

**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 2 OF 2**

(returnable September 11, 2013)

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TAB 9

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 SOHN
(Sworn May 28th, 2013)**

I, Young Sohn, 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 1005 (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. I am of Korean heritage and was born in Korea in 1945. I came to Canada in 1974, with my wife. Since 2006, my wife has been suffering from an early onset of Alzheimer's disease which has progressively worsened.

8. I completed university in South Korea and took a 3 year course at Seneca College in Toronto. I have also taken a number of investment courses. I am a financial advisor and a branch manager for ^{PLV ip} ~~the mutual life group of Manulife Financial~~ ^{Securities Investment Services.}

9. Like Kyung Yurl Lee, my command of the English language is good but not fluent, and like Mr. Lee, while my interview with Cho was conducted primarily in English, Cho and I resorted to the Korean language when discussing more difficult concepts. 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

10. Like Young Sook Cha, I first learned about the Project from an article in a Korean-language newspaper. Since my wife was suffering from Alzheimer's then, and was in a nursing home already, I thought I could move my wife to Rose's nursing home, and live in the residence portion to be close to her. I was excited to purchase a unit because it was important to

be closer to my wife and for her, suffering from a disease of the mind, to be in a Korean speaking environment.

11. Within days I met with John at his office to sign the RTOA, as described below.

12. Based on the newspaper article and my discussions with John, I also believed that the Project would be as described in the Kang Affidavit at paragraph 29. I also knew that the Project was being described as a life lease project.

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” but I specifically recall being told by John he was working on converting the Project to a condominium.

14. I was emotionally motivated to purchase the Unit so I did not give much thought to the concept of a life lease. I believed that whatever the concept of ownership was called, upon payment of the funds, I would own the Unit. I believed that what John was providing to me to sign were standard form contracts.

15. It was on that basis that we agreed to purchase a unit from Rose. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated May 30, 2007. Attached hereto and marked as Exhibit “B” is a copy of the Acknowledgment and Consent Agreement, dated May 30, 2007.

16. 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.

17. My 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.

18. The ACA that I signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein.

19. 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.

20. 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

21. I have paid a total of \$96,270 in deposits as required by the RTOA in the following manner:

- a. On June 14, 2007, I paid \$3,209;
- b. On June 22, 2007, I paid \$28,881;
- c. On August 31, 2007, I paid \$32,090; and
- d. On December 12, 2007, I paid \$32,090.

22. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced at Exhibit "K" of the Kang Affidavit.

D. Postponement

23. Attached hereto and marked as Exhibit "C" is a copy of the Acknowledgment and Postponement that I signed, dated May 30, 2007.

24. 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.

E. The Amended RTOA

25. Attached hereto and marked as Exhibit "D" is a copy of the Amended RTOA for my Unit.

26. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA for me in great detail.

27. Like Ms. Cha sets out in paragraphs 30 – 32 of the Cha Affidavit, I believe I had a mortgage loan with Rose or Rose's mortgage company. I remember John describing this financing arrangement set out in the Amended RTOA as a mortgage.

F. Prejudice to Lose Unit

28. My wife's illness has progressed to the point where she can no longer communicate. The benefit of moving her from where she is now to a Korean-speaking environment is now questionable and as such, I decided that it is better for her to stay where she is. As such, I also have not moved into the Unit, as originally intended.

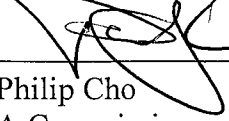
29. Rose helped me to locate tenants by introducing me to a real estate agent that had helped locate other tenants for other Unit-holders in the Project. Currently, I have tenants paying \$1,900 per month in my Unit.

30. However, if I cannot keep the Unit and am unable to recover the monies that I have paid to Rose, I will suffer great prejudice. I have paid significant sums of money for the Unit, close to \$100,000, and to lose that amount of money will have a great impact on me.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)

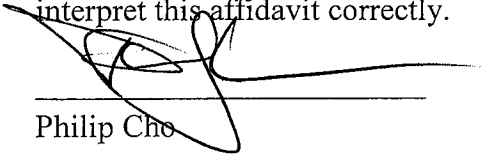


YOUNG SOHN



Philip Cho
A Commissioner, etc.

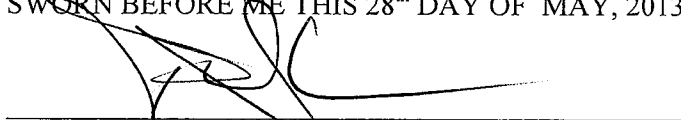
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF YOUNG SOHN
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 somewhat stylized and overlaps the line.

Philip Cho
A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT
(Purchaser Type M5)

THIS AGREEMENT made in duplicate this 30th day of May, 2007
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 -

Young Sohn

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 #804 (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 Three Hundred Twenty Thousand Nine Hundred Dollars (\$320,900), including ONE (1) 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, 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;
_____ (\$ 3,209)
- (b) Nine percent (9%) of the Right to Occupy Cost 10 days after the signing of this Right to Occupy Agreement; _____ (\$ 28,881)
- (c) Ten percent (10%) of the Right to Occupy Cost within 90 days after the signing of this Right to Occupy Agreement; _____ (\$ 32,090)
- (d) Ten percent (10%) of the Right to Occupy Cost within 180 days after the signing of this Right to Occupy Agreement; _____ (\$ 32,090)
- (e) The final payment is due upon Occupancy permit _____ (\$ 224,630)

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:

~~Young Sohn
17 Sauvage Drive
Etobicoke, ON
M9R 1Z4~~

28 William Carson Cresc. Apt. #25
North York, ON M2P 2H5
H: 416-248-0392 (c) 416-576-9820

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 30th ~~day~~ of May 2007.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *[Signature]*

Per: _____

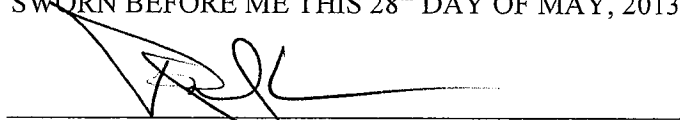
We have authority to bind the Corporation.

[Signature]
Purchaser

Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF YOUNG SOHN
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.

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, YOUNG SOHN 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 30th day of May, 2007. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$96,270) (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 30th day of May, 2007.

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 YOUNG SOHN
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.

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~~^{May}, 2007.

WITNESS:

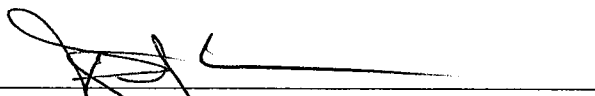
J. Johnson

YOUNG SOHN
Name: _____
Unit Number: 807

Name: _____
Unit Number: _____

TAB D

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



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 -

Sohn, Young

(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 1005 (804) 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 Three Hundred Twenty Thousand and Nine Hundred Dollars (\$320,900.00) (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 Two Hundred Twenty Four Thousand and Six Hundred Thirty Dollars (\$224,630.00);
 - 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 : 28 William Carson Cresc. #905, North York, ON M2R2H5

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: *[Signature]*

Per: _____

)

I/We have authority to bind the corporation.

)

Witness

) *YOUNG S. HAN*
 Purchaser Name: *Y. Sober*

Witness

) _____
 Purchaser Name:

TAB 10

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 MAL HWA KIM
(Sworn May 28, 2013)**

I, MAL HWA KIM, 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 a unit, which was damaged. Rose provided me with unit 1008 (the "Unit") as a replacement. 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 South Korea in 1959. I came alone to Canada in 1979 ~~after ending my first marriage~~. I completed high-school in South Korea. In Canada, I have worked for the past 28 years for the Korean (Toronto) Credit Union ("KCU"), and am currently the manager of member services. I am a single mother.

8. Like Kyung Yurl Lee, my command of the English language is good but not fluent, and like Mr. Lee, although part of my interview with Cho was in English, on many occasions, both Cho and I resorted to the Korean language in order to ensure comprehension and accuracy. 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. Like Hae Jeong Kang, I first learned about the Project from John, who often came to the KCU branch where I worked.

10. I also 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 my conversations with John, I also 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 know that I thought it was a condominium when I purchased the Unit. I believe John said it was a condominium.

13. It was on that basis that I agreed to purchase a unit from Rose. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated May 30, 2007. Attached hereto and marked as Exhibit “B” is a copy of the Acknowledgment and Consent Agreement, dated May 30, 2007.

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. In my case, however, I believe John brought the documents to KCU for me to sign.

16. My 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.

17. The ACA that I signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein.

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 Unit 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 Unit.

C. Deposits Paid

20. I have paid a total of \$25,000 in deposits as required by the RTOA in the following manner:

- a. On June 20, 2007, I paid \$15,000; and
- b. On December 30, 2008, I paid \$10,000.

21. The information regarding my payments does not appear to be contained in the Payment Summary which is reproduced in the Kang Affidavit. I believe this is because the Receiver has put in the information regarding the prior owner of my Unit. Attached and marked as Exhibit "C" are copies of my deposit cheques.

D. Postponement

22. Attached hereto and marked as Exhibit "D" is a copy of the Acknowledgment and Postponement that I signed, dated May 30, 2007.

23. 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.

E. The Amended RTOA

24. Attached hereto and marked as Exhibit "E" is a copy of the Amended RTOA for my Unit.

25. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA to me in great detail.

26. 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 mortgage for the Unit.

F. Prejudice to Lose Unit

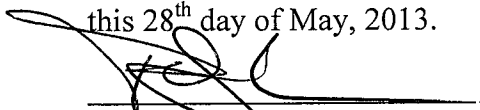
27. If I cannot keep the Unit and am unable to recover the monies that I have paid to Rose, I will suffer significant prejudice. For me to pay the \$25,000 deposit, as a single mother at that time, was very difficult. I borrowed money from KCU to make those payments. My daughter has been living in the Unit since late 2010 and pays the monthly payments. It would be difficult and disruptive for her if she could no longer live there.

SWORN BEFORE ME
at the City of Toronto
in the Province of Ontario,
this 28th day of May, 2013.

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)
)
)

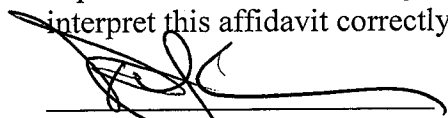


MAL HWA KIM



Philip Cho
A Commissioner, etc.

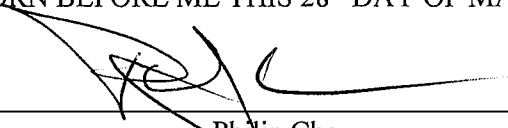
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF MAL HWA KIM
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.

RIGHT TO OCCUPY AGREEMENT(Purchaser Type *Mb*)*renewed*

THIS AGREEMENT made in duplicate this 30th day of May, 2007
 BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.
 Proposed Project 165 / 171 Vaughan Road, Toronto (the Property)

(hereinafter referred to as the "Community")

*Mal Hwa Kim - and -
 Ellen Gye Hee Kim*

of the City of Torontoin 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 # LP 7 (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 Fifty Thousand Dollars (\$150,000), including ten (10) 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, 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%)~~ ^{10% 9.9} of the Right to Occupy Cost upon execution of this agreement; (\$ 15,000.00)
- (b) ~~Nine percent (9%) of the Right to Occupy Cost 10 days after the signing of this Right to Occupy Agreement;~~ (\$)
- (c) Ten percent (10%) of the Right to Occupy Cost within 90 days after the signing of this Right to Occupy Agreement; (\$ 15,000.00)
- (d) Ten percent (10%) of the Right to Occupy Cost within 180 days after the signing of this Right to Occupy Agreement; (\$ 15,000.00)
- (e) The final payment is due upon Occupancy permit (\$ 15,000.00)

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 insurance 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:

33 Wood St. #1606
Toronto, ON
M4Y 3P8

(416) 535-4571 (B)
 (647) 998-7047 (C)

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 20th of May 2007.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: [Signature]

Per: _____

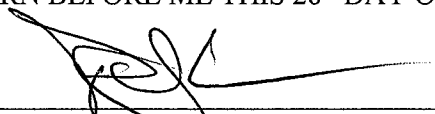
We have authority to bind the
Corporation.

[Signature]
Purchaser

Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF MAL HWA KIM
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.

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, Maek Han Kim & Ellen Gye Hee Kim 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 20th day of May, 2007. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling \$45,000 (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 30th day of May, 2007

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: [Signature]

Per: _____

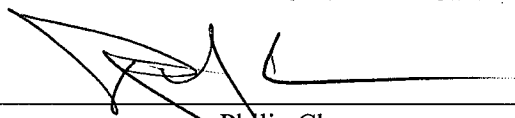
We have authority to bind the
Corporation.

[Signature]
Purchaser

Purchaser

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF MAL HWA KIM
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.

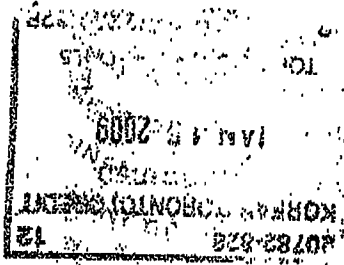
Elen or Hee KIM 3438
 Name ACCOUNT NO.
 Address Tel. #01 DATE 20062007
 City/Town Postal Code CHEQUE NO.
 PAY TO THE ORDER OF *ROSE OF SHARON* \$15,000⁰⁰
FIFTEEN THOUSAND 100 DOLLARS
 KOREAN (TORONTO) CREDIT UNION LIMITED JUN 22 2007
 703 BLOOR ST. W. TORONTO, ONTARIO M6G 1L5
 MEMO *Elen or Hee KIM*
LP7.
 @ 2078 2008 281

2078 2008 281
 TORONTO ONTARIO M6G 1L5
 JUN 22 2007
 KOREAN (TORONTO) CREDIT UNION LIMITED
 703 BLOOR ST. W. TORONTO, ONTARIO M6G 1L5
 416-593-8282

as per ROS
[Signature]
 (KIM, MAL HWA)
 BACK/ENDOS

KIM. GIL HEE GLEN 3438
 Name MAL HWA KIM ACCOUNT NO.
 Address _____ Tel. _____
 City/Town _____ Postal Code _____ CHEQUE NO. #01 DATE: 30122008
 PAY TO THE ORDER OF ROSE OF SHARON \$ 10,000.00
TEN THOUSAND 100 DOLLARS  Security Measures Included: Details on back.
 KOREAN (TORONTO) CREDIT UNION LIMITED
 703 BLOOR ST. W.
 TORONTO, ONTARIO M6G 1L5
 MEMO 697
 JAN 15 2008
 TORONTO, ONTARIO M6G 1L5
 12

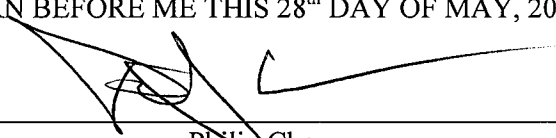
2078 2 8 281



[Signature]
 Endorsement - Signature or Stamp
 02 for 100
 00782 828
 BACK/ENDOS

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF MAL HWA KIM
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.

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:

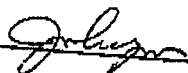
- 1. The undersigned acknowledge(s) that Community has assigned to the Lender, all of Community's right, title and interest in the Agreement including its right to receive all deposits paid or to be paid thereunder and all proceeds due to Community thereunder; and
- 2. The undersigned agree(s) and acknowledge(s) 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 ^{May} April, 2007.

WITNESS:





Name:
Unit Number: LP7

Name:
Unit Number:

T A B E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF MAL HWA KIM
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



Philip Cho
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 -

Mal Hwa Kim / Ellen Kim

(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 1110 (LP7)

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 Thousand Dollars (\$150,000.00) (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 Twenty Five Thousand Dollars (\$125,000.00);
 - 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 : 33 Wood St. #1606, Toronto, ON M4Y2P8~~
 40 OAK KNOLLS CRES.
 SCARBOROUGH, ONTARIO. M1B 4V3

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: [Signature]

) Per: [Signature]

) I/We have authority to bind the corporation. *B.V.*

) [Signature]
 Purchaser Name:

Witness

) [Signature]
 Purchaser Name:

Witness

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PROMISSORY NOTEAmount: \$125,000.00Date: April 1, 2010

FOR VALUE RECEIVED \$125,000.00 ("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 Twenty Five Thousand Dollars (\$125,000.00) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 1109 (LP10).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: ~~33 Wood St. #1606, Toronto, ON M4Y2P8~~
40 OAK KNOLLS CRES. SCARBOROUGH, ONT. M1B 4V3

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 Fifty One Dollars and Fifty Nine Cents (\$851.59) 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:**

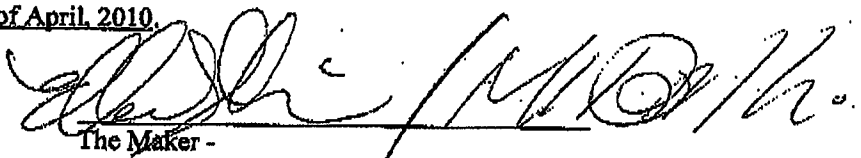
- (a) This Promissory Note is made for business purposes and is a "business agreement" as defined in the Limitations Act, 2002 (herein "the Act"); and
- (b) No limitation periods found in the Act, other than the ultimate limitation period found in Section 15 of that Act, shall apply to this Promissory Note and to the obligations imposed by this Promissory Note.

