated parking space(s) under a Right to Occupy Agreement. Common areas and elements also include specific spaces for cultural, social, worship & recreational activities. These areas are for the use and enjoyment of the community as a whole, and only secondarily for private functions when available and under specified conditions. These areas are the rooftop party room, rooftop patio, café, chapel / meeting room, spa and library.
2. The Purchaser acknowledges that the facilities and amenities are to be developed for the enhancement of the total community and they will open for use by the total community. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.
3. If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Purchaser entitled to any compensation or abatement.

MONTHLY MAINTENANCE FEES

1. The Purchaser shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.
2. The monthly maintenance fee is calculated based on the area of the unit. This includes the gross floor area of the unit, the area of the exterior wall assemblies, the area of any wall that separates the unit from any common spaces (corridor, staircase, duct, or plumbing space) and half the area of any wall that separates two units.
3. The monthly maintenance unit fee is to include, but not limited, to the following:
 - (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit (the purchaser pays for unit damage & insurance), the common areas, the amenities and facilities, as well as the visitor parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance,

elevator maintenance contract, equipment costs, equipment replacement reserves, major repairs and major capital repair reserves and management fees.

- (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.

4. The monthly maintenance unit fee excludes all areas within and including the drywall of the party, exterior and corridor walls, but includes the plumbing, mechanical, and electrical (excluding the fixtures). Fenestration is a common element as are Suite entry doors including hardware.

5. Municipal taxes, electricity and any optional services such as communications and entertainment will be billed separately by the Community and paid for by the unit holder in addition to the foregoing.

6. The monthly maintenance fee for the parking spaces are assessed separately. The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit space to the total of the Unit spaces in the building.

TERMS OF THE AGREEMENT

1. The term of this Agreement is the lifetime of the Purchaser or if there are two Purchasers, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:

(a) The Purchaser gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;

(b) Failure of the Purchaser to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;

2. Upon the Purchaser, who has given notice in accordance with paragraph 1 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with the following provisions.

3. Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 1(b) above for which the Community shall provide the Purchaser or his/her representative with written notice, the Purchaser (which in the case of death shall mean the estate of the Purchaser) or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph the following provisions.

4. If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.

5. Upon termination of this Agreement in accordance with paragraph 1 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.

6. The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Association shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Purchaser shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less any amount outstanding to the Community. The Purchaser shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.

7. Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Purchaser. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.

8. This agreement shall not create any direct ownership in the real property or building of the Community and the Purchaser agrees not to register notice of this Agreement against title to the lands upon which the building sits, until Occupancy and then only in accordance with the form of notice approved by the Community acting reasonably and in accordance with applicable registration regulations. The property may be subject to a number of agreements with the Municipality, utility providers and others which requires for the regulation and functioning of property. Any encumbrances in favour of lenders will be discharged or a non-disturbance agreement obtained for the Unit on Occupation or as soon as reasonably possible thereafter.
9. The Purchaser shall only be able to sell his/her rights hereunder in accordance with paragraphs 1 and 10 hereof. The Purchaser shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.
10. However, if the community does not sell the unit within 90 days after there is vacant possession, then the purchaser may endeavor to sell the unit as he / she sees fit, and not pay the community the 3% fee.
11. The Purchaser shall use the Unit for residential purposes only.
12. This Agreement shall not be changed or modified except by written instruction, signed by both the Purchaser and the Community.
13. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.
14. Where there are two or more Purchasers bound by the same terms herein contained, their obligations shall be joint and several.
15. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

INSURANCE

1. The Community is required to obtain and maintain all risk insurance coverage for the common elements and the units but not for improvements or betterments made by an owner to his unit or for furnishing, fixtures, equipment, decorating and personal property and chattels of the unit owner. The Corporation assumes no obligation with respect to insurance which may be obtained and maintained by an owner. Each owner is advised to inquire as to additional insurance coverage that may be required by him from his issuance advisors.
2. Proof of the insurance stated above, must be supplied by the purchaser to the Community.
3. The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon, at or relating to the Community's lands or the Unit, or damage to the property of the Purchaser or others; nor shall the Community be responsible for any injury or loss or damage to the Purchaser, or any property of the Purchaser from any cause whatsoever, whether or not any such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.
4. No member shall do or permit to be done anything that will in any way increase the risk of fire or the rate of fire insurance for the Association.
5. All property of the Purchaser kept or stored at the Unit or elsewhere in the building shall be at the sole risk of the Purchaser and the Purchaser shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Purchaser's Insurers.

6. The Purchaser shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.
7. The Purchaser shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.
8. Members shall be careful not to permit water to be left running unattended. Apartment residents in particular shall be responsible for the good condition of hoses on appliances.
9. Each unit owner agrees to indemnify the Corporation against any liability, loss, cost, damage or injury to any unit and to the common elements as a result of any act or omission by such unit owner or by his residents, tenants, or guests.

MAINTENANCE

1. The Purchaser shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.
2. The Purchaser shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.
3. No member shall alter any exterior part or paint colour of a structure inhabited under a Right to Occupy Agreement, including balcony or designated parking area in the parking garage, without written permission of the Board.
4. No interior changes to any unit shall be undertaken which could affect the structural integrity of the unit or any building.
5. The maintenance of and alteration to common space will be under the authority of The Board and not carried out by any individual member(s).
6. The Community shall remain the owner of the building and of the Unit and shall have the right of entry to the Unit at reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.
7. The Community shall have exclusive control and management of the common areas, facilities and amenities.
8. The Community shall maintain and repair when necessary the Unit, its electrical, plumbing systems, Community supplied appliances and Heating, Ventilation and Air Conditioning System. The costs of such repairs shall be borne by the Purchaser if the damage has been caused by the Purchaser or his/her guests.

OPERATION

1. The Purchaser / Occupant may keep pets in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Purchaser. Pets form part of this community on the understanding that they will be kept under control when outside their home unit, not create disturbing noise, and cause no damage to property. Their owners will clean up litter immediately.
2. Moving of household effects & furniture in or out of the building shall be before 7AM & after 11PM, by appointment only. Note that the elevator cannot be held for exclusive use for more than 10 minutes.

3. Garbage will be disposed of only in accordance with posted regulations. Members will ensure that common areas they have used are left secured. Keys and access cards will not be duplicated without authorization.
4. There are staff onsite at all times in case of need – members are expected to use discretion in the use of their time so that they are available for emergencies.
5. Barbeques may be used on the Roof Garden & the Penthouse terraces and in other areas upon approval by the Board.
6. Smoking is not permitted in the building.
7. Members will be considerate of their neighbours when playing music or creating noise.
8. The Community shall report, on an annual basis, to the Purchaser with respect to the management of the residences and the provision of common areas, facilities and amenities.