8. **INTERPRETATION AND GENERAL:**

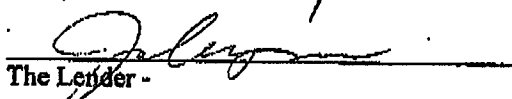
- (a) **Proof of Compliance:** The Lender may require reasonable proof that the borrower is not in default under the terms of this Promissory Note and failing the Maker providing such reasonable proof, the Lender may take whatever steps are necessary to obtain such proof and the costs of obtaining such 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 it 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: \$125,000.00	Compounded: Semi-annually
Interest Rate: 6.7500%	Exact Day: No
Effective Rate: 6.8639%	
Payment: \$851.59	Payment Frequency: Monthly
Period: 25.000 Years	
Balloon Payment: \$0.00	

Feb 09, 2010

Page: 1

Ellen Kim

Loan Date: Apr 01, 2010

Loan Type: Normal

Principal: \$125,000.00

Compounded: Semi-annually

Period: 2.000 Year(s)

Total Payments: \$140,602.67

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$851.59	\$0.00	\$851.59	\$124,148.41
2	May 01, 2010	6.7500%	\$851.59	\$688.71	\$162.88	\$123,985.53
3	Jun 01, 2010	6.7500%	\$851.59	\$687.81	\$163.78	\$123,821.75
4	Jul 01, 2010	6.7500%	\$851.59	\$686.90	\$164.69	\$123,657.06
5	Aug 01, 2010	6.7500%	\$851.59	\$685.99	\$165.60	\$123,491.46
6	Sep 01, 2010	6.7500%	\$851.59	\$685.07	\$166.52	\$123,324.94
7	Oct 01, 2010	6.7500%	\$851.59	\$684.14	\$167.45	\$123,157.49
8	Nov 01, 2010	6.7500%	\$851.59	\$683.22	\$168.37	\$122,989.12
9	Dec 01, 2010	6.7500%	\$851.59	\$682.28	\$169.31	\$122,819.81
Totals for Year 2010			\$7,664.31	\$5,484.12	\$2,180.19	
Running Totals to End of 2010			\$7,664.31	\$5,484.12	\$2,180.19	
10	Jan 01, 2011	6.7500%	\$851.59	\$681.34	\$170.25	\$122,649.56
11	Feb 01, 2011	6.7500%	\$851.59	\$680.40	\$171.19	\$122,478.37
12	Mar 01, 2011	6.7500%	\$851.59	\$679.45	\$172.14	\$122,306.23
13	Apr 01, 2011	6.7500%	\$851.59	\$678.49	\$173.10	\$122,133.13
14	May 01, 2011	6.7500%	\$851.59	\$677.53	\$174.06	\$121,959.07
15	Jun 01, 2011	6.7500%	\$851.59	\$676.57	\$175.02	\$121,784.05
16	Jul 01, 2011	6.7500%	\$851.59	\$675.60	\$175.99	\$121,608.06
17	Aug 01, 2011	6.7500%	\$851.59	\$674.62	\$176.97	\$121,431.09
18	Sep 01, 2011	6.7500%	\$851.59	\$673.64	\$177.95	\$121,253.14
19	Oct 01, 2011	6.7500%	\$851.59	\$672.65	\$178.94	\$121,074.20
20	Nov 01, 2011	6.7500%	\$851.59	\$671.66	\$179.93	\$120,894.27
21	Dec 01, 2011	6.7500%	\$851.59	\$670.66	\$180.93	\$120,713.34
Totals for Year 2011			\$10,219.08	\$8,112.61	\$2,106.47	
Running Totals to End of 2011			\$17,883.39	\$13,596.73	\$4,286.66	
22	Jan 01, 2012	6.7500%	\$851.59	\$669.66	\$181.93	\$120,531.41
23	Feb 01, 2012	6.7500%	\$851.59	\$668.65	\$182.94	\$120,348.47
24	Mar 01, 2012	6.7500%	\$121,016.10	\$667.63	\$120,348.47	\$0.00
Totals for Year 2012			\$122,719.28	\$2,005.94	\$120,713.34	
Running Totals to Q1 of 2012			\$140,602.67	\$15,602.67	\$125,000.00	

TAB 11

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 MORGIANA LEE
(Sworn May 28, 2013)**

I, Morgiana 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 1009 (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 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 not of Korean heritage. I was born in Singapore in 1975. My husband and I arrived in Canada, with our two children, in 2009, first as international students, and now on work permits. I work part-time as a secretary for a small church. My husband is a pastor.

8. My command of the English language is very good.

SUBSTANTIALLY SIMILAR EXPERIENCE

A. Introduction to Rose of Sharon

9. Unlike the other ALU's, not being a part of the Korean-Canadian community, I came across the Project when looking for a small condominium on the Multiple Listing Service. However, because the Unit was not owned as a condominium, the real estate agent could not actually close the deal. I was then introduced to John and he arranged for me to purchase the Unit.

10. John explained that this Unit is currently a life lease, which he described as entitling me to live in the Unit until I die. He also advised me that the Project would be approved under the *Condominium Act* really soon. Even as a life lease, I always believed that the Unit would be mine to own until I die, or if it became a condominium, to own outright.

B. Initial Documentation

11. Attached hereto and marked as Exhibit "A" is a copy of the Right to Occupy Agreement for my Unit, dated June 14, 2011. Attached hereto and marked as Exhibit "B" is a copy of the Acknowledgment and Consent Agreement dated June 14, 2011.

12. My 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, and except as set out below.

13. I signed the RTOA and the ACA at the office of Rose, in the Project. John explained parts of the RTOA to me. John also told me that I would not have to pay any closing proceeds, but just the interest portion on the balance of the purchase price. However he wanted me to provide a bigger deposit for the Unit. He explained that the greater the deposit, the lower the monthly payment I would have to make later. Ultimately, I agreed to pay \$10,000 and then \$45,000 for a total of \$55,000. John explained that the loan for the balance was not from a typical bank, but from a "trust" or something like that. I assume now that he meant the Peoples Trust Company.

14. I understood the ACA to be a document where I agreed to pay the deposit obligations, and that the money would be used by Rose in a trust fund or something. Rose could decide how to use the money, it was not my concern.

15. We did not have immediate plans to move in and discussed this with John. He said we could rent out the Unit and that we could find our own tenants. In fact, John asked if we could also look for tenants for him too. We have a tenant who moved in September 2011 and pays \$1,200 per month.

C. Deposits Paid

16. I have paid a total of \$55,000 in deposits as required by the RTOA in the following manner:

- a. On June 14, 2011, I paid \$10,000; and
- b. On July 16, 2011, I paid \$45,000.

17. I paid an additional \$10,000 on September 2, 2011 as a lump sum payment for my monthly fees.

18. Unlike the situation described in the other affidavits, I did not sign any Amended RTOA. I was told my monthly payment amount over the phone. I believe I am up to date.

19. I have looked at the Payment Summary at Exhibit "K" of the Kang Affidavit and I have no knowledge of the arrears indicated under the Promissory Note Payments and the CAM Costs columns. I note that I did not purchase the Unit until June 2011, with a July 2011 closing. As such the amounts owing for months prior to July 2011 should not be charged to me.

D. Prejudice

20. My family and I will suffer significant prejudice if we cannot keep the Unit and lose the money that we paid to Rose. The money that we used to pay for the Unit came from our savings and from an insurance settlement arising out of my diagnosis of breast cancer. The money paid to Rose represents the last part of those insurance proceeds after our time spent as missionaries in Thailand and after paying for international tuition costs for my husband to complete his education. To lose the Unit and all the money would be devastating for us.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)



MORGIANA LEE



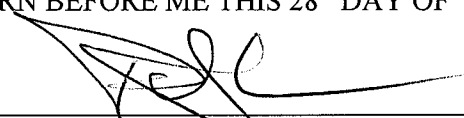
Philip Cho
A Commissioner, etc.

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.

Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF MORGIANA 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.

RIGHT TO OCCUPY AGREEMENT
(purchaser Type Mb)

THIS AGREEMENT made in duplicate this 14th day of June, 2011.

BETWEEN:

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

(hereinafter referred to as the "Community")

- and -

Morgiana M.F. Lee

of the City of Toronto.

in the Province of Ontario.

(hereinafter referred to as the "Purchaser")

WHEREAS the Community has developed and constructed building consisting of a nursing home and multiple unit residential housing apartments 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.

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 in exchange for the consideration outlined in this agreement agrees to grant the Right to Occupy the unit being identified as **#1009** (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 Fifty Five Thousand Dollars(\$155,000)**, 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 purchase of the unit shall be completed and ready for occupancy by the Purchaser on the 1st day of _____ (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 Purchaser agrees to pay the Right to Occupy Cost to the Community as follows:
(Complete and cross out as appropriate)

- (a) The Downpayment has been paid upon execution of this agreement. In the amount of Ten Thousand Dollars (\$10,000).
- (b) The second payment will be made within 30 days in the amount of Forty Five Thousand Dollars (\$45,000)
- (c) The final payment is due upon Closing or paying monthly installment after closing. One Hundred Thousand Dollars (\$100,000)

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.
2. 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;
3. Upon the Purchaser, who has given notice in accordance with sub-paragraph (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 7 below.
4. Upon the death of the Purchaser or the survivor of the Purchasers or the occurrence of paragraph 2 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 vacant possession of the Unit and the Community shall be entitled to proceed to sell the Right to Occupy Unit in accordance with paragraph 7 below.
5. 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.
6. 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.
7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

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

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

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

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

16. 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:

1709-30
 Charles St. West
 Toronto, ON. M4Y 1R5
 647-444-2819


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

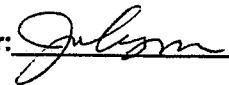
DISPUTE RESOLUTION

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 14th day of June 2011.


ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Witness


Per: 

Per: _____

We have authority to bind the
Corporation.

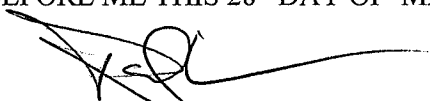


Purchaser

Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF MORGIANA 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.

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, Morgiana M.F 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 14th day of June, 2011. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$ 55,000) (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.

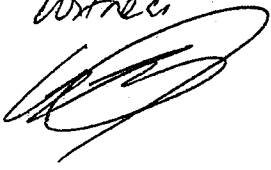
6. The Purchaser has received independent legal advice prior to his/her signing this Acknowledgment and Consent Agreement.

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.

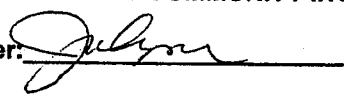
8. The Purchaser acknowledges that this Agreement is incorporated into and shall form part of the Agreement to Purchase.

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 14th day of June, 2011.

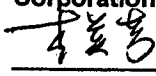
Witness


ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

We have authority to bind the
Corporation.



Purchaser

Purchaser

TAB 12

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 GYE-SOON KIM
(Sworn May 28, 2013)**

I, Gye-Soon Kim, 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. My husband and I signed an agreement for Unit 1010 (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 husband and I are of Korean heritage and were both born in South Korea, my husband in 1954, and me in 1958. My husband came to Canada in 1974, and I came to Canada in 1980. Since our arrival in Canada, we have operated convenience stores together, and at the time we purchased the Unit to the present, we operated a convenience store on Vaughan Road, across from the Project.

8. Like Kyung Yurl Lee, my command of the English language is good but not fluent, and like Mr. Lee, although part of my interview with Cho was in English, on many occasions, both Cho and I resorted to the Korean language in order to ensure comprehension and accuracy. 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. Like Hae Jeong Kang, my husband and I first learned about the Project from John. He would visit us in our store across the street from the Project. I recall also reading about it in the Korean-language newspaper.

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. We believed that the Project would be as described in the Kang Affidavit at paragraph 29.

B. The Right to Occupy Agreement and Other Documents

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 were purchasing a condominium.

13. It was on that basis that we agreed to purchase a unit from Rose. Our original intent in purchasing the Unit in 2006 was to have my mother-in-law live in the nursing home, and we would live in the Unit to be close to her. We also shared the desire to help the Korean-Canadian community and see the Project get developed.

14. Attached hereto and collectively marked as Exhibit “A” are copies of the Right to Occupy Agreements for my Unit, dated April 6, 2006 and March 12, 2010. The March 12, 2010 RTOA replaced the April 6, 2006 RTOA. We had decided to change our unit and therefore, signed a second RTOA. Attached hereto and collectively marked as Exhibit “B” are copies of the Acknowledgment and Consent Agreements, dated April 6, 2006 and March 12, 2010.

15. My experience (in April 2006) 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.

16. I note that the form of RTOA that I signed is similar to the one described in the Lee Affidavit. I therefore adopt the statements made in the Lee Affidavit at paragraphs 37 – 40 pertaining to these clauses, except that I did not have the benefit of any legal advice beforehand.

17. The ACA that I signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein.

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 Unit 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 Unit.

20. I want to add that in 2010, when we decided to change our unit and John asked us to sign a new RTOA, we asked our lawyer to look at it. The lawyer was not familiar with the “life lease” concept but knew Rose’s lawyer, Ron Crane (“**Crane**”). Our lawyer called Crane and asked about whether it was safe to buy a life lease unit. Our lawyer advised us then that based on his conversation with Crane, there were about 20 life lease projects in Ontario that converted to a condominium after starting as a life lease project, and that the Project would also convert to a condominium. I believed that upon conversion, I would own a condominium.

21. On separate occasions, John told me something similar.

C. Deposits Paid

22. I have paid the following amounts as required by the RTOA:

- a. On April 7, 2006, I paid \$14,663;
- b. On May 17, 2006, I paid \$5,737;
- c. On July 13, 2006, I paid \$20,400; and
- d. On December 22, 2006, I paid \$20,400.

23. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced as Exhibit “K” in the Kang Affidavit.

D. Loans to Rose of Sharon

24. During the course of construction, John often visited our store and complained about the lack of sufficient funds for the Project. He often asked if we had money that we could lend to Rose, which would earn interest and which would then be applied to the purchase price owing on our Unit. We agreed to do so and on or about November 25, 2009, we provided John with \$50,000. In return, John provided us with a document entitled Promissory Note, a copy of which is attached and marked as Exhibit "C".

E. The Amended RTOA

25. Attached hereto and marked as Exhibit "D" is a copy of the Amended Right to Occupy Agreement ("Amended RTOA") for my Unit.

26. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA to me in much detail. I understood this to be my mortgage agreement. I did not want to pay 6.75% interest on the balance owing, when I could pay less interest if I borrowed from my home equity line of credit. Therefore, in December 2010, I borrowed money from my home equity line of credit and made a lump sum payment of \$87,000 to Rose, a copy of which cheque is attached and marked as Exhibit "E". I could not pay off the full balance as my line of credit was at or near its limit with the \$87,000 payment.

27. I do acknowledge that I have a balance owing on my Unit. Like Ms. Cha sets out in paragraphs 30 – 32 of the Cha Affidavit, I believe I had a mortgage loan with Rose or Rose's

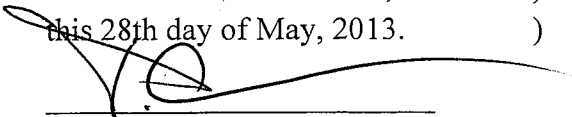
mortgage company. I remember John describing this financing arrangement set out in the Amended RTOA as a mortgage.

F. Prejudice to Lose Unit

28. 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, close to \$150,000. I have borrowed money from my home equity line of credit to pay the deposits and other amounts to Rose for the purchase of my Unit, and I continue to owe significant amounts as a result.