Notice may be given to the Community at:

Rose of Sharon (Ontario) Retirement Community
 165 Vaughan Road
 Toronto, Ontario
 M6C 2L9

Notice may be given to the Purchaser at:

2 Regal Rd. #307
Toronto, Ont. M6H 2J4

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

DISPUTE RESOLUTION

1. Should a dispute about any of the above rules or regulations involve only a few members, the parties will endeavor in good faith to resolve the dispute.
2. Should a breach or infraction or disregard for any rule or regulation occur without the identity of the offender being known or ascertainable, any member may ask the Board, or its Committee to post a reminder as the Board sees fit.
3. Should disputes remain unresolved despite the efforts of the parties, the Board will set up a dispute resolution mechanism. The Board's decision in all cases is final.
4. Amendments, deletions and additions to these Rules and Regulations shall be proposed by the Board to any general meeting, and ratified by a simple majority of those present and voting.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this this 6th
day of August, 2009.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *[Signature]*

Per: _____

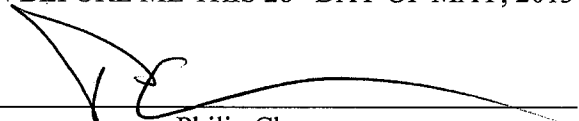
We have authority to bind the
Corporation.

Soon Sup Lee
Purchaser

Myung Gook Lee
Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF HYUNG-GOOK LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013


Philip Cho
A Commissioner, etc.

ROSE OF SHARON - ACKNOWLEDGEMENT AND CONSENT AGREEMENT

In consideration of the sum of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the covenants contained herein and in the Right to Occupy Agreement attached to this Agreement, the undersigned, Mrs. Soon-Sup Lee & Mr. Hyung-Gook Lee individually and collectively called the "Purchaser", acknowledges and agrees as follows:

1. The Purchaser has been advised by Rose (the "Community") that there are two parts to the development of the Property:
 - (i) a long term care component (the "Long Term Care Project"); and
 - (ii) a residential life lease component consisting of a number of apartment units and related amenities (the "Life Lease Project"), (collectively referred as the "Project")
2. The Purchaser has signed the Agreement to purchase a life lease unit from the Community in the Life Lease Project, dated the 6th day of August, 2009. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$138,075-Dollars) (the "Deposit") on account of the purchase price as described in the Agreement. *(\$95,403 Dollars) 9.8.09 SS. PL*
3. The Purchaser acknowledges and agrees that, such Agreement is a good and valid agreement of purchase and sale enforceable against the Purchaser by the Community and its successors and assigns. In addition, on the date of executing this Agreement, the Purchaser acknowledges that he / she has received from the Community and subsequently reviewed with his/her solicitor a draft copy of the Agreement (the "Right to Occupy Agreement"). The Purchaser acknowledges that the Agreement is substantially settled but the Community has the right to amend the Agreement, in its sole and absolute discretion, from time to time, until it is in a form acceptable to the Community, its lender and any regulatory authority. Notwithstanding any provision of the Agreement to the contrary, the Purchaser agrees to execute the final version of the Agreement forthwith after receiving execution copies from the Community provided that there are no amendments to the purchase price, the exclusive right to occupy the unit and entitlement to net sale proceeds on sale or other substantive provisions of such agreements that would have material adverse effect on the Purchaser. The Purchaser waives any right to claim that the Agreement is void for uncertainty or subject to any right of rescission because the Agreement will not be finalized and / or executed by the parties until a future date.
4. The Deposits paid by the Purchaser may be used by the Community in the construction for the Project. The Deposits are not insured under the Ontario New Home Warranty program or otherwise. There is a builder's warranty of one year, with some elements with an extended warranty.
5. As required by Canada Mortgage and Housing Corporation, the Purchaser acknowledges and agrees that he / she has been advised that the construction lender has the legal right, in its sole and absolute discretion but without any obligation, to insist that the Life Lease Project be registered as a condominium corporation. Further, the Purchaser acknowledges and agrees that he/she has been advised that, in this event, the Purchaser may be required to acquire, but he/she is not entitled to require, a condominium unit rather than a life lease unit on terms and conditions that have been fully explained to the Purchaser at the time of executing this Agreement, which terms and conditions will be reflected in the final version of the Agreement.
6. The Purchaser has received independent legal advice prior to his/her signing this Acknowledgment and Consent Agreement.
7. As required by Canada Mortgage and Housing Corporation, on the date of executing this Agreement and from time to time, the Purchaser agrees to provide to the Community all financial and other information as the Community may reasonably require in order to confirm the credit worthiness of the Purchaser and the Purchaser's ability to complete the transaction of purchase and sale.
8. The Purchaser acknowledges that this Agreement is incorporated into and shall form part of the Agreement to Purchase.

9. The Purchaser agrees that this Acknowledgement and the Agreement are binding on the Purchaser and his/her heirs, executors, administrators, personal legal representatives, successors and assigns. This Acknowledgement and the Agreement shall be for the benefit of and be binding upon each of the parties and their successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 6th day of August, 2009.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *[Signature]*

Per: _____

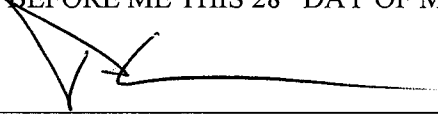
We have authority to bind the Corporation.

Suan Sui Lee
Purchaser

Mary Brook Lee
Purchaser

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF HYUNG-GOOK LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read "Philip Cho", written over a horizontal line.

Philip Cho
A Commissioner, etc.

LP2 ✓

ACKNOWLEDGEMENT AND POSTPONMENT

TO: PEOPLES TRUST COMPANY

AND TO: TRAUB • MOLDAVER, its solicitors

RE: PEOPLES TRUST COMPANY (the "Lender")
loan to ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY ("Community")
15 and 17 Maplewood Avenue Toronto (the "Property")

WHEREAS:

- A. Community as vendor has entered into a Right To Occupy Agreement (the "Agreement") with the undersigned whereby the undersigned has/have agreed to purchase the right to use, occupy and enjoy a residential dwelling unit (the "Unit") at the Property;
- B. The undersigned has/have paid and will pay to Community certain deposits as portions of the Right to Occupy Costs as set out in the Agreement;
- C. Community has entered into a loan arrangement (the "Loan") with the Lender with respect to the Property and has or will grant to the Lender certain security for the Loan including a Charge/Mortgage of the Property and an assignment of the Agreement (collectively, the "Lender's Security").

NOW THEREFORE, in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the undersigned acknowledges, covenants and agrees as follows:

- 1. The undersigned acknowledge(s) that Community has assigned to the Lender, all of Community's right, title and interest in the Agreement including its right to receive all deposits paid or to be paid thereunder and all proceeds due to Community thereunder; and
- 2. The undersigned agree(s) and acknowledge(s) that all deposits paid and to be paid under the Agreement are subordinated and postponed to, and shall not rank in priority to, the Loan and the Lender's Security.

The covenants and agreements contained herein shall extend to and be binding upon the undersigned and their heirs, personal representatives, successors and assigns.

This Acknowledgement and Postponment may be executed and delivered by facsimile or email transmission and, when so executed and delivered, shall be binding on the undersigned effective upon such execution and delivery.

DATED this 30th day of April, 2007.

WITNESS:

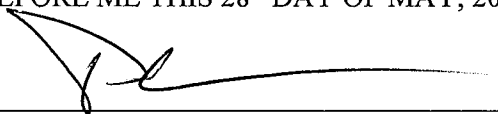
[Signature]

Soon Sup Lee
Name: SOON-SUP LEE/HYUNG-GOOK LEE
Unit Number: LP2

Name: _____
Unit Number: _____

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF HYUNG-GOOK LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read 'Philip Cho', written over a horizontal line.

Philip Cho
A Commissioner, etc.

#707(506)

PROMISSORY NOTE

Amount : \$82,242.00

Date: November 1, 2010

Interest : 6.75% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Soon Sup Lee, on account with the right of survivorship, the sum of Eighty Two Thousand and Two Hundred Forty Two Dollars (\$82,242.00), in lawful money of Canada together with interest thereon at the rate of 6.75% percent per annum.

DATED at Toronto, Ontario on this 1th day of November, 2010.

Rose of Sharon (Ontario) Retirement Community

Per _____.

Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

Note:

This will replace the promissory note issued as follow;

1. the promissory note (\$53,004.19) as of Oct 1,2010
2. the promissory note (\$20,000) as of Sept 15,2010
3. the promissory note (\$8,934.58) as of Jan 17,2011

The copy is attached.

Monthly payment : \$462.61

PROMISSORY NOTE

Amount : \$20,000.00

Date: September 15, 2010


Interest : 12% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Soon Sup Lee, on account with the right of survivorship, the sum of Twenty Thousands Dollars (\$20,000.00), in lawful money of Canada together with interest thereon at the rate of 12% percent per annum.

DATED at Toronto, Ontario on this 15th day of September, 2010.

Rose of Sharon (Ontario) Retirement Community

Per 
Name: John Yoon Office: CEO
I have authority to bind the corporation.

" Copy "

PROMISSORY NOTE

Amount : \$50,636.00

Date: April 1, 2010

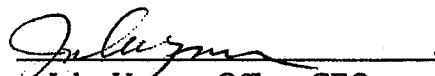
Interest : 6.75% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Soon Sup Lee, on account with the right of survivorship, the sum of Fifty Thousand and Six Hundred Thirty Six Dollars (\$50,636.00), in lawful money of Canada together with interest thereon at the rate of 6.75% percent per annum.

DATED at Toronto, Ontario on this 1th day of April, 2010.

Rose of Sharon (Ontario) Retirement Community

Per 
 Name: John Yoon Office: CEO
 I have authority to bind the corporation.

Document/demandnote

Note:

This will replace the promissory note issued as follow;

1. the promissory note (\$30,000) as of Sept 22,2008
2. the promissory note (\$10,000) as of May 21,2009
3. the promissory note (\$5,000) as of Aug 27,2009

The copy is attached.

Monthly payment : \$284.83

PROMISSORY NOTE

Amount : \$5,000

Date: ^{Aug. 27} July, 2009

Interest : 0 % per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Soon-Sup Lee, on account with the right of survivorship, the sum of Five Thousand DOLLARS (\$5,000⁰⁰), in lawful money of Canada together with interest thereon at the rate of 0% percent per annum.

DATED at Toronto, Ontario on this 27th day of July, ^{Aug. 27} 2009.

Rose of Sharon (Ontario) Retirement Community

Per 

Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

PROMISSORY NOTE

Amount : \$ 10,000

Date: May 21, 2009

Interest : 11% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to *Soon Sup Lee* and _____, on joint account with the right of survivorship, the sum of *Ten Thousand* DOLLARS (\$ *10,000*), in lawful money of Canada together with interest thereon at the rate of 11% percent per annum, monthly.

DATED at *Toronto*, Ontario this *21st* day of *May*, 2009.

Rose of Sharon (Ontario) Retirement Community

Per *John Yoon*

Name: *JOHN YOON* Office: *CEO*

I have authority to bind the corporation.

PROMISSORY NOTE

Amount : \$ 30,000

Date: September 22, 2008

Interest : 9% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to *Soon Sup Lee* and *Hyung Gook Lee*, on joint account with the right of survivorship, the sum of DOLLARS (\$ 30,000), in lawful money of Canada together with interest thereon at the rate of 9% percent per annum, compounded monthly.

DATED at *Toronto*, Ontario this *22nd* day of *SEPTEMBER*, 2008.

Rose of Sharon (Ontario) Retirement Community

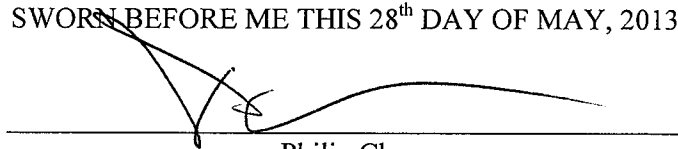
Per *John Yoon*
Name: *John Yoon* Office: *CEO*

I have authority to bind the corporation.

Document/demandnote

T A B E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF HYUNG-GOOK LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read 'Philip Cho', is written over a horizontal line. The signature is fluid and cursive, with a large initial 'P' and a long, sweeping tail.

Philip Cho
A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of March, 2010.

BETWEEN:

April 29, SL 112

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

(herein "Rose")

- and -

Lee, Soon-Sup / Hyung Gook

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 707 (506)

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Seventy Seven Thousand and Six Hundred Forty Five Dollars (\$177,645.00) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of Eighty Two Thousand and Two Hundred Forty Two Dollars (\$82,242.00);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;

f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.

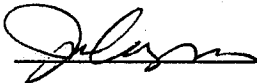
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.
- 4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.
- 5. Notice may be given to the parties at the following addresses:

Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser
Address : 2 Regal Rd. Toronto, ON M6H2J4

IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

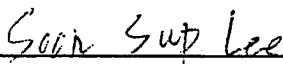
SIGNED, SEALED AND DELIVERED) ROSE OF SHARON (ONTARIO)
) RETIREMENT COMMUNITY INC.

) Per: 

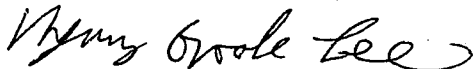
Per: _____

) I/We have authority to bind the corporation.
)

 Witness

) 
 Purchaser Name:

 Witness

) 
 Purchaser Name:

TAB 8

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

**AFFIDAVIT OF STAN HA
(Sworn May 28, 2013)**

I, STAN HA, of the City of Toronto in the Province of Ontario, MAKE OATH AND SAY:

1. I am the son of one of the Arms' Length Unit-holders set out in Schedule "A" to the Representative Counsel Order of Justice Mesbur dated April 11, 2013 ("**Mesbur Order**"). My father, So Young Ha, signed an agreement for Unit 1002 (the "**Unit**"). My father passed away on July 23, 2001. My mother, Chun Ja Ha, suffers from dementia and presently lives with my family and me. I have been managing her affairs and have reviewed the documents that I have located in my parents' possession relating to this matter. As such, I have knowledge, information and belief of the matters to which I hereinafter depose. Where matters are stated as being based on information, I verily believe such information to be true. Where matters are stated as being based on belief, I identify the fact and the reason for my belief.