29. In addition, although the original intention was for us to live there to be close to my mother in law, she passed away in May 2011. Thus, we have not moved into the Unit, but presently our daughter lives in the Unit. If the Unit is lost, then my daughter, who pays rent to us, will lose her home.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)

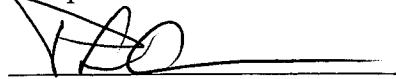


Philip Cho
A Commissioner, etc.



GYE-SOON KIM

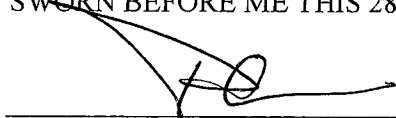
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF GYE-SOON KIM
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 M)

THIS AGREEMENT made in duplicate this 6th day of April, 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. GYESOON KIM

of the City of Toronto

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 # LP7 (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 Forty Six Thousand Six Hundred Twenty Five Dollars (\$ 146,625), 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; Fourteen Hundred Sixty Six Dollars (\$ 1,466)
- (b) Nine percent (9%) of the Right to Occupy Cost 10 days after the signing of this Right to Occupy Agreement; Thirteen Thousand One Hundred Ninety Seven Dollars (\$ 13,197)
- (c) Ten percent (10%) of the Right to Occupy Cost within 60 days after the signing of this Right to Occupy Agreement; Fourteen Thousand Six Hundred Sixty Three Dollars (\$14,663)
- (d) Ten percent (10%) of the Right to Occupy Cost upon the 1st basement slab poured Fourteen Thousand Six Hundred Sixty Three Dollars (\$14,663)
- (e) The final payment is due upon Occupancy permit One Hundred Two Thousand Six Hundred Thirty Six Dollars (\$ 102,636)

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:

42 Angus Drive
Toronto, ON M2J 2X1
Tel: 416-651-6194

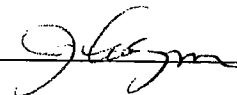
In both instances, notice shall be deemed effective on the date that the notice is delivered or mailed.

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 6th
day of April, 2006.

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 12th day of March, 2010

(Replacement of April 6th, 2006 agreement)

BETWEEN:

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

(hereinafter referred to as the "Community")

- and -
J.Y. Mr. Joon kie Kim &
Mrs. GYESOON KIM

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 **# 808 (1010, new unit number)** (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 **Two Hundred Twenty Seven Thousand Dollars (\$227,000.00)**, 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 April, 2010 (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) Sixty One Thousand Two Hundred Dollars has been paid (\$61,200.00)

(d) The final payment is due upon Occupancy permit One Hundred Sixty Five Thousand and Eight Hundred Dollars (\$165,800.00)

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.

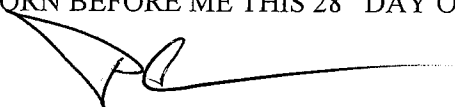
5. Upon termination of this Agreement in accordance with paragraph 1 above, the Community shall be entitled to sell the Right to Occupy Unit to another party of its selection.

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

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF GYE-SOON KIM
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.

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. Gyesoon Kim 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 April, 2006. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$ 43,989) (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 6th day of April, 2006

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, **Mrs. Gye-Soon Kim** 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 **12th day of March, 2010** Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling **(\$165,800)** (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.

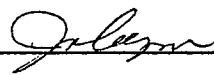
7. As required by Canada Mortgage and Housing Corporation, on the date of executing this Agreement and from time to time, the Purchaser agrees to provide to the Community all financial and other information as the Community may reasonably require in order to confirm the credit worthiness of the Purchaser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

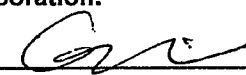
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this **12th** day of **March, 2010**,

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

Per: 

Per: _____

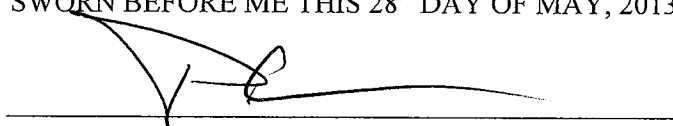
**We have authority to bind the
Corporation.**


Purchaser

Purchaser

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF GYE-SOON KIM
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.

PROMISSORY NOTEAmount : \$ 50,000⁰⁰

Date: Nov. 25, 2009

Interest : 8 % per annum

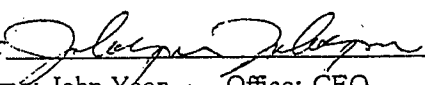
Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Mr. Joon Kie Kim on account with the right of survivorship, the sum of Fifty Thousand DOLLARS (\$50,000⁰⁰), in lawful money of Canada together with interest thereon at the rate of 8% percent per annum, monthly.

DATED at Toronto, Ontario on this 25th day of Nov, 2009.

Rose of Sharon (Ontario) Retirement Community

Per

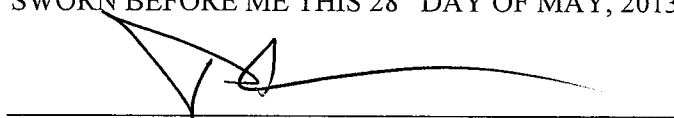

Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF GYE-SOON KIM
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Philip Cho
A Commissioner, etc.

**AMENDMENT TO
RIGHT TO OCCUPY AGREEMENT**

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

BETWEEN:

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

(herein "Rose")

- and -

Kim, Joon Kie
Kim, Gyesoon

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of November, 2010; in respect of unit 1010 (808)

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 Two Hundred Twenty Seven Thousand Dollars (\$227,000.00) (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 Twenty Four Thousand and Seven Hundred Thirty Dollars (\$24,730.00);
 - 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 : 42 Angus Drive, Toronto, ON M2J2X1

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

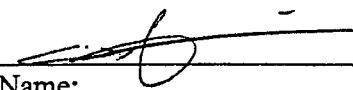
SIGNED, SEALED AND DELIVERED) ROSE OF SHARON (ONTARIO)
) RETIREMENT COMMUNITY INC.

) Per: 

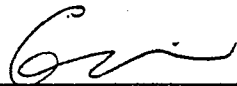
Per: _____

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

 Witness

) 
 Purchaser Name:

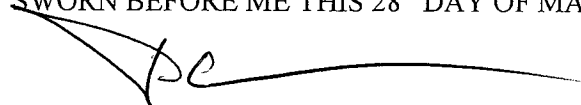
 Witness

) 
 Purchaser Name:



TAB E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF GYE-SOON KIM
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be 'PC' followed by a long horizontal stroke.

Philip Cho
A Commissioner, etc.

GYE SOON KIM
42 ANGUS DR.
WILLOWDALE, ONTARIO
M2J2X1

274

DATE Dec. 22. 2010

PAY TO THE
ORDER OF

Rose of Sharon

Eighty Seven Thousand

\$ 87,000.00



Canada Trust
5875 LESLIE ST. AT DEXTER BLVD
WILLOWDALE, ONT. M2H 1J8

100 DOLLARS



Security features
included.
Details on back.

MEMO

Rose of Sharon Condo.

MP

⑈ 274 ⑈ ⑆ 15902 004 ⑆ 0688 31056 20 ⑈

TAB 13

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 JAE WON BYUN
(Sworn May 28, 2013)**

I, Jae Won Byun, 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 (the "**Mesbur Order**"). I signed an agreement for Unit 1108 (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. I am of Korean heritage and was born in Korea in 1942. I came to Canada in 1974 with my husband, who passed away in ^{RV 2012 ✓ JB}2002. Throughout our time in Canada, at various times, my husband and I owned and operated a convenience store, a small coffee shop and a gas station. Since 1987, I had also worked part-time for the Toronto District School Board.

8. Like Kyung Yurl Lee, my command of the English language is good but not fluent, and like Mr. Lee, although part of my interview with Cho was in English, on many occasions, both Cho and I resorted to the Korean language in order to ensure comprehension and accuracy. 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. Like Hae Jeong Kang, my husband I and first learned about the Project from 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. 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 were purchasing a condominium.

13. It was on that basis that we agreed to purchase a unit from Rose. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated September 27, 2004. Attached hereto and marked as Exhibit “B” is a copy of the Acknowledgment and Consent Agreement, dated September 27, 2004.

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. I note that the form of RTOA that I signed differs from the ones set out in the Kang Affidavit, Lee Affidavit and Cha Affidavit. However, it appears that my RTOA shares many of the same terms and conditions, and structure, as the RTOA described in the Lee Affidavit. Clauses that are substantially similar to the clauses described and commented on in paragraphs 37 – 40 of the Lee Affidavit also appear in my RTOA but in different locations. I therefore adopt the statements made in the Lee Affidavit at paragraphs 37 – 40 as pertaining to these clauses, except that I did not have the benefit of any legal advice.

16. The ACA that I signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein, with the following exception:

- a. At paragraph 4, my ACA provides that the deposits may *not* be used by Rose for construction in the Project.

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. I have paid a total of \$98,946 in deposits as required by the RTOA in the following manner:

- a. On December 1, 2005, I paid \$32,981;
- b. On July 13, 2006, I paid \$16,491;
- c. On August 31, 2006, I paid \$16,492; and

d. On February 2, 2007, I paid \$32,982.

20. I also paid an additional \$25,000 for a parking space to go with my Unit on September 20, 2006.

21. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced as Exhibit "K" in 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, 2007.

23. 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.

E. The Amended RTOA

24. Attached hereto and marked as Exhibit "D" is a copy of the Amended RTOA for my Unit.

25. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA to me in great detail.

26. In the fall of 2010, before we could move in, John advised that the Project needed additional funds to pay the contractors to finish the construction. He said that if we loaned Rose

money, Rose would pay interest on the amount, and would repay the loan within a year. Because we wanted to see the Project completed, and we had paid significant sums of money for our Unit, we agreed to help John and Rose. I also expected that since I was loaning money to Rose, and I still owed money to Rose for my Unit, I would simply be credited the \$30,000, plus interest, when required to pay the balance of the purchase price for my Unit. We provided John with \$30,000 on or about September 15, 2010.

27. Although the Payment Summary indicates that we paid the balance of \$131,555 on January 13, 2010, this is incorrect as the amount was paid January 14, 2011, after occupancy of the Unit. Attached hereto and marked as Exhibit "E" is a copy of this cheque.

28. Therefore, I also 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.

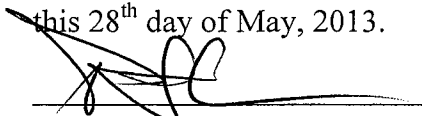
29. I also agree with the statements set out in paragraphs 52 – 57 regarding the Promissory Notes, except that I do recall John suggesting that my husband and I loan Rose money in advance of occupancy. However, the balance of the purchase price paid in January 2011 was certainly not intended to be a loan of any kind to Rose, and I did not agree to borrow any amounts from Rose. My RTOA had a promissory note attached to it and an amortization schedule, similar to the one described in the Cha Affidavit, but I believed it to be an error as I paid the full purchase price.

✓ of the Lee Affidavit ✓
JB

F. Prejudice to Lose Unit

30. 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, close ~~to \$200,000~~ ^{to \$300,000} ~~to \$200,000~~ ^{to \$300,000}. I also plan to one day move into the Unit, assuming I am entitled to keep it.

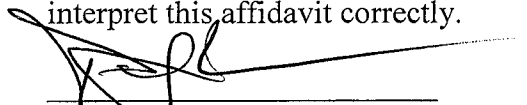
SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)



Philip Cho
A Commissioner, etc.


JAE WON BYUN

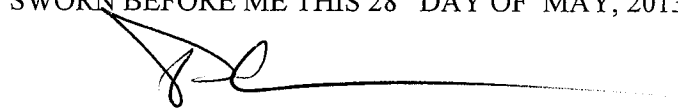
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho
A Commissioner, etc.

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF JAE WON BYUN
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 M)

THIS AGREEMENT made in duplicate this 27th day of September, 2004.

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. JAE WON BYUN

of the City of Scarborough,

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 #LP7 (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 Three Hundred Twenty Nine Thousand Eight Hundred Ten Dollars (\$329,810) including One (1) 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, 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; being Three Thousand Two Hundred Ninety Eight Dollars (\$3,298)
 - (b) Nine percent (9%) of the Right to Occupy Cost 90 days after the signing of this Right to Occupy Agreement; being Twenty Nine Thousand Six Hundred Eighty Two Dollars (\$29,682)
 - (c) Fifteen percent (15%) of the Right to Occupy Cost 180 days after the signing of this Right to Occupy Agreement; being Forty Nine Thousand Four Hundred Seventy One Dollars (\$49,471)
 - (d) All final payments are due upon Occupancy permit, being Two Hundred Forty Seven Thousand Three Hundred Fifty Seven Dollars (\$247,357)

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

APPLICABLE 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, Utilities 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 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 community may register the Long Term Care Lease.
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 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 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.
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: 6 COLINAYRE CRES.
SCARBOROUGH, ON.
MIT 3A8

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 regulation 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 *27th* day of *September*, 2004.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *[Signature]*

Per: _____

We have authority to bind the Corporation.

[Signature]
Purchaser

Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF JAE WON BYUN
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.

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 Agreement to Purchase attached to this Agreement, the undersigned, Mrs. JAE WON BYON (individually and collectively called the "Purchaser"), acknowledges and agrees as follows:

1. The Purchaser has been advised by Rose (the "Vendor") 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 an agreement to purchase a life lease unit from the Vendor in the Life Lease Project, a copy of such agreement is attached as Schedule A to this Acknowledgment and Consent Agreement and is referred to herein as the "Agreement to Purchase" Pursuant to the Agreement to Purchase, the Purchaser is obligated to pay deposit installments totaling (\$82,452) (the "Deposit") on account of the purchase price as described in the Agreement to Purchase.

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 Vendor and its successors and assigns. In addition, on the date of executing this Agreement, the Purchaser acknowledges that he / she has received from the Vendor and subsequently reviewed with his/her solicitor a draft copy of the Right to Occupy Agreement (the "Right to Occupy Agreement") as referenced in the Agreement to Purchase. The Purchaser acknowledges that the Right to Occupy Agreement is in draft form and the Vendor has the right to amend the Right to Occupy Agreement, in its sole and absolute discretion, from time to time, until it is in a form acceptable to the Vendor. Notwithstanding any provision of the Agreement to Purchase to the contrary, the Purchaser agrees to execute the final version of the Right to Occupy Agreement forthwith after receiving execution copies from the Vendor 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 to Purchase is void for uncertainty or subject to any right of rescission because the Right to Occupy Agreement will not be finalized and / or executed by the parties until a future date.

4. The Deposit paid by the Purchaser will be held in trust and may not be used by the Vendor in the construction for the Project. The Deposit is 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 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 Right to Occupy 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 Vendor all financial and other information as the Vendor 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 Agreement and the Agreement to Purchase are binding on the Purchaser and his / her heirs, executors, administrators, personal legal representatives, successors and assigns. This Agreement and the Agreement to Purchase 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 27th day of September, 2004.

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 JAE WON BYUN
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



Philip Cho
A Commissioner, etc.

LPS ✓

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:

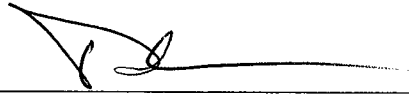
[Signature]

[Signature]
Name: JAE WON BYUN
Unit Number: LPS

Name:
Unit Number:

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF JAE WON BYUN
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



Philip Cho
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 -

Byun, Jae Won

(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 1108 (LP5) 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 Three Hundred Twenty Nine Thousand Eight Hundred Ten Dollars (\$329,810.00) (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 Two Hundred Thirty Thousand Eight Hundred Sixty Four Dollars (\$230,864.00);
 - 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;

17

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:

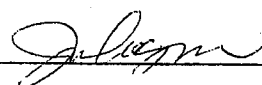
Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser

Address : 6 Colinayre Cres, Scarborough, ON M1T3A8

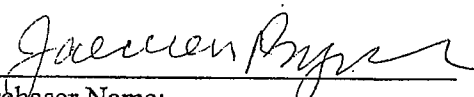
IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 1st day of April, 2010.

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

) Per: 

) Per: _____

) I/We have authority to bind the corporation.

) 
 Purchaser Name:

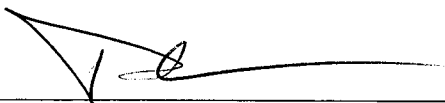
 Witness

 Witness

) _____
 Purchaser Name:

T A B L E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF JAE WON BYUN
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.