2. This affidavit is made in response to a motion brought by Peoples Trust Company (“**Peoples**”) for, among other things, an order that the Peoples mortgage ranks in priority over my interests as the unit-holder of my Unit, and indeed over all other unit-holders’ interests.

3. This affidavit is also made in support of a cross-motion brought by the Arm’s Length Claimants for, among other things, a declaration that the Arm’s Length Unit-holders (“**ALU’s**”) have a life estate in the property municipally known as 15-17 Maplewood Avenue, Toronto, Ontario and/or in specific units in the building located on the property (the “**Property**”).

4. I have reviewed the draft affidavits of Hae Jeong Kang, Kyung Yurl Lee, and Young Sook Cha (the “**Kang Affidavit**”, “**Lee Affidavit**” and “**Cha Affidavit**”, respectively). In an effort to be efficient and reduce the number of similar affidavits to be filed, and to save time and expense, I adopt portions of these affidavits.

5. For consistency, I also use certain capitalized terms that, unless defined in my affidavit, are as defined in the Kang Affidavit.

6. First, I will provide some basic personal information and background. Then, I will identify the portions of the affidavits setting out facts which are substantially similar to the evidence that I would be able to provide. Where appropriate, I will provide additional evidence that may be relevant to the issues and may differ from the evidence already provided by the Kang Affidavit, Lee Affidavit and the Cha Affidavit.

PERSONAL INFORMATION AND BACKGROUND

7. My parents were both born in Korea and came to Canada in 1968/67. Throughout their time in Canada, my parents operated a small grocery store.

8. My parents had a good command of the English language, but similarly to Mr. Lee, would have difficulty with formal written language and would rely mainly on what they were told rather than on written documents.

SUBSTANTIALLY EXPERIENCE

A. Introduction to Rose of Sharon

9. I recall that my parents learned about the Project from someone in their church congregation. I believe this was some time in the mid-1990s. My father was the one that would have sought out more information. I believe that another one of the directors, Richard Yoon, was also a member of my parents' church at that time.

10. I remember my father speaking to me about the Unit. He spoke about "owning" a retirement apartment. I do not recall him mentioning words like "life lease" or "condominium" or "condo."

B. Initial Documentation

11. Attached hereto and marked as Exhibit "A" is a copy of the Right to Occupy Agreement for the Unit, dated October 31, 1996.

12. I note that the RTOA indicates that Brenda Ha, my younger sister, is the “purchaser”. However, the RTOA was signed by my father, So Young Ha. I have no knowledge of why this was done. I have made inquiries of Brenda and she also does not have any knowledge of why her name appears as the purchaser. I believe the Unit was intended to be registered in my mother’s name. The later documents appear to reflect that.

13. I believe that if my father consulted a lawyer about signing the RTOA, he would have discussed that with me. My father did not mention that he consulted a lawyer about the RTOA.

14. My RTOA is similar to that described in the Kang Affidavit, which is described in paragraphs 48 – 52.

15. It appears that my father did not sign an ACA or Letter of Acknowledgment as described in the other affidavits. I have not seen one in my father’s file, and Cho advises me that such a document did not appear in the documents he received from the Receiver.

16. Rather, the Reciever provided to Cho a document, a copy of which is attached to my affidavit and marked as Exhibit “B”, entitled Direction and Acknowledgment. This document appears to authorize Rose to use the initial deposit money for the acquisition of land, and to advance those funds to a company called Community Management Services Ltd. (indicated to be the developer of the Project). I have no knowledge regarding this document. I note again that it is signed by my father, though for some reason indicates that the signatory is “Brenda Ha.”

C. Deposits Paid

17. I believe my father paid a total of \$103,552.45. In his files was a letter from John, dated August 17, 2005, confirming that amount had been paid on account of the purchase of the Unit. Attached and marked as Exhibit "C" is a copy of this letter dated August 17, 2005.

18. This amount appears to be confirmed by the Receiver in the Payment Summary which is reproduced in Exhibit "K" of the Kang Affidavit.

D. Postponement

19. Attached hereto and marked as Exhibit "D" is a copy of the Acknowledgment and Postponement dated April 30, 2007.

20. My mother signed this document. I was with her when John asked her to sign it. I remember John telling my mother that she was holding up the Project by not signing this document. He told us that my mother was the last one to sign the document. He did not give us an opportunity to read and continually repeated to my mother, that this needed to be signed and that she was the last one to sign. My mother signed the document.

21. I read the document later that day and recognized that it indicated that there would be a mortgage registered against the property. I did not quite understand the entire document. John did not attempt to explain any of the contents of this document to us.

E. The Amended RTOA

22. Attached hereto and marked as Exhibit “E” is a copy of the Amended RTOA for the Unit. I accompanied my mother again when she was asked to sign this document.

23. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA to us in any detail.

24. I adopt the statements contained in paragraphs 29 – 32 of the Cha Affidavit with respect to believing that the Amended RTOA set out the terms of my mother’s mortgage for the Unit.

F. Prejudice to Lose Unit

25. Originally, the Unit was purchased for my mother. However, my mother now suffers from dementia and is not able to live independently. Currently, she lives with my family and me.

26. However, my parents-in-law have moved into the Unit. They are retired and only have a modest fixed income. For my parents-in-law, the Unit has proved to be ideal for them and they enjoy the Korean heritage community that has been fostered at the Project.

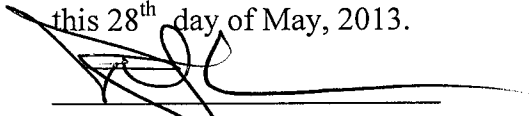
27. If we cannot keep the Unit my parents-in-law will suffer significant hardship, as they will be required to find a new place to live, but are without independent means to do so. My parents-in-law depend on being able to live in the Unit.

28. My mother will also lose a significant amount of money that was paid for the acquisition of the Unit. Given her current illness and the cost of caring for her, losing such a significant amount of money would be difficult for our family to accept.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)



STAN HA



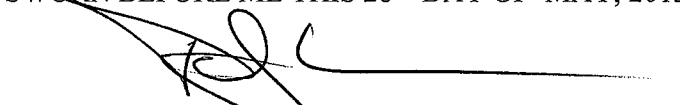
Philip Cho
A Commissioner, etc.

I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.

Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF STAN HA
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be "Philip Cho", written over a horizontal line.

Philip Cho
A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT*(Founding Member)*THIS AGREEMENT made in duplicate this 31ST day of October, 1996.

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

BRENDA HA - and -
 293 ORIOLE PARKWAY RD, MSP 2H6
 of the City of TORONTO, in the Municipality of METRO
 in the Province of ONTARIO

(hereinafter referred to as the "Resident")

WHEREAS the Community is in the process of developing and subsequently constructing a nursing home and housing accommodations consisting of units described as the Residences at the Rose of Sharon;

AND WHEREAS the Resident is desirous of purchasing the right to occupy one of the units to be constructed;

AND WHEREAS the buildings will be operated on a non-profit basis.