TAB 14

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 HEE JUN PARK
(Sworn May 28, 2013)**

I, Hee Jun Park, 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 1112 (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. I am of Korean heritage and was born in South Korea in 1972. I came to Canada in 2002 with my wife, Na Rae Choi. I have my own business in residential renovations. My wife has been working at the Salvation Army as an accountant.

8. I was employed at the Project by Rose for about two years, in 2010 and 2011. I helped Rose prepare for occupancy and acted as the superintendent during that time. I assisted in preparing the Amended RTOA's for the unit-holders by inserting the relevant information into the prepared forms – name, payments, balance, etc. I was told by Rose that the Amended RTOA's were needed to address the delay in occupancy. The occupancy was supposed to occur in April 2010, but was ultimately delayed until November 2010.

9. Like Kyung Yurl Lee, my command of the English language is good but not fluent, and like Mr. Lee, although part of my interview with Cho was in English, on many occasions, both Cho and I resorted to the Korean language in order to ensure comprehension and accuracy. 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

10. I learned about the Project from John, as my father-in-law and John knew each other from attending the same university in South Korea. Based on what John told me, I believed that the Project would be as described in the Kang Affidavit in paragraph 29.

B. Initial Documentation

11. 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” or condominium. To us, being new to Canada, this was our first purchase in Canada. We only thought we were buying a unit – without putting our mind to what the concept was. Our original intention was to purchase the Unit for my parents who we were trying to bring to Canada.

12. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated August 11, 2005. I do not have any knowledge as to why the RTOA refers to a renewal of an RTOA dated March 29, 2000. I saw this for the first time when Cho pointed it out to me during our initial interview. Attached hereto and marked as Exhibit “B” is a copy of the Acknowledgment and Consent Agreement, dated August 11, 2005.

13. 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.

14. I note that the form of RTOA that I signed is similar to the RTOA described in the Lee Affidavit. I therefore adopt the statements made in the Lee Affidavit at paragraphs 37 – 40 pertaining to these clauses, except that I did not have the benefit of any legal advice beforehand.

15. The ACA that I signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein.

16. 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.

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 \$62,880 in deposits as required by the RTOA in the following manner:

- a. On August 17, 2005, I paid \$2,096;
- b. On December 6, 2005, I paid \$18,864;

- c. On March 7, 2006, I paid \$10,480; and
- d. On February 10, 2007, I paid \$31,440.

19. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced as Exhibit “K” in the Kang Affidavit. Copies of the receipts for the above payments are attached hereto and marked as Exhibit “C”.

D. Postponement

20. Attached hereto and marked as Exhibit “D” is a copy of the Acknowledgment and Postponement that I apparently signed and is dated April 30, 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. In fact, I do not appear to have a copy of this document in my possession and I did not remember signing this document until Cho showed me a copy, provided to him by the Receiver, at my interview.

E. The Amended RTOA and the “Mortgage”

22. Attached hereto and marked as Exhibit “E” is a copy of the Amended RTOA for my Unit.

23. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA in detail for me when I signed. As I said, I am

familiar with this document as I prepared a number of Amended RTOAs for the other unit-holders. Based on my discussions with John, I believed that these documents set out the terms of a loan from Peoples to the individual unit-holders. John advised that individuals could not get mortgages independently because the units were held as a life lease, and that we were not owners like in a condominium.

24. Many people came to the office to complain about this issue while I worked at the Project. I remember John reassuring the individuals that the condominium application was in process but because of an outstanding payment to the construction company, the application process could not be completed. John explained that once the condominium conversion was complete, individuals would own their unit as a regular condominium and be able to obtain their own mortgages to pay off Peoples.

25. I adopt the statements set out in paragraphs 29 – 32 in the Cha Affidavit regarding the belief that I had a mortgage loan, which was set out in the documents attached to the Amended RTOA.


26. I also 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 I simply trusted John when he asked me to sign.

A. Prejudice to Lose Unit

27. My parents' entry to Canada is still delayed given the changes to the immigration rules. As such, we have tenants living in our Unit.

28. 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 \$60,000. As a young married couple trying to start a life in Canada, this is a tremendous amount of money to simply lose because Rose failed to comply with its obligations to Peoples, while my wife and I have paid, and continue to pay, what we were required to pay.

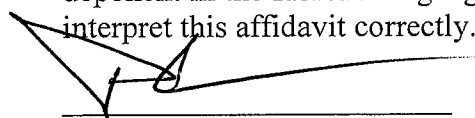
SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)



HEE JUN PARK

Philip Cho
A Commissioner, etc.

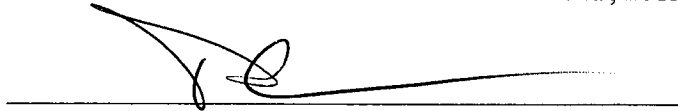
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF HEE JUN PARK
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Philip Cho
A Commissioner, etc.

RIGHT TO OCCUPY AGREEMENT
(Purchaser Type Mb)

THIS AGREEMENT made in duplicate this 11th day of August, 2005.
(Renewed the agreement of March 29th day of 2000)

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 -

Hee Jun Park & Na rae Choi

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 **#LP8** (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 **Two Hundred Nine Thousand Six Hundred Dollars** (**\$209,600**), including **one (1)** 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;
Two Thousand Nine Hundred Six Dollars
(\$2,096)
 - (b) Nine percent (9%) of the Right to Occupy Cost 10 days after the signing of this Right to Occupy Agreement; Eighteen Thousand Eight Hundred Sixty Four Dollars (\$18,864)
 - (c) Five percent (5%) of the Right to Occupy Cost within 90 days after the signing of this Right to Occupy Agreement; Ten Thousand Four Hundred Eighty Dollars
(\$10,480)
 - (d) Five percent (5%) of the Right to Occupy Cost upon shoring completed;
Ten Thousand Four Hundred Eighty Dollars
(\$10,480)
 - (e) Five percent (5%) of the Right to Occupy Cost upon the 1st basement slab poured; Ten Thousand Four Hundred Eighty Dollars
(\$10,480)
 - (f) Five percent (5%) of the Right to Occupy Cost upon Main Floor Slab poured;
Ten Thousand Four Hundred Eighty Dollars
(\$10,480)
 - (g) The final payment is due upon Occupancy permit; One Hundred Forty Six Thousand Seven Hundred Twenty Dollars (\$146,720)

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 insurance 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:

40 Oakburn Place #6
Toronto, Ontario M2N 2T2
@Tel(416)238-4840 ©416-909-7706

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.

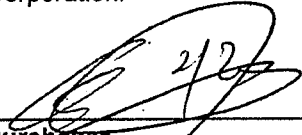
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this this 11th day of August, 2005 .

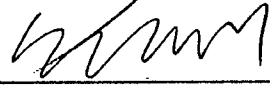
ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

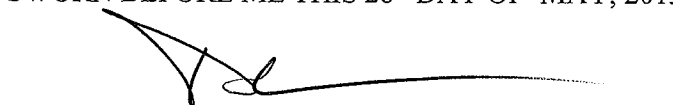
We have authority to bind the Corporation.


Purchaser


Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF HEE JUN PARK
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to read 'Philip Cho', is written above 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, Hee Jun Park & Na Rae Choi (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 11th day of August, 2005. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$62,880) (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.

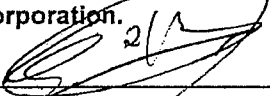
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 11th day of August, 2005.

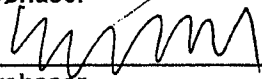
**ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC**

Per: 

Per: _____

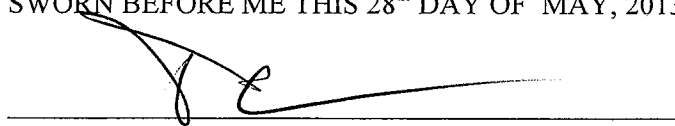
**We have authority to bind the
Corporation.**

 2/1
Purchaser


Purchaser

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF HEE JUN PARK
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.

SECURITY RECEIPT

DATE Aug. 12, 2005 207925

RECEIVED FROM HEE JUN PARK OR NA RAE CHOI

ADDRESS 40 Oakburn Place #6
Toronto, Ont. M2N 2T2

FOR Unit # LP8 (Ten Thousand Ninety Six Dollars) DOLLARS (\$ 2,096.⁰⁰)

FROM _____ TO _____ TAX REG. NO. _____

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

BY as per Rose of Sharon
J. Lee

SECURITY RECEIPT

DATE Feb 10, 2007 602772

RECEIVED FROM Hee Jun Park & Na Rae Choi

ADDRESS _____

FOR Unit # LP8 (Thirty One Thousand Four Hundred Forty Dollars) DOLLARS (\$ 31,440)

FROM _____ TO _____ TAX REG. NO. _____

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

BY as per Ros
J. Lee

SECURITY RECEIPT

DATE March 7, 2006 602606

RECEIVED FROM HEE JUN PARK & NA RAE PARK

ADDRESS as on agreement.

FOR Unit # LP8 (Ten Thousand Four Hundred Eighty Dollars) DOLLARS (\$ 10,480.⁰⁰)

FROM _____ TO _____ TAX REG. NO. _____

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

BY as per Rose of Sharon
J. Lee

SECURITY RECEIPT

DATE Nov. 18, 2005 602601

RECEIVED FROM Ms Na Rae Choi

ADDRESS _____

FOR Rose of Sharon Unit # LP8 (Eighteen Thousand Four Dollars) DOLLARS (\$ 18,400)

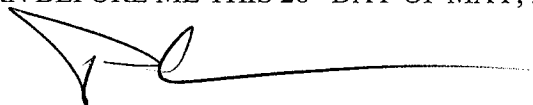
FROM _____ TO _____ TAX REG. NO. _____

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

BY as per Rose of Sharon
J. Lee

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF HEE JUN PARK
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

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

Philip Cho
A Commissioner, etc.

ACKNOWLEDGEMENT AND POSTPONMENT

LPS

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:

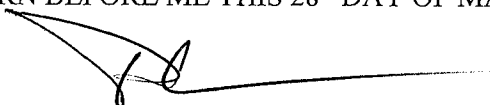
[Signature]

[Signature]
Name: ~~HEE JUNG PARK~~ & NA KAE CHOI
Unit Number: LP8

Name:
Unit Number:

T A B L E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF HEE JUN PARK
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, appearing to be "Philip Cho", is written above 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 -

Park, Hee Jun / Choi, Na Rae

(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 1112 (LP8) 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 Two Hundred Nine Thousand and Six Hundred Dollars (\$209,600.00) (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 One Hundred Forty Six Thousand and Seven Hundred Twenty Dollars (\$146,720.00);
 - 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 : 11 Beethoven Crt, Toronto, ON M2H1W1

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

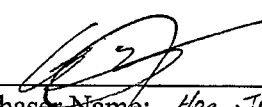
SIGNED, SEALED AND DELIVERED) **ROSE OF SHARON (ONTARIO)**
) **RETIREMENT COMMUNITY INC.**

)
) Per: 

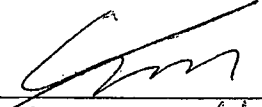
Per: _____

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

 Witness

) 
 Purchaser Name: Hee Jun Park

 Witness

) 
 Purchaser Name: Na Rae Cho

PROMISSORY NOTE

Amount: \$146,720.00

Date: April 1, 2010

FOR VALUE RECEIVED \$146,720.00 ("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 Six Thousand and Seven Hundred Twenty Dollars (\$146,720.00) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 1112 (LP8).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: 11 Beethoven Crt, Toronto, ON M2H1W1

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 Ninety Nine Dollars and Fifty Six Cents (\$999.56) 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 - Hee Jun Park



Ha Rae Cho



The Lender

JOHN YOON, CEO
ROSE OF SHARON

q:\49149.589\49.569.002\promissory note - v2.doc (1)

Hee Jun Park

Loan Date: Apr 01, 2010
Compounded: Semi-annually

Loan Type: Normal
Period: 2.000 Year(s)

Principal: \$146,720.00
Total Payments: \$165,033.77

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$999.56	\$0.00	\$999.56	\$145,720.44
2	May 01, 2010	6.7500%	\$999.56	\$808.38	\$191.18	\$145,529.26
3	Jun 01, 2010	6.7500%	\$999.56	\$807.32	\$192.24	\$145,337.02
4	Jul 01, 2010	6.7500%	\$999.56	\$806.26	\$193.30	\$145,143.72
5	Aug 01, 2010	6.7500%	\$999.56	\$805.18	\$194.38	\$144,949.34
6	Sep 01, 2010	6.7500%	\$999.56	\$804.11	\$195.45	\$144,753.89
7	Oct 01, 2010	6.7500%	\$999.56	\$803.02	\$196.54	\$144,557.35
8	Nov 01, 2010	6.7500%	\$999.56	\$801.93	\$197.63	\$144,359.72
9	Dec 01, 2010	6.7500%	\$999.56	\$800.83	\$198.73	\$144,160.99
10	Jan 01, 2011	6.7500%	\$999.56	\$799.73	\$199.83	\$143,961.16
11	Feb 01, 2011	6.7500%	\$999.56	\$798.62	\$200.94	\$143,760.22
12	Mar 01, 2011	6.7500%	\$999.56	\$797.51	\$202.05	\$143,558.17
13	Apr 01, 2011	6.7500%	\$999.56	\$796.39	\$203.17	\$143,355.00
14	May 01, 2011	6.7500%	\$999.56	\$795.26	\$204.30	\$143,150.70
15	Jun 01, 2011	6.7500%	\$999.56	\$794.13	\$205.43	\$142,945.27
16	Jul 01, 2011	6.7500%	\$999.56	\$792.99	\$206.57	\$142,738.70
17	Aug 01, 2011	6.7500%	\$999.56	\$791.84	\$207.72	\$142,530.98
18	Sep 01, 2011	6.7500%	\$999.56	\$790.69	\$208.87	\$142,322.11
19	Oct 01, 2011	6.7500%	\$999.56	\$789.53	\$210.03	\$142,112.08
20	Nov 01, 2011	6.7500%	\$999.56	\$788.37	\$211.19	\$141,900.89
21	Dec 01, 2011	6.7500%	\$999.56	\$787.19	\$212.37	\$141,688.52
22	Jan 01, 2012	6.7500%	\$999.56	\$786.02	\$213.54	\$141,474.98
23	Feb 01, 2012	6.7500%	\$999.56	\$784.83	\$214.73	\$141,260.25
24	Mar 01, 2012	6.7500%	\$142,043.89	\$783.64	\$141,260.25	\$0.00
Fiscal 2012 Totals			\$165,033.77	\$18,313.77	\$146,720.00	
Running Totals to Q1 of 2012			\$165,033.77	\$18,313.77	\$146,720.00	

Hee Jun Park

Loan Date: Apr 01, 2010
 Compounded: Semi-annually

Loan Type: Normal
 Period: 2.000 Year(s)

Principal: \$146,720.00
 Total Payments: \$165,033.77

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$999.56	\$0.00	\$999.56	\$145,720.44
2	May 01, 2010	6.7500%	\$999.56	\$808.38	\$191.18	\$145,529.26
3	Jun 01, 2010	6.7500%	\$999.56	\$807.32	\$192.24	\$145,337.02
4	Jul 01, 2010	6.7500%	\$999.56	\$806.26	\$193.30	\$145,143.72
5	Aug 01, 2010	6.7500%	\$999.56	\$805.18	\$194.38	\$144,949.34
6	Sep 01, 2010	6.7500%	\$999.56	\$804.11	\$195.45	\$144,753.89
7	Oct 01, 2010	6.7500%	\$999.56	\$803.02	\$196.54	\$144,557.35
8	Nov 01, 2010	6.7500%	\$999.56	\$801.93	\$197.63	\$144,359.72
9	Dec 01, 2010	6.7500%	\$999.56	\$800.83	\$198.73	\$144,160.99
10	Jan 01, 2011	6.7500%	\$999.56	\$799.73	\$199.83	\$143,961.16
11	Feb 01, 2011	6.7500%	\$999.56	\$798.62	\$200.94	\$143,760.22
12	Mar 01, 2011	6.7500%	\$999.56	\$797.51	\$202.05	\$143,558.17
13	Apr 01, 2011	6.7500%	\$999.56	\$796.39	\$203.17	\$143,355.00
14	May 01, 2011	6.7500%	\$999.56	\$795.26	\$204.30	\$143,150.70
15	Jun 01, 2011	6.7500%	\$999.56	\$794.13	\$205.43	\$142,945.27
16	Jul 01, 2011	6.7500%	\$999.56	\$792.99	\$206.57	\$142,738.70
17	Aug 01, 2011	6.7500%	\$999.56	\$791.84	\$207.72	\$142,530.98
18	Sep 01, 2011	6.7500%	\$999.56	\$790.69	\$208.87	\$142,322.11
19	Oct 01, 2011	6.7500%	\$999.56	\$789.53	\$210.03	\$142,112.08
20	Nov 01, 2011	6.7500%	\$999.56	\$788.37	\$211.19	\$141,900.89
21	Dec 01, 2011	6.7500%	\$999.56	\$787.19	\$212.37	\$141,688.52
22	Jan 01, 2012	6.7500%	\$999.56	\$786.02	\$213.54	\$141,474.98
23	Feb 01, 2012	6.7500%	\$999.56	\$784.83	\$214.73	\$141,260.25
24	Mar 01, 2012	6.7500%	\$142,043.89	\$783.64	\$141,260.25	\$0.00
Fiscal 2012 Totals			\$165,033.77	\$18,313.77	\$146,720.00	
Running Totals to Q1 of 2012			\$165,033.77	\$18,313.77	\$146,720.00	

TAB 15

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 OK JEON
(Sworn May 28, 2013)**

I, Young Ok Jeon, 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 709 and 711 (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 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 in 1946. I came to Canada in 1983 after marrying my husband who had already immigrated to Canada. I have worked for the last 17 years as a personal support worker. Most recently, I was employed at the Rose nursing home but

since February of this year, I have had to take a leave of absence in order to care for my husband, who suffered a car accident last year and whose condition is worsening.

8. Like Ms. Kang, my command of the English language is limited and I adopt her statements in paragraphs 18 – 20 of the Kang Affidavit. 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. Like Hae Jeong Kang, my husband and I first learned about the Project from John. As early as 1996, we agreed to support the plans for the Project.

10. I strongly believed in the importance of the Project for the Korean-Canadian community and wanted to support the Project, and I adopt paragraphs 25 and 26 of the Kang Affidavit.

11. 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

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”. At the outset, I believed that I was purchasing my own property.

13. It was on that basis that I agreed to purchase a unit from Rose. Attached hereto and marked as Exhibit "A" is a copy of the Right to Occupy Agreement for my Units, dated October 26, 1996.

14. ^{pc ✓ JS.} Initially, my RTOA was for one unit but later it was ~~changed to a larger unit that~~ ^{pc ✓ JS} was divided into two with a partition wall. We have an access door between the Units.

15. 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.

16. 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 particular, regarding the notion of "purchase". I also would not have agreed to purchase the Units if I was aware of the risk that I could lose the Units because Rose did not comply with its obligations to Peoples.

17. 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.

C. Deposits Paid

18. John expressed the need for money to ensure the Project started at the beginning. He encouraged me to help in any way that I could. As such, being of very modest income, I would paid small amounts whenever I had the means. Sometimes these amounts were \$500, sometimes \$1000, sometimes more. I went as often as once every two weeks (when I received my pay cheque). I believe I received a receipt each time but I cannot locate these as they date back more than 15 years ago.

19. The Receiver has summarized my payments in the Payment Summary which is attached as Exhibit "K" to the Kang Affidavit. I have reviewed the Payment Summary and it appears to reflect what I paid.

D. Postponement

20. Attached hereto and marked as Exhibit "B" is a copy of the Acknowledgment and Postponement that I signed and is dated April 30, 2007.

21. My experience was similar to what is set out in paragraphs 71 – 75 of the Kang Affidavit, except I believe John would have explained the purpose of the document, however I do not recall John what this explanation may have been. John did not suggest that I consult a lawyer before signing. If I had known the risk to my deposits, I would not have paid them to Rose.

E. Loans to Rose of Sharon

22. Attached and marked as Exhibit "C" are copies of a number of documents entitled "Promissory Note". I remember John asked me, from to time, if I was able to pay any of the purchase price in advance because the Project was short of money. I agreed to do so whenever I could. I understood that these payments were paid towards the purchase price. Interest would be earned because I was making these payments in advance of when they were due.

23. From the time of the RTOA to the time I moved into the Units, 14 years had passed. I made many payments during this time, which appears to be summarized by the Receiver in the Payment Summary.

24. I know that I paid more than the purchase price of my Units. I asked the superintendent at the time how much I had overpaid. He told me it was approximately \$30,000.

F. The Amended RTOA

25. Attached hereto and marked as Exhibit "D" is a copy of the Amended RTOA for my Units.

26. The Amended RTOA sets out the purchase price for the Units. It is set out as \$246,846. I do not recall how this purchase price was calculated or arrived at after signing the RTOA in 1996, which set out a purchase price of \$151,538. However, I trusted John that this was the right price.

27. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA for me in great detail. I do recall that as the date for closing approached, I tried to obtain a mortgage for my Units. I was told that because it was not a condominium, I could not get a mortgage.

28. I asked John and the architect, “Victor”, to explain this situation. They explained that the Project was not a condominium now, but within 6 months to one year, it would be approved and converted to a condominium. I believed and trusted John whole-heartedly.

29. I wanted to pay off the purchase price, to help the Project, and to avoid paying 6.75% interest. I caused some of my husband’s insurance settlement proceeds to be paid towards the balance of the purchase price. Again, it appears that all of my payments are summarized in the Payment Summary.

30. As such, I believe that I have paid in full for my Units and I 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.

G. Prejudice to Lose Unit

31. If I cannot keep the Units 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 Units, in excess of \$275,000. Our family struggled for many years to try to purchase these Units. During the construction phase, I required our family to live in small, affordable apartments so that we could continue to support the Project and eventually own our Units. We have been very happy

now that this has finally happened. My children, though older now, have a residence where they can invite friends and we can be proud of. We could not do that before.

32. It would be devastating to our family if we lost the Units, our home, and all of the money that we paid to Rose. My husband is not well and is under a disability. We have very limited income and the cost of care and legal fees related to his accident and care is significant. It would be a significant hardship to have to find a new place to live, given our present circumstances.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)



YOUNG OK JEON

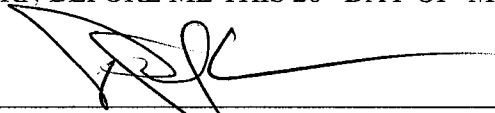
Philip Cho
A Commissioner, etc.

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 YOUNG OK JEON
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.

NEW ADDRESS: Mrs. Jean
177 St. George
Apt. #404
Toronto; M5R 2M5
(416) 963-5627

RIGHT TO OCCUPY AGREEMENT
(Founding Member)

THIS AGREEMENT made in duplicate this 26th day of OCTOBER, 1996.

BETWEEN:

AF

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

- and -

[Handwritten signature]

of the City of

, in the Municipality of

in the Province of

✓ moved
Mrs. Clark
534/4329
ADDRESS: 693 EUCLID AVE.
M6G 2T8
(416) 963-5627

(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 Canada 1, 508 (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.

*moved to unit #607
same price & same area.*

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 One Thousand Five Hundred Thirty Eight (\$151,538.⁰⁰), including No. () parking space(s) (all being hereinafter called the "Right to Occupy Cost") in accordance with paragraphs 6 hereof.

change to unit # 511/512

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 _____ day of _____, 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 _____ () 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 Five Thousand (\$45,000) on October 20, 1996;

(b) A further twenty percent (20%) of the Right to Occupy Cost, being Thirty Thousand Three Hundred Seven (\$30,307) on February 20, 1997;

(c) A further twenty percent (15%) of the Right to Occupy Cost being Twenty Two Thousand Seven Hundred Thirty (\$22,730) upon receipt of building permit;

(d) A further twenty percent (20%) of the Right to Occupy Cost being Thirty Thousand Three Hundred Seven (\$30,307) 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, 199 . or any portion thereof, the estimated monthly maintenance fee is Two Hundred Fourteen (\$ 214.⁶⁰)
and 60/100

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 (ONTARIO)
RETIREMENT COMMUNITY INC.
156 FRONT STREET W. 6TH FLOOR
TORONTO, ONT. M5J 2L6

Notice may be given to the Resident at: 693 Euclid Ave.
Toronto, Ont.
M6G 2T8

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 26th day of October, 1996.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *J. Longman*

Per: _____

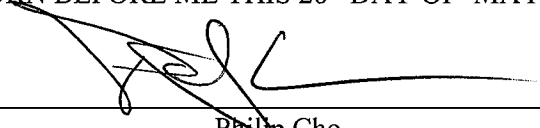
We have authority to bind the Corporation.

[Signature]
Resident

Resident

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF YOUNG OK JEON
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.

511
512

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]

[Signature]

Name: YOUNG OK CHUN
Unit Number: 511/512

Name:
Unit Number:

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF YOUNG OK JEON
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.

#709,711(511,512)

PROMISSORY NOTE

Amount : \$135,402.00

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 Young Ok Jeon, on account with the right of survivorship, the sum of One Hundred Thirty Five Thousand and Four Hundred Two Dollars (\$135,402.00), 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 (\$90,402)as of Oct 1,2010
2. The promissory note (\$45,000)as of Oct 12,2010

The copy is attached.

Monthly Payment : \$761.64

#709,711(511,512)

PROMISSORY NOTE

Amount : \$45,000.00

Date: October 11, 2010

Interest : 6.75% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Young Ok Jeon, on account with the right of survivorship, the sum of Forty Five Thousand Dollars (\$45,000.00), in lawful money of Canada together with interest thereon at the rate of 6.75% percent per annum.

DATED at Toronto, Ontario on this 11th day of October, 2010.

Rose of Sharon (Ontario) Retirement Community

Per _____.

Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

#709,711(511,512)

PROMISSORY NOTE

Amount : \$90,402.00

Date: October 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 Young Ok Jeon, on account with the right of survivorship, the sum of Ninety Thousand and Four Hundred Two Dollars (\$90,402.00), 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 October, 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 (\$87,290) as of May 1,2010
The copy is attached.

Monthly Payment : \$508.52

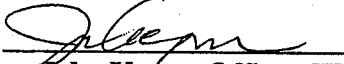
#709,711(511,512)

PROMISSORY NOTE**Amount : \$87,290.00****Date: May 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 Young Ok Jeon, on account with the right of survivorship, the sum of Eighty Seven Thousand and Two Hundred Ninety Dollars (\$87,290.00), 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 May, 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 (\$17,000) as of Oct 06,2006
2. the promissory note (\$3,000) as of Oct 17,2006
3. the promissory note (\$10,000) as of Oct 23,2006
4. the promissory note (\$10,000) as of Jan 11,2007
5. the promissory note (\$10,000) as of Aug 13,2008
6. the promissory note (\$10,000) as of May 14,2009
7. the promissory note (\$9,950) as of Aug 25,2009

The copy is attached.

Monthly Payment : \$491.00

PROMISSORY NOTEAmount : \$ 9,950.⁰⁰ -Date: ^{Aug 25} ~~July~~, 2009

Interest : 0 % per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to *Mrs. Jeon*, on account with the right of survivorship, the sum of *Ninety Nine Hundred Fifty* DOLLARS (\$9,950.⁰⁰ -), in lawful money of Canada together with interest thereon at the rate of 0% percent per annum.

DATED at Toronto, Ontario on this ^{Aug 25} day of ~~July~~, 2009.
J.Y.

Rose of Sharon (Ontario) Retirement Community

Per *John Yoon*
 Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

PROMISSORY NOTE

Amount : \$ 10,000

Date: May 14, 2009

Interest : 11% per annum


Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Young Ok Jeon 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 14th day of May , 2009.

Rose of Sharon (Ontario) Retirement Community

Per


Name: JOHN Yoon Office: CEO

I have authority to bind the corporation.

PROMISSORY NOTE

Amount : \$10,000

Date: August 13,2008

Interest : 0 % per annum

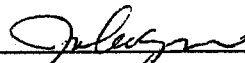
Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Young Ok Jeon, on 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 % percent per annum.

DATED at Toronto, Ontario on this 13th day of August , 2008.

Rose of Sharon (Ontario) Retirement Community

Per



Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

To review
S/B DATE 2006

PROMISSORY NOTE

Amount : \$ 10,000.⁰⁰

Date: Oct. 23, 2007

Interest : 9% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Mrs. Young OK Jeon and ~~J.J.~~, on ~~joint~~ account with the right of survivorship, the sum of Ten Thousand DOLLARS (\$ 10,000.⁰⁰), in lawful money of Canada together with interest thereon at the rate of 9% percent per annum, compounded monthly.

DATED at Toronto, Ontario this 23rd day of October, 2006.

Rose of Sharon (Ontario) Retirement Community

Per John Yoon
Name: JOHN YOON Office: CEO
I have authority to bind the corporation.

Document/demandnote

PROMISSORY NOTE

copy

cash

Amount : \$ 10,000 .

Date: January 12, 2007

Interest : 11% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Mrs. Young ^{TEON}OK, 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, compounded monthly.

DATED at Toronto, Ontario this 12th day of January, 2007.

Rose of Sharon (Ontario) Retirement Community

Per



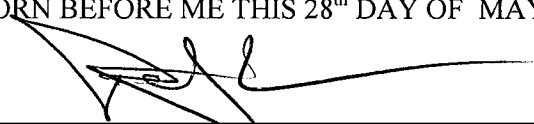
Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF YOUNG OK JEON
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 May, 2010.

BETWEEN:

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

(herein "Rose")

- and -

Jeon, Young Ok

(herein "Purchaser")

WHEREAS a Right to Occupy Agreement was entered into between Rose and the Purchaser on the 1st day of May, 2010; in respect of unit 709,711 (511,512)

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 Two Hundred Forty Six Thousand and Eight Hundred Forty Six Dollars (\$246,846.00) (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 Five Thousand and Seven Hundred Thirty Eight Dollars (\$105,738.00);
 - 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 : 177 St. George St. #404 Toronto, ON M5R2M5

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

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

)

) Per: *[Signature]*

) Per: _____

)

) I/We have authority to bind the corporation.

)

) *Young OK - Jeon*

Witness

Purchaser Name:

Witness

Purchaser Name:

TAB 16

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 BOG SHIM SHIN
(Sworn May 28, 2013)**

I, Bog Shim Shin, 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 803 (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. I am of Korean heritage and was born in South Korea in 1955. I came to Canada in 1997 alone, as my husband passed away in 1985. I am a single mother, and currently work part-time at a Korean church in Toronto. Since last year, I have had to apply for and have been receiving social assistance.

8. Like Ms. Kang, my command of the English language is limited and I adopt her statements in paragraphs 18 – 20 of the Kang Affidavit. 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. Like Hae Jeong Kang, I first learned about the Project from John. I first saw a brochure for Rose at the Korean Exchange Bank. I contacted John and visited him at his office. He explained his vision and the Project. He informed that he was also a devout Christian and as such, I trusted him wholeheartedly.

10. I believed in the importance of the Project for the Korean-Canadian community and wanted to support the Project, and as such, I also adopt paragraphs 25 and 26 of the Kang Affidavit.

11. Based on what John told me, I also believed that the Project would be generally 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”. However, I do specifically recall being told by John that the Project would be converted to a condominium. He

said that it would begin as an apartment, but it will become a condominium. Thus, I believed I was purchasing a condominium.

13. It was on that basis that I agreed to purchase a unit from Rose. Attached hereto and marked as Exhibit "A" is a copy of the Right to Occupy Agreement for my Unit, dated December 30, 1999.

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 I also share the belief regarding the notion of "purchase" set out therein. 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. 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

17. I have paid a total of \$39,500 in deposits in the following manner:

- a. On December 30, 1999, I paid \$3,500;
- b. On June 30, 2003, I paid \$4,000;
- c. On July 30, 2003, I paid \$3,500;
- d. On February 4, 2004, I paid \$8,500;
- e. On April 6, 2006, I paid \$10,000; and
- f. On December 12, 2006, I paid \$10,000.

18. Making the deposit payments was very difficult for me. I borrowed money from relatives in South Korea, saved whatever little I could, and borrowed from my sons. It became very difficult for me and I had told John that I wanted to cancel the RTOA. However, John persuaded me to be patient, and that the Project was getting support, and would be completed soon. He was aware of the difficulty I had making the deposit payments and never demanded strict compliance with the RTOA in this regard.