NOW WITNESSETH in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. The Community agrees to use its best efforts to construct in accordance with the plans and specifications as prepared by Victor J. Heinrichs, Architect, the unit being identified as LP2, 5th Flr, DAFFODIL (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.
2. The Resident agrees to purchase from the Community the right to use, occupy and enjoy the Unit for the purchase price of One Hundred Fifty Nine Thousand Three Hundred Eighteen dollars and 9/100 (\$ 159,318.90), including 0 () parking space(s) (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraphs 6 hereof.

3. The plans, specifications and Schedule of Options and Modifications shall be maintained at the office of the Community and be available for inspection during regular office hours.

4. The Unit shall be completed and ready for occupancy by the Resident on or before the 1st day of May, 1998 (the "Date of Possession"). Provided however, that if the Unit is not ready for occupancy on the Date of Possession as a result of any cause beyond the control of the Community, then the Community shall be entitled to extend the Date of Possession for one or more periods not exceeding ninety (90) days as may be necessary.

5. The Community shall be entitled to terminate this contract on thirty (30) days' written notice, if the Community in its absolute discretion determines that this contract cannot be fulfilled. Upon such notice being given, the Resident shall be entitled to receive a refund of all moneys paid without interest.

6. The Resident agree to pay the Right to Occupy Cost to the Community as follows:

(Complete and cross out as appropriate)

(a) Thirty percent (30%) of the Right to Occupy Cost, less the deposit paid, being ~~Forty Seven Thousand Seven~~ Hundred Ninety Five and 67/100 (\$47,795.⁶⁷) on October 20, 1996;

(b) A further twenty percent (20%) of the Right to Occupy Cost, being ~~Thirty One Thousand Eight Hundred~~ Sixty Three and 78/100 (\$31,863.⁷⁸) on February 20, 1997;

(c) A further twenty percent (15%) of the Right to Occupy Cost being ~~Twenty Three Thousand Eight~~ Hundred Ninety Seven and 84/100 (\$23,897.⁸⁴) upon receipt of building permit;

(d) A further twenty percent (20%) of the Right to Occupy Cost being ~~Thirty One Thousand Eight~~ Hundred Sixty Three and 78/100 (\$31,863.⁷⁸) upon construction 50% complete

The Resident shall pay the above-noted sum upon ten (10) days' notice of the appropriate events;

(e) The balance upon the Issuance of the Occupancy Permit.

(f) Provided that the Community will retain in trust all monies received and only disburse those monies when it is satisfied that all financing is in place to complete the residences at the Rose of Sharon and then only for the construction of the residences, hard and soft costs.

7. The Resident shall have the non-exclusive right to the use of the areas designated by the Community as common areas, facilities and amenities, for the purposes for which they are intended by the Community.

The Resident acknowledges that the facilities and amenities are to be developed for the enhancement of the local community and they will open for use by the local community and will not be limited to the Resident. The Community shall be entitled to make changes, improvements or alterations in regard thereto as the Community in its absolute discretion may deem desirable.

If as a result of the exercise by the Community of its discretion the facilities and amenities are changed, diminished or abolished, the Community shall not be subject to any liability or damages, nor is the Resident entitled to any compensation or abatement.

8. The Resident shall pay to the Community, in advance, a monthly maintenance fee commencing on the date of possession and thereafter on the 1st day of each and every calendar month.

The monthly maintenance fee is to include, but not limited, to the following:

- (a) Costs of operation, maintaining, repairing and managing the residential building, the Unit, the common areas, the amenities and facilities, as well as the parking areas, including snow and garbage removal, sewer and water, gas, insurance, building maintenance, landscaping, ground maintenance, equipment costs, equipment replacement reserves, major repairs and major capital repair reserves;
- (b) Costs of providing services for the residents, including amenity space charges, activity and program co-ordination costs.

Municipal taxes and Hydro, which will be individually metered, will be separate and paid for by the unit holder in addition to the foregoing.

The monthly maintenance fee shall be based on a proportionate share in relation to the area of the Unit/parking space to the total of the Units/parking spaces in the building.

For the calendar year ending December 31, 1998 or any portion thereof, the estimated monthly maintenance fee is Two Hundred Eight (\$ 208.²⁶ and ₁₀₀).

9. The term of this Agreement is the lifetime of the Resident or if there are two Residents, upon the death of the survivor. This Agreement terminates earlier upon the occurrence of one of the following:

- (a) The Resident gives to the Community ninety (90) days' written notice of his/her intention to sell/transfer his/her interest;
- (b) Failure of the Resident to comply with the terms hereof or the rules and regulations as declared by the Community from time to time;

(c) The destruction or damage by fire or other casualty so as to render the Unit unfit for occupancy/

10. Upon the Resident, who has given notice in accordance with paragraph 9 (a) above, giving vacant possession of the Unit to the Community, the Community shall proceed to sell the Right to Occupy the Unit in accordance with paragraph 11 below.

Upon the death of the Resident or the survivor of the Residents or the occurrence of paragraph 9 (b) or (c), for which the Community shall provide the Resident or his/her representative with written notice, the Resident or his/her representative shall upon the happening of such event or receipt of such notice provide the Community within ninety (90) days possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy the Unit in accordance with paragraph 11 below.

If vacant possession is not given within ninety (90) days of such notice, the Community shall be entitled to enter the Unit and recover possession.

11. Upon termination of this Agreement in accordance with paragraph 9 above, the Community shall be entitled to sell the Right to Occupy the Unit to another party of their selection.

The Community shall use its best efforts to obtain the fair market value of such Right. Further, the Community shall use its best efforts to sell the Right as quickly as is reasonable. Upon the closing of the sale, the Resident shall be entitled to receive the sale proceeds less a three percent (3%) fee which shall be retained by the Community, less amount outstanding to the Community.

The Resident shall not be entitled to the receipt of anything further, and shall no longer have any interest in the Unit, common areas, facilities or amenities.

The Community shall be entitled to purchase the Right itself at fair market value as determined by the parties, or failing such agreement by the average price of two appraisals: one obtained by the Community and one obtained by the Resident. The Community retains the right, acting reasonably, to select which purchasers are acceptable, which are not.

12. This Agreement shall not create any ownership in the real property or building of the Community and the Resident agrees not to register this Agreement against title to the lands upon which the building sits.

The Resident shall only be able to sell his/her rights hereunder in accordance with paragraphs 9 and 11 hereof. The Resident shall not otherwise sell, grant, transfer or assign this Agreement or any rights hereunder to any person other than the Community.

The Resident shall use the Unit for residential purposes only, and shall be occupied only the Resident hereunder. The Community may grant permission for temporary occupancy by others, as it determines appropriate.

13. The Community shall insure the Unit against loss by fire and other casualty.

The Resident shall be responsible for insuring the contents within the Unit.