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 "B" is a copy of the Acknowledgment and Postponement that I signed and is dated April 30, 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 from Rose of Sharon

22. As I indicated, it was very difficult for me to make the payments required under the deposit schedule. Thus, in January 2007, John offered to loan me the balance required to meet the deposit requirement, which was \$54,500.

23. I was grateful for this opportunity, as I believed I was moving closer to my goal of being able to own a condominium that my sons could invite their friends to. Since we have been in Canada, we have always lived in very small apartments and my sons could not invite any friends over. Our living accommodations were never anything to be proud of. But I believed, John was giving me an opportunity to own something that we could be proud of.

24. I have tried to pay back this loan since that time. I paid \$20,000 in October 2008, \$10,000 in May 2009 and a further \$10,000 in July 2009. Since that time, I have not been able to pay any further amounts.

E. The Amended RTOA

25. Attached hereto and marked as Exhibit “C” is a copy of the Amended RTOA for my Unit.

26. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA to me in great detail.

27. 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 mortgage for the Unit.

F. Prejudice to Lose Unit

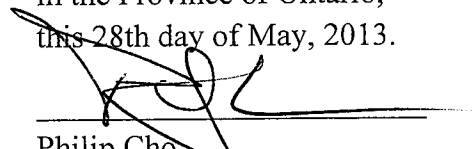
28. If I cannot keep the Unit and am unable to recover the monies that I have paid to Rose, the financial impact on me will be tremendous. I have a very modest income and have struggled as a single mother. To lose everything that I put into acquiring the Unit would be devastating.

29. I am currently renting out the Unit to a friend. However, I have always intended to use the Unit for me and my sons. I cannot bear the thought of losing the Unit in this manner.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)



BOG SHIM SHIN



Philip Cho
A Commissioner, etc.

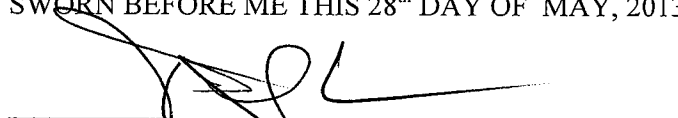
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF BOG SHIM SHIN
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.

AR

RIGHT TO OCCUPY AGREEMENT

(Regular Purchaser--Type A)

THIS AGREEMENT made in duplicate this 30th day of December, 1999.

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

- and -

Ms. BOG SHIM SHIN
2433 FINCH AVE. W.
Apt. 604

of the City of Toronto

in the Province of Ontario
M9M 2E5

(hereinafter referred to as the "Resident")

229-6497?
~~229-2170 (W)~~
742-2165 (H)
~~(416) 888-2165 (C)~~
(647) 888-0083

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 Camellia, 동백꽃 (Unit #906) (the "Unit") along with the options and modifications as specified and described in the Schedule of Options and Modifications attached hereto.

change to UNIT # ~~805~~ #602

Type A

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 TEN THOUSAND DOLLARS (\$ 110,000), 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 Resident on or before the 1ST day of AUGUST, 1999 (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) Ten percent (10%) of the Right to Occupy Cost, being ELEVEN THOUSAND DOLLARS (\$ 11,000) upon execution of this agreement;
 AS OF DEC. 30, 1999, \$3500 (THIRTY FIVE HUNDRED DOLLARS) HAVE BEEN RECEIVED
 \$ 7500 (SEVENTY FIVE HUNDRED DOLLARS) NOT RECEIVED YET.
- (b) A further fifteen percent (15%) of the Right to Occupy Cost, being SIXTEEN THOUSAND FIVE HUNDRED DOLLARS (\$ 16,500) upon receipt of building permit;
- (c) A further twenty percent (20%) of the Right to Occupy Cost, being TWENTY TWO THOUSAND DOLLARS (\$22,000) upon construction 25% complete;
- (d) A further twenty percent (20%) of the Right to Occupy Cost, being TWENTY TWO THOUSAND DOLLARS (\$22,000) upon construction 50% complete;
- (e) A further twenty percent (20%) of the Right to Occupy Cost being TWENTY TWO THOUSAND DOLLARS (\$22,000) upon construction 75% complete;

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

- (f) The balance upon the Issuance of the Occupancy Permit.

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.

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;

Type A

- (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 Association 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.

Type A

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 by 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 stored 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.

Type A

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 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 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 (Ontario)
Retirement Community
156 Front St. W.
Toronto, Ontario
M5J 2L6

Notice may be given to the Resident at: Ms. BOG SHIM SHIN
2433 FINCH AVE. W.
APT. 604
M9M 2E5

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.

Type A

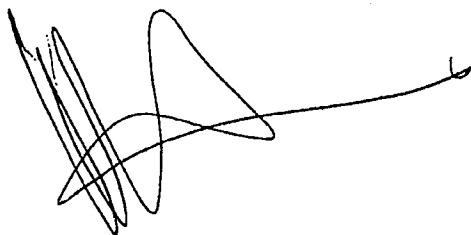
18. This Agreement and every term herein contained, shall be binding upon the Resident and his/her respective heirs, executors and administrators.

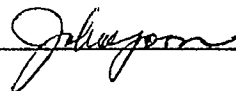
19. Where there are two or more Residents bound by the same terms herein contained, their obligations shall be joint and several.

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 ~~25th~~ day of ~~August, 1997.~~
30th December, 1999

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC



Per: 

Per: _____

We have authority to bind the Corporation.

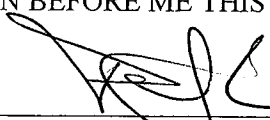


Resident _____

Resident _____

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF BOG SHIM SHIN
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



Philip Cho
A Commissioner, etc.

ACKNOWLEDGEMENT AND POSTPONMENT

Leo Z ✓

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:

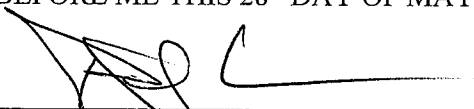
[Signature]

[Signature]
Name: *Shim, Day Shim*
Unit Number: *602*

Name:
Unit Number:

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF BOG SHIM SHIN
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 -

Shin, Bog Shim

(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 803 (602) 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 Forty Three Thousand Dollars (\$143,000.00) (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 Seventy Four Thousand and Nine Hundred Thirty Eight Dollars and Eighty Seven Cents (\$74,938.87);
 - 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 : 2433 Finch Ave. W. #604 Toronto, ON M9M2E5

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.
)

) SHIN BOG SHIM

 Witness

Purchaser Name:

 Witness

) 
 Purchaser Name:

TAB 17

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 EUNKYUNG YIM
(Sworn May 28, 2013)**

I, Eunkyung Yim, 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 806 (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. I am of Korean heritage and was born in South Korea in 1961. I came to Canada in 1997. I obtained my personal support worker ("PSW") certificate in 2004. From 2004 – 2011,

I was employed as a PSW at a nursing home in the Village in Taunton Mills. From 2011, I have been a PSW at the nursing home in the Project.

8. Like Kyung Yurl Lee, my command of the English language is good but not fluent, and like Mr. Lee, although part of my interview with Cho was in English, on many occasions, both Cho and I resorted to the Korean language in order to ensure comprehension and accuracy. 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. I first learned about the Project from an article in a Korean-language newspaper. I called the number listed and made an appointment. The person that I met with was John.

10. I personally 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 my discussions with John, I also believed that the Project would be as described in the Kang Affidavit at paragraph 29.

B. Initial Documentation

12. I adopt the statements described in paragraph 36 – 38 of the Kang Affidavit, except that I specifically recall John explaining that (a) the Project would be a “life lease” project and (b) I could be the “owner” of a unit. I did not understand the specific nature of the Project and it was not important to me whether the Project was called a “condo” or a “life lease”; what mattered to me was that John said I would own a unit if I purchased.

13. John also stated that Rose would be able to give me full-time employment as a PSW. Since I was working in the Whitby area at the time, and wanted to return to Toronto, this sounded ideal.

14. For all of these reasons, I agreed to purchase a unit from Rose. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated May 13, 2005. Attached hereto and marked as Exhibit “B” is a copy of the Acknowledgment and Consent Agreement, dated May 13, 2005.

15. 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. However, I cannot be sure but I vaguely recall that John may have briefly described that if we wanted to sell the Unit, Rose would have to do that for us, and we could not simply sell the Unit on our own.

16. My 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.

17. The ACA that I signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein.

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 Unit 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 Unit.

C. Deposits Paid

20. I have paid a total of \$54,851 in deposits as required by the RTOA in the following manner:

- a. On May 19, 2005, I paid \$1,828;
- b. On July 19, 2005, I paid \$16,455;

- c. On February 20, 2006, I paid \$9,142;
- d. On August 18, 2006, I paid \$9,142; and
- e. On December 5, 2006, I paid \$18,284.

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, 2007.

23. 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. I believe John told me that Rose's bank required this document to be signed by everyone before they would start lending money to Rose for construction. He did not suggest that my rights or interests would be compromised by this document.

E. The Amended RTOA

24. Attached hereto and marked as Exhibit "D" is an unsigned copy of the Amended RTOA for my Unit. I ~~believe that I signed one, but I cannot locate a signed copy.~~ *OK PC refused to sign this as I had requested certain changes that were not made in the Amended RTOA.* Cho advises *KZ* me that a signed Amended RTOA did not appear in the copies of documents provided by the Receiver. *OK*

25. However, as described in paragraphs 92 – 96 of the Kang Affidavit, I do not recall John explaining the Amended RTOA for me in great detail. Based on what John did say, I believed that the Amended RTOA set out the terms of my mortgage, which I later believed was with Peoples.

26. 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 mortgage for the Unit.

F. Prejudice to Lose Unit

27. If I cannot keep the Unit and am unable to recover the monies that I have paid to Rose, I will suffer significant prejudice. The Unit is my principal residence where I live with my husband. I have paid significant sums of money for the Unit, close to \$55,000. To lose this amount of money and to lose our home would cause us much hardship.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)

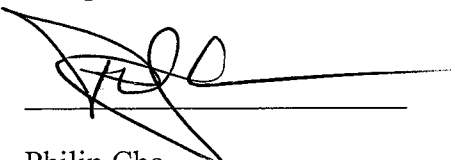


EUNKYUNG YIM



Philip Cho
A Commissioner, etc.

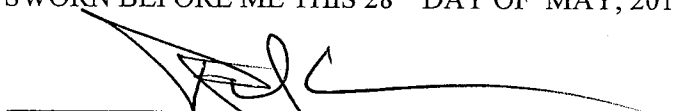
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF EUNKYUNG YIM
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 13th 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 -

Eunkyung Yim & ~~Morris Gawliko~~ ^{KIMTU KIM} *Kijazu* K.K. (June 14, '08)
9.9.

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 **#607** (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 Eight Hundred Thirty Eight Dollars (\$182,838) including Parking Space #11 & One Basement Locker** (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 Twenty Eight Dollars (\$1,828)**

(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 Fifty Five Dollars (\$16,455)**

(c) Five percent (5%) of the Right to Occupy Cost within 90 days after the signing of this Right to Occupy Agreement; **Nine Thousand One Hundred Forty Two Dollars (\$9,142)**

(d) Five percent (5%) of the Right to Occupy Cost upon shoring completed; **Nine Thousand One Hundred Forty Two Dollars (\$9,142)**

(e) Ten percent (10%) of the Right to Occupy Cost upon Main Floor Slab poured; **Eighteen Thousand Two Hundred Eighty Four Dollars (\$18,284)**

(f) The final payment is due upon Occupancy permit; **One Hundred Twenty Seven Thousand Nine Hundred Eighty Seven Dollars (\$127,987)**

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.

Ref # 2859075

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 replacement 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 5 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:

4-346 ELGIN COURT
OSHAWA ON L1J 2P4

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 13th day of May, 2005.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *[Signature]*

Per: _____

We have authority to bind the Corporation.

[Signature]

Purchaser

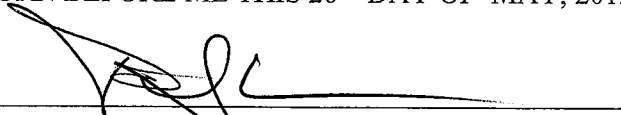
[Signature] June 14, 08
Purchaser

[Signature]
Purchaser

[Signature]
EK

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF EUNKYUNG YIM
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, ~~Zun Kyung Kim~~ ^{Kibyu Kim (Kibyu)}, individually and collectively called the "Purchaser", acknowledges and agrees as follows. ~~Herby's Cousin~~ ^{WJ}
 EK

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 **13th day of May, 2005**. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling **(\$54,851)** (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 13th day of May, 2005.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: *[Signature]*

Per: _____

We have authority to bind the Corporation.

[Signature]
Purchaser

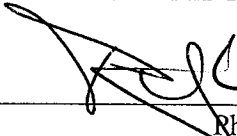
Kibyu (June 14, 08)
Purchaser

[Signature]
Purchaser

[Handwritten initials]
EK

TAB C

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



Philip Cho
A Commissioner, etc.

607 ✓

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.

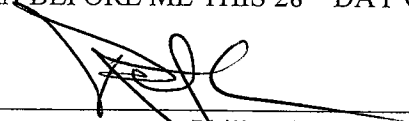
WITNESS:

[Signature]

x [Signature]
Name: TIM, EUN KYUNG & MORRIS GARVALKO
Unit Number: 607
[Signature]
Name: _____
Unit Number: _____

TAB D

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



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 -

Yim, Eunkyung

(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 806 (607) 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 Eighty Two Thousand and Eight Hundred Thirty Eight Dollars (\$182,838.00) (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 Twenty Seven Thousand and Nine Hundred Eighty Seven Dollars (\$127,987.00);
 - 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;

- (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.

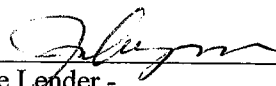
8. **INTERPRETATION AND GENERAL:**

- (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:\49\49.569\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: **\$127,987.00**Compounded: **Semi-annually**Interest Rate: **6.7500%**Exact Day: **No**Effective Rate: **6.8639%**Payment: **\$871.94**Payment Frequency: **Monthly**Period: **25.000 Years**Balloon Payment: **\$0.00**

PROMISSORY NOTE

Amount: \$127,987.00

Date: April 1, 2010

FOR VALUE RECEIVED \$127,987.00 ("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 Twenty Seven Thousand and Nine Hundred Eighty Seven Dollars (\$127,987.00) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 806 (607).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: 37 Colchester St. Markham, ON L6B1K4

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 Seventy One Dollars and Ninety Four Cents (\$871.94) 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.

- 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:

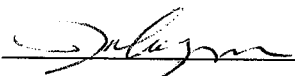
Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser

Address : 37 Colchester St. Markham, ON L6B1K4

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:

Rose of Sharon (Ontario) Retirement Community

email: roseofsharon@on.aibn.ca
 www.roseofsharon-home.com

165 VAUGHAN ROAD
 TORONTO, ONTARIO, M6C 2L9
 TEL: 416-979-7027 ext. 1
 FAX: 416-979-7035

INVOICE


Addressed to:

Name: Yim Eun Kyung & ~~Morris Gwaka~~
 Address: 37 Colchester St.
 City: Markham, ON, L6B 1K4

Date: 2009 08 10
 Invoice #: 001

Description	Total
Re: 607 807 Sub Hardwood Floor Upgrade	\$520.22

Recd: Sept. 24/09

All paid
He Jun Paul


Taxes	Subtotal	\$520.22
	PST	
	GST	\$26.01
	Total	\$546.23

Loan Date: Apr 01, 2010
Compounded: Semi-annually

Loan Type: Normal
Period: 2.000 Year(s)

Principal: \$127,987.00
Total Payments: \$143,962.48

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$871.94	\$0.00	\$871.94	\$127,115.06
2	May 01, 2010	6.7500%	\$871.94	\$705.17	\$166.77	\$126,948.29
3	Jun 01, 2010	6.7500%	\$871.94	\$704.24	\$167.70	\$126,780.59
4	Jul 01, 2010	6.7500%	\$871.94	\$703.31	\$168.63	\$126,611.96
5	Aug 01, 2010	6.7500%	\$871.94	\$702.38	\$169.56	\$126,442.40
6	Sep 01, 2010	6.7500%	\$871.94	\$701.44	\$170.50	\$126,271.90
7	Oct 01, 2010	6.7500%	\$871.94	\$700.49	\$171.45	\$126,100.45
8	Nov 01, 2010	6.7500%	\$871.94	\$699.54	\$172.40	\$125,928.05
9	Dec 01, 2010	6.7500%	\$871.94	\$698.58	\$173.36	\$125,754.69
10	Jan 01, 2011	6.7500%	\$871.94	\$697.62	\$174.32	\$125,580.37
11	Feb 01, 2011	6.7500%	\$871.94	\$696.66	\$175.28	\$125,405.09
12	Mar 01, 2011	6.7500%	\$871.94	\$695.68	\$176.26	\$125,228.83
13	Apr 01, 2011	6.7500%	\$871.94	\$694.71	\$177.23	\$125,051.60
14	May 01, 2011	6.7500%	\$871.94	\$693.72	\$178.22	\$124,873.38
15	Jun 01, 2011	6.7500%	\$871.94	\$692.73	\$179.21	\$124,694.17
16	Jul 01, 2011	6.7500%	\$871.94	\$691.74	\$180.20	\$124,513.97
17	Aug 01, 2011	6.7500%	\$871.94	\$690.74	\$181.20	\$124,332.77
18	Sep 01, 2011	6.7500%	\$871.94	\$689.74	\$182.20	\$124,150.57
19	Oct 01, 2011	6.7500%	\$871.94	\$688.72	\$183.22	\$123,967.35
20	Nov 01, 2011	6.7500%	\$871.94	\$687.71	\$184.23	\$123,783.12
21	Dec 01, 2011	6.7500%	\$871.94	\$686.69	\$185.25	\$123,597.87
22	Jan 01, 2012	6.7500%	\$871.94	\$685.66	\$186.28	\$123,411.59
23	Feb 01, 2012	6.7500%	\$871.94	\$684.62	\$187.32	\$123,224.27
24	Mar 01, 2012	6.7500%	\$123,907.86	\$683.59	\$123,224.27	\$0.00
Fiscal 2012 Totals			\$143,962.48	\$15,975.48	\$127,987.00	
Running Totals to Q1 of 2012			\$143,962.48	\$15,975.48	\$127,987.00	

TAB 18

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 SUN HWA LEE
(Sworn May 28, 2013)**

I, Sun Hwa 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 Units 810 and 812 (collectively, 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. I am of Korean heritage and was born in South Korea in 1958. I came to Canada in 1991. My husband is also of Korean heritage and was born in Korea. He came to Canada in 1980. For the last 18 years, we have owned and operated a convenience store in Scarborough.

8. Like Ms. Kang, my command of the English language is limited and I adopt her statements in paragraphs 18 – 20 of the Kang Affidavit. 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. Like Hae Jeong Kang, my husband I and first learned about the Project from John. We saw an advertisement for the Project in a Korean-language newspaper and called the number listed. John came to visit us at our store in Scarborough to tell us about the Project.

10. We also 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, we also believed that the Project would be as described in the Kang Affidavit at paragraph 29.

B. Initial Documentation

12. I adopt the statements at paragraphs 36 – 38 in the Kang Affidavit, except that I vaguely recall John mentioning the concept of a “life lease”. Despite mentioning a “life lease”, I specifically recall being told by John that the Project would be converted to a condominium when completed. Thus, I believed we were purchasing a condominium.

13. It was on that basis that we agreed to purchase a unit from Rose, which was to be for my parents-in-law. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated September 5, 2003. Attached hereto and marked as Exhibit “B” is a copy of the ^{✓ Letter of} Acknowledgment [✓] and [✓] ~~Consent Agreement~~, [✓] dated September 5, 2003.

14. After I signed the RTOA, we decided to purchase a second unit for ourselves. Rather than preparing a second RTOA, John had us amend the RTOA on its face.

15. My experience when first 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.

16. 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, except that I did not have the benefit of any legal advice beforehand, the belief 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.

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 \$98,946 in deposits as required by the RTOA in the following manner:

- a. On September 6, 2003, I paid \$18,500 (in three cheques);
- b. On September 11, 2003, I paid \$1,200;
- c. On December 22, 2003, I paid \$19,700;
- d. On July 13, 2006, I paid \$19,700; and
- e. On December 4, 2006, I paid \$10,000.

19. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced at Exhibit “K” of the Kang Affidavit. It also appears that the deposits have been allocated to the two different Units. I have no knowledge of how this was calculated.

D. Postponement

20. Attached hereto and marked as Exhibit "C" is a copy of the Acknowledgment and Postponement that I signed and is dated April 30, 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.

E. Loans to Rose of Sharon

22. During the course of construction, John often visited our store and complained about the lack of sufficient funds for the Project. He often asked if we had money that we could pay in advance to Rose, which would earn interest, then be applied to the purchase price owing on our Unit. He advised us that the money would be used for construction, but we would earn interest on the money paid in advance. We agreed to do so.

23. The first advance was in the amount of \$50,000 on October 4, 2006; the second was on October 12, 2006, in the amount of \$15,000; and the third, on December 22, 2006, in the amount of \$20,000. In return, John provided us with a number of documents entitled Promissory Note, copies of which are collectively attached and marked as Exhibit "D". Based on what John told me, I thought these "Notes" confirmed what I had paid in advance for the Units, which amounts would be used in the construction of the Project.

F. The Amended RTOA

24. Attached hereto and marked as Exhibit "E" is a copy of the Amended RTOA for my Unit.

25. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA for me in great detail.

26. In June 2010, John advised us what the closing balance was for the purchase of the Units (based on the increased price for the two Units). We provided him with our payment of \$227,900 for both Units. The Payment Summary prepared by the Receiver sets out this payment as well.

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.

28. I also agree with the statements set out in paragraphs 56 – 57 of the Lee Affidavit regarding the Promissory Notes, except as discussed above. I know John was asking for an advance that he would pay interest on, but the balance of the purchase price paid in June 2010 was certainly not intended to be a loan of any kind to Rose, and I certainly did not agree to borrow any amounts from Rose. This does not make sense to me.

G. Prejudice to Lose Unit

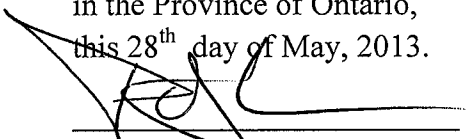
29. Our original intention was for my parent-in-law to live in one of the units and for my husband and I to live in the other. However, during the lengthy construction process, my mother-in-law passed away and my father-in-law became too ill to live independently. As such, our niece has taken one of the Units and pays some rent. Her friend is a tenant of the other Unit and pays \$1,500 per month.

30. 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 \$380,000, most of which I borrowed from a home equity line of credit. The financial impact of losing all of this money on our family will be devastating.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)

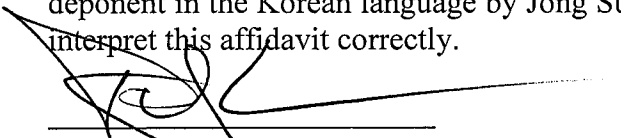


SUN HWA LEE



Philip Cho
A Commissioner, etc.

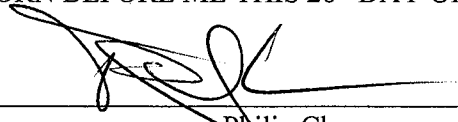
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

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



Philip Cho
A Commissioner, etc.

ASC

RIGHT TO OCCUPY AGREEMENT
(Founders' Circle)

THIS AGREEMENT made in duplicate this 5th day of September, 2003

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

(416) 759-5311

- and -
SUN-HWA LEE
8 EASTGATE CRES.

of the City of Scarborough,

in the Province of Ontario M1L 1W9

(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:

9.4 - #609 & #610 S.H

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 ~~#607, Gold Banded Lily~~ 9.4 S.H (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 Eighty Five Thousand~~ dollars

9.4 to be revised \$197,000 including parking
9.4 Two Hundred Ninety Seven Thousand Dollars S.H

297,000.00 g.y. S.H.
(\$ ~~185,000.00~~), including ~~Two~~ ^{g.y.} ~~(0)~~ ^{Two S.H.} 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 _____ (~~\$ 18,500.00~~). ^{g.y. Received \$69,100 S.H. Sixty nine Thousand One Hundred Dollars. Paid Sept. 5, 2003, g.y.}
- (b) A further ten percent (10%) of the Right to Occupy Cost, being _____ (~~\$ 18,500.00~~) upon receipt of Building Permit. ^{g.y. Deleted S.H.}
- (c) A further ten percent (10%) of the Right to Occupy Cost, being _____ (~~\$ 18,500.00~~) 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: 8 EASTGATE CRES.
SCARBOROUGH. ON.
M1L 1W9

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 5th day of September, 2003.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per: 

Per: _____

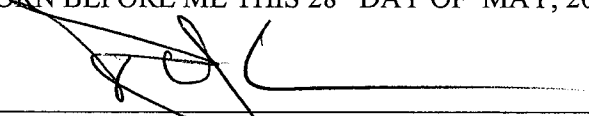
We have authority to bind the Corporation.


Purchaser


Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF SUN HWA 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.


Letter of Acknowledgement

Residence No. 809 ^{9.4} 609 #610 S.H


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 Sept. 5, 2003

Signature (Witness)


Signature (Purchaser)

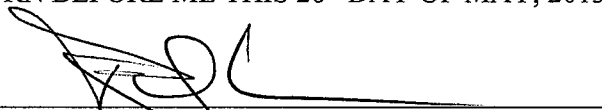
Signature (Witness)


Signature (Purchaser)

(This information is required for financial purposes)

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF SUN HWA 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.

609
x610

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:

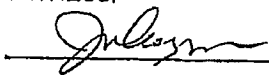
- 1. The undersigned acknowledge(s) that Community has assigned to the Lender, all of Community's right, title and interest in the Agreement including its right to receive all deposits paid or to be paid thereunder and all proceeds due to Community thereunder; and
- 2. The undersigned agree(s) and acknowledge(s) 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:

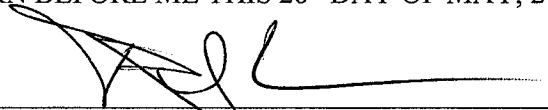



Name: LEE, SUN HWA
Unit Number: 609/610

Name:
Unit Number:

TAB D

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



Philip Cho
A Commissioner, etc.

PROMISSORY NOTE

"copy"

Amount : \$ 20,000.⁰⁰—

Date: Dec. 22, 2006

Interest : 11% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to SUN HWA LEE and ^{9.7.}, on joint ^{9.7.} account with the right of survivorship, the sum of *Twenty Thousand* DOLLARS (\$20,000.⁰⁰), in lawful money of Canada together with interest thereon at the rate of 11% per cent per annum, compounded monthly.

DATED at *Toronto*, Ontario this ^{22nd} ~~21~~ day of *December*, 2006.

Rose of Sharon (Ontario) Retirement Community

Per *John Yoon*

Name: *JOHN YOON* Office: *CEO*

I have authority to bind the corporation.

Document/demandnote

LOAN # 976 P & I \$ 30,000. - July 30/09

PROMISSORY NOTE

Amount : \$25,000

Date: July 31,2009

Interest : 0 % per annum

Due : On Demand

LEE, CHUK KWAN

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Sun Hwa Lee, on account with the right of survivorship, the sum of TWENTY FIVE THOUSAND DOLLARS (\$25,000), in lawful money of Canada together with interest thereon at the rate of 0% percent per annum.

DATED at Toronto, Ontario on this 31th day of July, 2009.

Rose of Sharon (Ontario) Retirement Community

Per John Yoon

Name: John Yoon Office: CEO

I have authority to bind the corporation.

Document/demandnote

PROMISSORY NOTE

810, 812 (609, 610)

Amount : \$117,461.00

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 Sun Hwa Lee, on account with the right of survivorship, the sum of One Hundred Seventy Thousand and Four Hundred Sixty One Dollars (\$117,461.00), 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 (\$50,000) as of Oct 04, 2006
2. the promissory note (\$15,000) as of Oct 12, 2006
3. the promissory note (\$20,000) as of Dec 22, 2006

The copy is attached.

Monthly Payment : \$660.72

2010.05.18

PROMISSORY NOTE

Amount : \$118,551.00

Date: May 18, 2010

Interest : 8% per annum

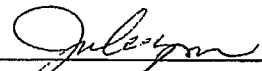
Due : September 18,2010

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Sun Hwa Lee, on account with the right of survivorship, the sum of One Hundred Eighteen Thousand and Five Hundred Fifty One Dollars (\$118,551.00), in lawful money of Canada together with interest thereon at the rate of 8% percent per annum.

DATED at Toronto, Ontario on this 18th day of May, 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 (\$117,461) issued as April 1, 2010.

The copy is attached.

#810,812(609,610)

PROMISSORY NOTE

Amount : \$227,900.00

Date: June 1, 2010

Interest : 6.75% per annum

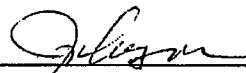
Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to Sun Hwa Lee, on account with the right of survivorship, the sum of Two Hundred Twenty Seven Thousand and Nine Hundred Dollars (\$227,900.00), 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 June, 2010.

Rose of Sharon (Ontario) Retirement Community

Per



Name: John Yoon Office: CEO


I have authority to bind the corporation.

Document/demandnote

Monthly Payment : \$1281.94

T A B L E

THIS IS EXHIBIT "E" REFERRED TO
IN THE AFFIDAVIT OF SUN HWA LEE
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



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 -

Lee, Sun Hwa

(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 810,812 (609,610) including Two (2) 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 Two Hundred Ninety Seven Thousand Dollars (\$297,000.00) (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 Two Hundred Twenty Seven Thousand and Nine Hundred Dollars (\$227,900.00);
 - 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;

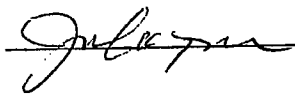
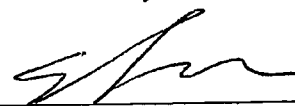
- f. Immediately due and payable in the event the Unit is sold or in the event the Purchaser is in default of the terms and conditions of the Right to Occupy Agreement.
- 3. This Agreement shall be construed in accordance with the laws of the Province of Ontario and treated in all respects as an Ontario 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 : 8 Eastgate Cres. Scarborough, ON M1L1W9

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:
)
) _____
) Purchaser Name:

 Witness

 Witness

TAB 19

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 MYUNG HEE KIM
(Sworn May 28, 2013)**

I, Myung Hee Kim, of the Town of Oakville, in the Regional Municipality of Halton,

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 907 (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. I am of Korean heritage and was born in Korea in 1953. My brother, Do Sung Jun, whose name also appears on the RTOA, resides in South Korea. I came to Canada in 1980 with my husband. Throughout most of our time in Canada, my husband and I owned and operated a convenience store, and continue to do so. We briefly operated a flower wholesale business many years ago.

8. Like Ms. Kang, my command of the English language is limited and I adopt her statements in paragraphs 18 – 20 of the Kang Affidavit. 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. I first learned about the Project from an article in a Korean-language newspaper. As a result, I attended a sales presentation on the Project. John conducted the presentation. I remember that the Project was described as a “lifestyle 99-year lease” that can be transferred to our children, and their children, and so on. My belief was that title would be different but almost the same as a condominium.

10. I wanted to purchase one for my mother, and I wanted the ability to pass it on to me or to my children after my mother passed away. I also believed in the importance of the

Project for the Korean-Canadian community, particularly people like my mother, and wanted to support the Project and adopt paragraphs 25 and 26 of the Kang Affidavit.

11. 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

12. I adopt the statements described in the Kang Affidavit at paragraphs 36 – 38, except that I do recall specifically that John explained the concept of a “life lease” as being just like a condominium, except in name. John never explained that it was significantly different than a condominium and thus, that I should consider my purchase carefully.

13. It was on that basis that I agreed to purchase a unit from Rose. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated November 27, 2004. Attached hereto and marked as Exhibit “B” is a copy of the Acknowledgment and Consent Agreement, dated November 27, 2004.

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. I note that the form of RTOA that I signed differs from the ones set out in the Kang Affidavit, Lee Affidavit and Cha Affidavit. However, it appears that my RTOA shares

many of the same terms and conditions, and structure, as the RTOA described in the Lee Affidavit. Clauses that are substantially similar to the clauses described and commented on in paragraphs 37 – 40 of the Lee Affidavit also appear in my RTOA but in different locations. I therefore adopt the statements made in the Lee Affidavit at paragraphs 37 – 40 as pertaining to these clauses, except that I did not have the benefit of any legal advice.