The Community shall not be liable for injury or death arising from or out of, any occurrence in, upon at or relating to the Community's lands or the Unit, or damage to the property of the Resident or others; nor shall the Community be responsible for any injury or loss or damage to the Resident, or any property of the Resident from any cause whatsoever, whether or not any such acts, damage, injury, loss or death results from the negligence of the Community, its agents, servants, employees or any other party for whom the Community is, in law, responsible.

All property of the Resident kept or store at the Unit or elsewhere in the building shall be at the sole risk of the Resident and the Resident shall hold the Community harmless from and against any claims arising out of damages and loss to the same, including subrogation claims by the Resident Insurers.

14. The Resident shall keep the Unit clean and well maintained and shall not modify it in any way, without the Community's written consent, interior decorating and carpeting excluded.

15. The Resident shall comply with all provisions of law, including and without limiting the generality of the foregoing, the requirement of all federal, provincial or municipal legislative enactments, by-laws and regulations now or hereinafter in force, which relate to the project, the unit and its use and occupation thereof.

The Resident shall grant access to the Unit to the Community, its servants, employees or agents and prospective purchasers at reasonable times, upon reasonable notice, during daylight hours, and at all times in case of emergency.

The Resident shall not do, or omit to do, or permit to be done, anything in respect of the Unit, the doing or omission of which, as the case may, shall be or result in a nuisance or menace to the Community or to any other residents of other dwellings within the retirement community.

The Resident may keep a small pet in the Unit. No pet that is deemed a nuisance or unsuitable by the Community shall be kept by the Residence.

The Resident shall, in relation to the Unit, be responsible for paying the monthly maintenance fee, the charges for hydro, telephone, cable TV and all other metered or billable services which may be available and subscribed to by the Resident.

The Community shall remain the owner and manager of the building and of the Unit and shall have the right to entry to the Unit as reasonable times, upon reasonable notice, during daylight hours and at all times in case of emergency.

The Community shall have exclusive control and management of the common areas, facilities and amenities.

The Community shall maintain and repair when necessary the Unit, its electrical and plumbing systems and all Community supplied appliances. The costs of such repairs shall be borne by the Resident, if the damage has been caused by the Resident or his/her guests.

The Community shall report, on an annual basis, to the Resident with respect to the management of the residences and the provision of common areas, facilities and amenities.

16. Notice may be given to the Community at:

ROSE OF SHARON
156 FRONT ST. W.
TORONTO, ONT.
M3A 2S1

Notice may be given to the Resident at:

BREUDA HA
293 ORIOLE PARKWAY RD,
M5P 2H6
TORONTO, ONT.

In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

17. This Agreement shall not be changed or modified except by written instruction, signed by both the Resident and the Community.

18. This Agreement and every term herein contained, shall be binding upon the Resident and his/her respective heirs, executors and administrators.

19. Where there are two or more Residents bound by the same terms herein contained, their obligations shall be joint and several.

20. If any clause or section of this Agreement shall be determined to be illegal or unenforceable, then such clause or section shall be considered separate or severable from this Agreement and the remaining provisions hereof shall be binding upon the Resident and the Community.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 31st day of October, 1996.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *[Signature]*

Per: _____

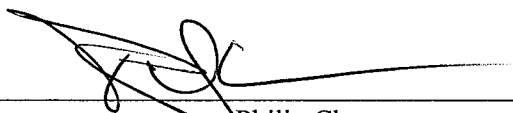
We have authority to bind the Corporation.

[Signature]
Resident

Resident

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF STAN HA
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read 'Philip Cho', is written over a horizontal line. The signature is stylized and somewhat cursive.


Philip Cho
A Commissioner, etc.

한인 양로원 건립위원회

ROSE OF SHARON RETIREMENT COMMUNITY (ONTARIO) INC.
(KOREAN HOME DEVELOPMENT SOCIETY)
156 FRONT STREET WEST, 6TH FLOOR, TORONTO, ONT M5J 2L6
TEL: (416) 599-8744

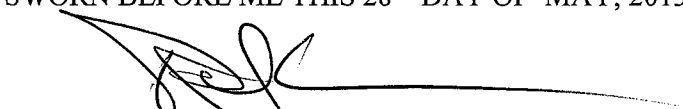
DIRECTION and ACKNOWLEDGEMENT

I BRENDA HA, hereby acknowledge that I have advanced \$ 47,799.67 to Rose of Sharon (Ontario) Retirement Community Inc. ("Rose of Sharon")/John Yoon on account of the purchase of a life lease/ right to occupy. I further acknowledge that Rose of Sharon will acquire title to the property at Maplewood and Vaughan (the "Project) and that the monies advanced are required to fund the acquisition of the lands and I hereby authorize and direct Rose of Sharon/ John Yoon to advance those funds to Community Management Services Ltd. (the developer of the Project) or as they may further in writing direct.

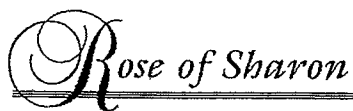


TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF STAN HA
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read "Philip Cho", written over a horizontal line.

Philip Cho
A Commissioner, etc.



920 YONGE STREET, 5th FLOOR SUITE 500, TORONTO, ONTARIO M4W3C7

PHONE: 416-979-7027

WEB: www.roseofsharon-home.com

August 17, 2005

Brenda Ha
27 William Pooleway
Toronto, Ontario, M2N 7A6

Re: Unit #803

Dear Brenda,

As you know, construction on the Rose of Sharon is about to start. The lenders wish to have all documentation up-dated. We have kept the prices as low as possible, but we've had to increase the early prices – but not the downpayments.

Because of the low price we are asking that your final payment be at shoring completion. Your unit today would sell for \$402095; your price is now \$191183, or 47.5% of today's price.

You have paid \$103552.45, thank you.

Your next payment of \$31868.61 is due upon shoring completion.

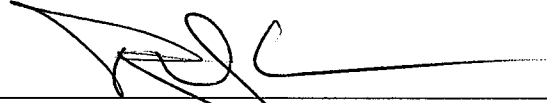
The following document itemizes the changes that have occurred – please return a signed copy. If you have any questions, please feel free to call me.

Yours truly,


John Yoon
CEO

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF STAN HA
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read "Philip Cho", written over a horizontal line.

Philip Cho
A Commissioner, etc.

803 ✓

ACKNOWLEDGEMENT AND POSTPONMENT

TO: PEOPLES TRUST COMPANY

AND TO: TRAUB • MOLDAVER, its solicitors

RE: PEOPLES TRUST COMPANY (the "Lender")
loan to ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY ("Community")
15 and 17 Maplewood Avenue Toronto (the "Property")

WHEREAS:

- A. Community as vendor has entered into a Right To Occupy Agreement (the "Agreement") with the undersigned whereby the undersigned has/have agreed to purchase the right to use, occupy and enjoy a residential dwelling unit (the "Unit") at the Property;
- B. The undersigned has/have paid and will pay to Community certain deposits as portions of the Right to Occupy Costs as set out in the Agreement;
- C. Community has entered into a loan arrangement (the "Loan") with the Lender with respect to the Property and has or will grant to the Lender certain security for the Loan including a Charge/Mortgage of the Property and an assignment of the Agreement (collectively, the "Lender's Security").

NOW THEREFORE, in consideration of One (\$1.00) Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the undersigned acknowledges, covenants and agrees as follows:

- 1. The undersigned acknowledge(s) that Community has assigned to the Lender, all of Community's right, title and interest in the Agreement including its right to receive all deposits paid or to be paid thereunder and all proceeds due to Community thereunder; and
- 2. The undersigned agree(s) and acknowledge(s) that all deposits paid and to be paid under the Agreement are subordinated and postponed to, and shall not rank in priority to, the Loan and the Lender's Security.

The covenants and agreements contained herein shall extend to and be binding upon the undersigned and their heirs, personal representatives, successors and assigns.

This Acknowledgement and Postponment may be executed and delivered by facsimile or email transmission and, when so executed and delivered, shall be binding on the undersigned effective upon such execution and delivery.

DATED this 30th day of April, 2007.

WITNESS:

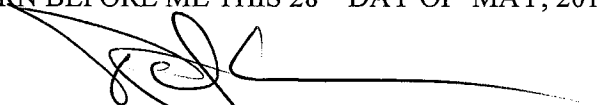
[Signature]

Chun Ja Ha
Name:
Unit Number: Unit 803

Name:
Unit Number:

T A B E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF STAN HA
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read "Philip Cho", written over a horizontal line.

Philip Cho
A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

THIS AGREEMENT made this 1st day of April, 2010.

B E T W E E N :

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

(herein "Rose")

- and -

Ha, ~~Brenda~~ (Chun Ja) 하 춘사

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of April, 2010; in respect of unit 1002 (803)

AND WHEREAS the parties are desirous of amending the terms of the Right to Occupy Agreement.

NOW WITNESSETH that in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. The Purchaser has requested and Rose is prepared to close the life lease purchase and defer the payment of One Hundred Fifty Nine Thousand and Three Hundred Eighteen Dollars and Ninety Cents (\$159,318.90) (the "Balance") in accordance with the terms and conditions contained in this agreement.
2. The Balance will be secured by a promissory note from the Purchaser having the following terms and conditions:
 - a. Principal amount of Fifty Five Thousand and Seven Hundred Sixty Six Dollars and Forty Five Cents (\$55,766.45);
 - b. Term of two (2) years;
 - c. Interest rate 6.75% calculated half yearly not in advance;
 - d. Blended monthly payments based on a twenty-five amortization plan;
 - e. Open at any time or times without notice or bonus;


- f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario contract.
- 4. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and permitted assigns.
- 5. Notice may be given to the parties at the following addresses:

Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser
Address : 27 William Pooleway, Toronto, ON M2N7A6

IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

SIGNED, SEALED AND DELIVERED) **ROSE OF SHARON (ONTARIO)**
) **RETIREMENT COMMUNITY INC.**

) Per: 

) Per: _____

) I/We have authority to bind the corporation.
)

 Witness

) _____
 Purchaser Name:



 Witness

) _____
 Purchaser Name:

PROMISSORY NOTE

Amount: \$55,766.45

Date: April 1, 2010

FOR VALUE RECEIVED \$55,766.45 ("the Maker") acknowledges him/her/themselves indebted and hereby promises to pay to **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.** "the Lender") at its address noted below or at such other place as the Lender may designate in writing to the Maker from time to time, the principal sum of Fifty Five Thousand and Seven Hundred Sixty Six Dollars and Forty Five Cents (\$55,766.45) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 1002 (803).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: 27 William Pooleway, Toronto, ON M2N7A6

The Lender declares its address to be: 165 Vaughan Road, Toronto, ON M6C 2L9

2. **INTEREST:**

The Principal Sum hereunder shall bear interest at the rate of 6.75 per cent (6.75%) per annum, calculated semi-annually, not in advance, as well after as before maturity both before and after default on such portion of the Principal Sum as remains from time to time unpaid.

3. **PAYMENTS**

- (a) **Blended Payments of Principal and Interest:** Principal and interest from the date hereof shall be payable by the Maker in blended equal consecutive monthly instalments of Three Hundred Seventy Nine Dollars and Ninety Two Cents (\$379.92) each on the 1st day of each and every month, commencing on the 1st day of April, 2010, until the 1st day of April, 2012, in each year, and the balance, if any, of the Principal Sum shall be due on the 1st day of April, 2012.

Provided that the aforesaid instalments are to be applied first in payment of the interest due from time to time, calculated at the aforementioned rate of interest and the balance to be applied in reduction of the Principal Sum, subject however to the provisos hereinafter contained.

- (b) **Due on Demand:** Notwithstanding anything else contained herein the Principal Sum and interest owing hereunder shall be due on demand. In the event the Maker is in breach of their obligations contained in the Right to Occupy Agreement between the parties dated the 1st day of April, 2010.
- (c) **Open:** Provided that the indebtedness of the Maker hereunder shall be open to prepayment in whole or in part on any regular payment date without notice, bonus or penalty.

- (d) **Prepayment Penalty:** The Maker shall be entitled to prepay any part of the Principal Sum upon payment to the Lender of an amount equal to three months' interest.
- (e) **Acceleration:** Provided that in default of a payment of interest or in default of a payment of instalments of principal or in default of the performance of any of the obligations of the Maker hereunder, the balance of the Principal Sum and interest shall immediately become due and payable at the option of the Lender. The Maker shall not be relieved from such default without the Lender's written consent first being obtained.
- (f) **Death of Maker:** Entire balance of principal, interest and any other costs owing under the terms hereof shall become immediately due and payable at the option of the Lender on the death of the Maker or any one of them.

4. **COVENANTS BY MAKER:**

The Maker covenants and agrees with the Lender as follows:

- (a) **Right to Occupy Agreement:** To abide by the terms and conditions of the Right to Occupy Agreement dated the 1st day of April, 2010; To provide to the Lender a full copy of its financial statements within 90 days of its fiscal year end.

5. **COSTS:**

And the Maker hereby covenants with the Lender that he will pay the costs, charges and expenses of and incidental to the taking, preparation, execution and filing of Notice of this Note and any documents relating thereto and of every renewal thereof, and also all costs which the Lender may incur by reason of the default of the Maker in payment of the moneys advanced hereunder, including costs between solicitor and client, and all bailiff's and other fees and expenses and bank charges.

6. **DEFAULT:**

Upon the occurrence of any default on the part of the Maker as hereinafter defined, all indebtedness hereunder shall, at the option of the Lender, forthwith become due and payable.

The Maker shall be in default under this Promissory Note upon the occurrence of any of the following events:

- (a) the Maker shall fail to pay any of the indebtedness when due or to observe or perform any of the covenants contained herein;
- (b) the Maker shall become insolvent or commit an act of bankruptcy or make an assignment in bankruptcy.
- (c) the Maker shall breach the covenant in paragraph 4 above;

7. **LIMITATIONS:**

- (a) This Promissory Note is made for business purposes and is a "business agreement" as defined in the Limitations Act, 2002 (herein "the Act"); and
- (b) No limitation periods found in the Act, other than the ultimate limitation period found in Section 15 of that Act, shall apply to this Promissory Note and to the obligations imposed by this Promissory Note.

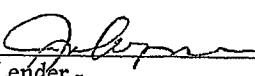
8. **INTERPRETATION AND GENERAL:**

- (a) **Proof of Compliance:** The Lender may require reasonable proof that the borrower is not in default under the terms of this Promissory Note and failing the Maker providing such reasonable proof, the Lender may take whatever steps are necessary to obtain such proof and the costs of obtaining such proof shall be added to the principal amount outstanding on this Note.
- (b) **Judgments:** Provided and it is hereby agreed, that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Lender's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.
- (c) **Advance of Funds:** This Promissory Note is issued pursuant to the advance of funds by the Lender to the Maker in the amount of the face value of this Promissory Note, the receipt of which is acknowledged by the Maker.
- (d) **Successors:** This Promissory Note and all of its provisions, terms and conditions shall be binding upon and enure to the benefit of the Lender, its successors and assigns and the Maker and its successors. The term "successors" shall include, without limitation, any company resulting from the amalgamation of a party hereto with any other company.
- (e) **Waiver of Presentment:** The Maker of this Promissory Note does hereby waive presentment for payment, notice of nonpayment, protest and notice of protest and does hereby consent to all extensions and renewals hereto, without notice.
- (f) **Laws of Ontario:** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
- (g) **Number - Gender:** Provided and it is hereby agreed that in construing these presents the words "Maker" and "Lender" and the personal pronoun "it" or "its" relating thereto and used therewith, shall be read and construed as "Maker or Makers," "Lender or Lenders," and "his," "her," "its" or "theirs," respectively, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted; and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Lender or Lenders shall be equally secured to and exercisable by his, her, its or their heirs, executors, administrators and assigns, or successors and assigns as the case may be; and that all covenants, liabilities and obligations entered into or imposed hereunder upon the Maker or Makers shall be equally binding upon his, her or their heirs, executors, administrators and permitted assigns, or successors and assigns as the case may be; and that all such covenants and liabilities and obligations shall be joint and several.
- (i) **Joint and Several Liability:** All the covenants, liability and obligations entered into or imposed hereunder upon the Maker or Makers shall be joint and several.

(h) **Severability:** Provided that if any of the covenants or conditions in this Promissory Note contained shall be void for any reason if shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance;

DATED at Toronto, Ontario, this 1st day of April, 2010.

The Maker -



The Lender -

JOHN YOON, CEO
ROSE OF SHARON



q:\49149.569\49.569.002\promissory note - v2.doc (1)

Mortgages and Loans

Schedule Heading:

Origination Date: **Apr 01, 2010**Loan Type: **Normal**First Payment Date: **Apr 01, 2010**Basis Year: **365 Days**Principal: **\$55,766.45**Compounded: **Semi-annually**Interest Rate: **6.7500%**Exact Day: **No**Effective Rate: **6.8639%**Payment: **\$379.92**Payment Frequency: **Monthly**Period: **25.000 Years**Balloon Payment: **\$0.00**

FEB 09, 2010

Page: 1

Ha, Brenda

Loan Date: Apr 01, 2010
Compounded: Semi-annually

Loan Type: Normal
Period: 2.000 Year(s)

Principal: \$55,766.45
Total Payments: \$62,727.28

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$379.92	\$0.00	\$379.92	\$55,386.53
2	May 01, 2010	6.7500%	\$379.92	\$307.26	\$72.66	\$55,313.87
3	Jun 01, 2010	6.7500%	\$379.92	\$306.85	\$73.07	\$55,240.80
4	Jul 01, 2010	6.7500%	\$379.92	\$306.45	\$73.47	\$55,167.33
5	Aug 01, 2010	6.7500%	\$379.92	\$306.04	\$73.88	\$55,093.45
6	Sep 01, 2010	6.7500%	\$379.92	\$305.63	\$74.29	\$55,019.16
7	Oct 01, 2010	6.7500%	\$379.92	\$305.22	\$74.70	\$54,944.46
8	Nov 01, 2010	6.7500%	\$379.92	\$304.80	\$75.12	\$54,869.34
9	Dec 01, 2010	6.7500%	\$379.92	\$304.39	\$75.53	\$54,793.81
Totals for Year 2010			\$3,419.28	\$2,446.64	\$972.64	
Running Totals to End of 2010			\$3,419.28	\$2,446.64	\$972.64	
10	Jan 01, 2011	6.7500%	\$379.92	\$303.97	\$75.95	\$54,717.86
11	Feb 01, 2011	6.7500%	\$379.92	\$303.55	\$76.37	\$54,641.49
12	Mar 01, 2011	6.7500%	\$379.92	\$303.12	\$76.80	\$54,564.69
13	Apr 01, 2011	6.7500%	\$379.92	\$302.70	\$77.22	\$54,487.47
14	May 01, 2011	6.7500%	\$379.92	\$302.27	\$77.65	\$54,409.82
15	Jun 01, 2011	6.7500%	\$379.92	\$301.84	\$78.08	\$54,331.74
16	Jul 01, 2011	6.7500%	\$379.92	\$301.40	\$78.52	\$54,253.22
17	Aug 01, 2011	6.7500%	\$379.92	\$300.97	\$78.95	\$54,174.27
18	Sep 01, 2011	6.7500%	\$379.92	\$300.53	\$79.39	\$54,094.88
19	Oct 01, 2011	6.7500%	\$379.92	\$300.09	\$79.83	\$54,015.05
20	Nov 01, 2011	6.7500%	\$379.92	\$299.65	\$80.27	\$53,934.78
21	Dec 01, 2011	6.7500%	\$379.92	\$299.20	\$80.72	\$53,854.06
Totals for Year 2011			\$4,559.04	\$3,619.29	\$939.75	
Running Totals to End of 2011			\$7,978.32	\$6,065.93	\$1,912.39	
22	Jan 01, 2012	6.7500%	\$379.92	\$298.75	\$81.17	\$53,772.89
23	Feb 01, 2012	6.7500%	\$379.92	\$298.30	\$81.62	\$53,691.27
24	Mar 01, 2012	6.7500%	\$53,989.12	\$297.85	\$53,691.27	\$0.00
Totals for Year 2012			\$54,748.96	\$894.90	\$53,854.06	
Running Totals to Q1 of 2012			\$62,727.28	\$6,960.83	\$55,766.45	

PEOPLES TRUST COMPANY
Applicant

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

RESPONDING MOTION RECORD AND
CROSS-MOTION RECORD OF THE ARMS LENGTH
CLAIMANTS OF ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY
VOLUME 1 OF 2

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