16. The ACA that I signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein, with the following exception:

- a. At paragraph 4, my ACA provides that the deposits may *not* be used by Rose for construction in the Project.

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. I have paid a total of \$66,299.91 in deposits as required by the RTOA in the following manner:

- a. On December 1, 2004, I paid \$2,210;
- b. On April 20, 2005, I paid \$19,890;
- c. On April 4, 2006, I paid \$11,050;
- d. On May 10, 2006, I paid \$11,050;
- e. On June 7, 2006, I paid \$21,726; and
- f. On December 11, 2006, I paid \$373.91.

20. I recognize that this is greater than what I was required to pay under the RTOA. When I was to pay the third deposit, John informed me that Rose was in need of money for the Project. John asked if I could pay more than what was required for my last deposit. I felt obligated and at the same time, was not overly concerned because this was money that I would have to pay anyway when the Project was complete. So I paid these additional amounts.

21. I do not recall receiving any document entitled "promissory note" in return.

22. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced at Exhibit "K" in the Kang Affidavit.

D. Postponement

23. Attached hereto and marked as Exhibit "C" is a copy of the Acknowledgment and Postponement that I signed and is dated April 30, 2007.

24. 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.

E. The Amended RTOA

25. Attached hereto and marked as Exhibit "D" is a copy of the Amended RTOA for my Unit.

26. As described in paragraphs 92 – 96 of the Kang Affidavit, which I adopt, I do not recall John explaining the Amended RTOA for me in great detail.

27. My Amended RTOA also had an amortization schedule, similar to the one described in the Cha Affidavit. 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 mortgage for the Unit.

F. Prejudice to Lose Unit

28. My mother, who was supposed to move into the Unit, has declined to move in given all of the problems surrounding the Project. I am also concerned about moving my mother into the Unit given the uncertainty regarding her ability to stay.

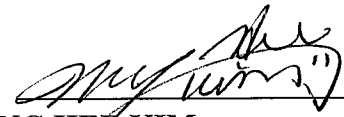
29. In addition, the building was not well constructed and we were not happy with the quality of the construction. We refused to pay any of the monthly charges for the Unit. The Unit remains vacant.

30. If necessary, and ordered by the Court, I am willing and able to pay up the arrears as determined by the Court.

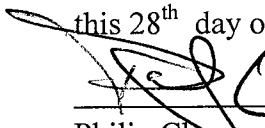
31. However, if I cannot keep the Unit and am unable to recover the monies that I have paid to Rose, I will suffer significant prejudice. Both my brother and I have contributed financially for the purchase of the Unit, close to \$70,000. It would be a very significant loss if we were not able to recover any of these monies.

SWORN BEFORE ME
at the City of Toronto
in the Province of Ontario,
this 28th day of May, 2013.)

)
)
)

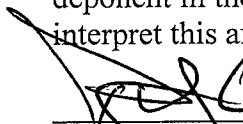


MYUNG HEE KIM



Philip Cho
A Commissioner, etc.

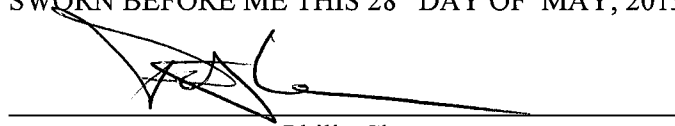
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF MYUNG HEE KIM
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.

M

RIGHT TO OCCUPY AGREEMENT
(Purchaser Type M)

THIS AGREEMENT made in duplicate this 27th day of November, 2004.

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 -

Myung Hee Kim & Jun Do Sung

of the City of Oakville,

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 #706 (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 Two Hundred Twenty One Thousand Dollars (\$221,000) 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 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; being Twent Two Hundred Ten Dollars (\$2,210)
- (b) Nine percent (9%) of the Right to Occupy Cost 90 days after the signing of this Right to Occupy Agreement; being Nineteen Thousand Eight Hundred Ninety Dollars (\$19,890)
- (c) Fifteen percent (15%) of the Right to Occupy Cost 180 days after the signing of this Right to Occupy Agreement; being Thirty Three Thousand One Hundred Fifty Dollars (\$33,150)
- (d) All final payments are due upon Occupancy permit, being One Hundred Sixty Five Thousand Seven Hundred Fifty Dollars (\$165,750)

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

APPLICABLE 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, Utilities 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 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 community may register the Long Term Care Lease.
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 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 insurance 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 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.

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:

498 Anthony Dr.
Oakville, Ontario L6J 2K5
Tel: 905-338-7783®
416-951-8407©
416-255-8406(B)

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 regulation 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 27th day of November, 2004.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

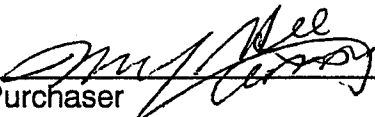


Per: 

Per: _____



We have authority to bind the Corporation.


Purchaser

Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF MYUNG HEE KIM
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 Agreement to Purchase attached to this Agreement, the undersigned, Myung Hee Kim & Jun Do Sung (individually and collectively called the "Purchaser"), acknowledges and agrees as follows:

1. The Purchaser has been advised by Rose (the "Vendor") 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 an agreement to purchase a life lease unit from the Vendor in the Life Lease Project, a copy of such agreement is attached as Schedule A to this Acknowledgment and Consent Agreement and is referred to herein as the "Agreement to Purchase" Pursuant to the Agreement to Purchase, the Purchaser is obligated to pay deposit installments totaling (\$55,250) (the "Deposit") on account of the purchase price as described in the Agreement to Purchase.

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 Vendor and its successors and assigns. In addition, on the date of executing this Agreement, the Purchaser acknowledges that he / she has received from the Vendor and subsequently reviewed with his/her solicitor a draft copy of the Right to Occupy Agreement (the "Right to Occupy Agreement") as referenced in the Agreement to Purchase. The Purchaser acknowledges that the Right to Occupy Agreement is in draft form and the Vendor has the right to amend the Right to Occupy Agreement, in its sole and absolute discretion, from time to time, until it is in a form acceptable to the Vendor. Notwithstanding any provision of the Agreement to Purchase to the contrary, the Purchaser agrees to execute the final version of the Right to Occupy Agreement forthwith after receiving execution copies from the Vendor 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 to Purchase is void for uncertainty or subject to any right of rescission because the Right to Occupy Agreement will not be finalized and / or executed by the parties until a future date.

4. The Deposit paid by the Purchaser will be held in trust and may not be used by the Vendor in the construction for the Project. The Deposit is 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 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 Right to Occupy 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 Vendor all financial and other information as the Vendor 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.

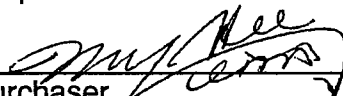
9. The Purchaser agrees that this Agreement and the Agreement to Purchase are binding on the Purchaser and his / her heirs, executors, administrators, personal legal representatives, successors and assigns. This Agreement and the Agreement to Purchase shall be for the benefit of and be binding upon each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

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 27th day of November, 2004.

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 MYUNG HEE KIM
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 extends to the right of the line.

Philip Cho
A Commissioner, etc.

APR-30-2007 01:05P FROM:LD STNE
From:820 Yonge St Suite 500 M4W 3C7

62559472
418 889 2884

TO:4165992884
04/30/2007 13:00

P.1
#068 P.002/002

706 ✓

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:

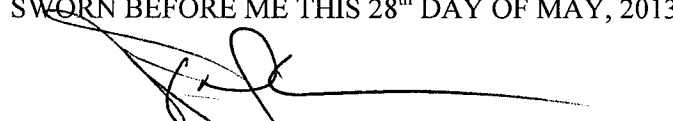
[Signature]

x [Signature]
Name: M. KIM & JUN DO SUNG
Unit Number: 706

Name: _____
Unit Number: _____

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF MYUNG HEE KIM
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.

BETWEEN:

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

(herein "Rose")

- and -

Kim, Myung Hee / Sung, Jun Do

(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 907 (706)

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 Two Hundred Twenty One Thousand Dollars (\$221,000.00) (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 Fifty Four Thousand and Seven Hundred Dollars (\$154,700.00);
 - 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:

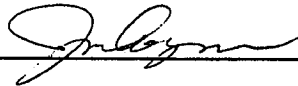
Vendor
 Rose of Sharon (Ontario) Retirement Community Inc.
 165 Vaughan Road, Toronto, ON M6C 2L9

Purchaser

Address : 107 Caulder Drive, Oakville, ON L6J4T2

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

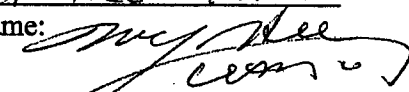
SIGNED, SEALED AND DELIVERED) ROSE OF SHARON (ONTARIO)
) RETIREMENT COMMUNITY INC.

) Per: 

) Per: _____

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

 Witness

) MYUNG-HEE KIM
 Purchaser Name: 

 Witness

) _____
 Purchaser Name:

TAB 20

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 HYANG OK HONG
(Sworn May 28, 2013)**

I, HYANG OK HONG, 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 am named on an agreement for Unit 911 (the "**Unit**"), which my husband, Hyung Do Bai, signed. My husband suffered a stroke two years ago and is not well enough to participate in these proceedings. However, I was involved with him in the purchase of 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. I am of Korean heritage and was born in Korea in 1948. I came to Canada in 1983 but did not settle here until 1989. My husband, who is also of Korean heritage, came to Canada in 1965. I worked from 1995 until my retirement in 2011 as a secretary in a Korean church. My husband owned a small cleaning company, which he later sold.

8. Like Ms. Kang, my command of the English language is limited and I adopt her statements in paragraphs 18 – 20 of the Kang Affidavit. 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. Like Hae Jeong Kang, my husband I and first learned about the Project from John. My husband was involved in fundraising initiatives in 1998 to help the Project get started.

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, 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 were purchasing a condominium.

13. It was on that basis that we agreed to purchase a unit from Rose. Attached hereto and marked as Exhibit “A” is a copy of the Right to Occupy Agreement for my Unit, dated December 23, 2002. Attached hereto and marked as Exhibit “B” is a copy of the Letter of Acknowledgment, dated December 23, 2002.

14. I attended with my husband to pick the Unit and sign the RTOA. I do not recall why I did not sign. However, 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. Our 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. I also adopt the statements contained therein regarding the notion of “purchase”, and we would not have agreed to purchase the Unit if we were aware of the risk that we could lose the Unit because Rose did not comply with its obligations to Peoples.

16. The LOA that my husband 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 my husband sign the documents, the inability to understand the RTOA, and the lack of knowledge regarding Peoples' interest in the Project and our Unit.

C. Deposits Paid

18. We have paid a total of \$44,260 in deposits as required by the RTOA in the following manner:

- a. On February 24, 2003, we paid \$2,000;
- b. On November 9, 2005, we paid \$10,000;
- c. On April 24, 2006, we paid \$12,260;
- d. On July 14, 2006, we paid \$10,000; and
- e. On January 20, 2007, we paid \$10,000.

19. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced at 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 my husband appears to have signed, dated April 26, 2007.

21. To the best of my knowledge, our 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 us or suggesting that we consult a lawyer before signing. We would not have agreed to risk our deposits in this manner.

E. Loans to Rose of Sharon

22. I remember that John often complained about the lack of sufficient funds for the Project. I remember John and my husband discussing the possibility of Rose borrowing money from us for the Project, and that the amounts borrowed would be credited to the purchase price of our Unit as amounts having been paid.

23. Based on this, I believe the documents attached and marked as Exhibit "D" confirms the amounts that we paid to Rose in advance for Rose's use in the Project. The total amount that we paid in advance is \$40,000.

F. The Amended RTOA

24. We never signed an Amended RTOA. We had a problem with our Unit because after it was completed, it did not have the balcony that it was supposed to have on the floor plans. We do not know why this occurred and we were not advised in advance. We complained

to John but by that time, the Project appeared to be in some financial trouble and John said that there was nothing he could do about it. We did not want to sign the Amended RTOA or move in to the Unit because we believed that would make us appear to have accepted the Unit without a balcony.

25. I should note that we retained two different lawyers to try to help us with this issue, but Rose was non-responsive. These lawyers did not provide us with any advice relating to life leases or any priority issue with Peoples.

26. A significant time passed and there had been no resolution of the balcony issue. However, in May 2011, John told us that the Project had been taken over by a legal process (which I understand now to be the receivership process) and provided us with the keys to the Unit. As a result, we had our son move into the Unit, despite there being no balcony.

27. Our son now lives there with his wife and 3-year old daughter. Our son also pays rent to us in the amount of \$800 per month.

28. On our monthly invoices for the Unit, there is an amount charged for principal and interest, in addition to the monthly maintenance fees. We have paid and continue to pay these amounts.

G. Prejudice to Lose Unit

29. If we cannot keep the Unit and are unable to recover the monies that we have paid to Rose, my husband and I, and my son and his family, will all suffer significant prejudice. My husband and I have paid significant sums of money for the Unit, close to \$85,000.

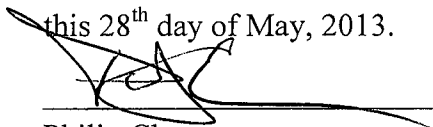
30. In addition, if we lose the Unit and my son and his family are forced to leave, they will need to find a new place to live.

31. We are on a modest fixed income now that we are retired and the loss of this Unit and all of the money paid in respect of this Unit would be devastating to us.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)

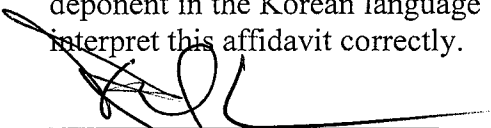


HYANG OK HONG



Philip Cho
A Commissioner, etc.

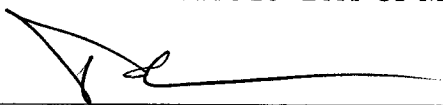
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF HYANG OK HONG
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.

AFC

RIGHT TO OCCUPY AGREEMENT
(Founders' Circle)

THIS AGREEMENT made in duplicate this ^{23rd} day of *December*, 2002

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

- and -

John & BAI & Hyang OK Hong.

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 711, ROSE R (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 EIGHTY TWO THOUSAND SIX HUNDRED DOLLARS

(\$ 182,600.⁰⁰), including ONE (1) 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 August, 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 of the Right to Occupy Cost, upon execution of this agreement, being _____ (\$ _____) on _____, 2002.
- (b) Ten percent (10%) of the Right to Occupy Cost, less deposit, being _____ (\$ 18,260.⁰⁰) within 30 days;
- (c) A further ten percent (10%) of the Right to Occupy Cost, being _____ (\$ 18,260.⁰⁰) upon the footings being complete;
- (d) A further ten percent (10%) of the Right to Occupy Cost, being _____ (\$ 18,260.⁰⁰) upon completion of the Main Floor slab.
- (e) 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 700
Toronto, Ontario
M4W 3C7

Notice may be given to the Purchaser at:

6 Kinnie Court.
Toronto, Ont.
M3H.2S9

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

Founders' Circle

from this Agreement and the remaining provisions hereof shall be binding upon the Purchaser and the Community.

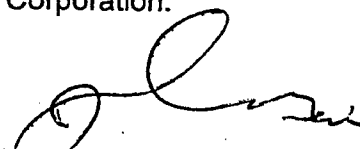
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this 23 day of Dec., 2002.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per:  _____

Per: _____

We have authority to bind the Corporation.

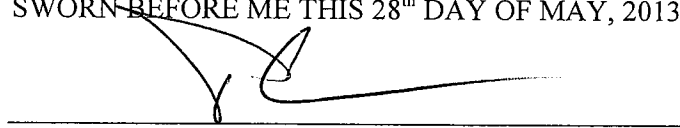


Purchaser

Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF HYANG OK HONG
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.

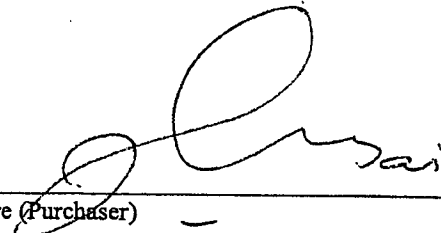
Letter of Acknowledgement

711 89.
EM5
Residence No. ~~#601/#602~~ 25.

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.

December 23, 2002
Date

Signature (Witness)


Signature (Purchaser)

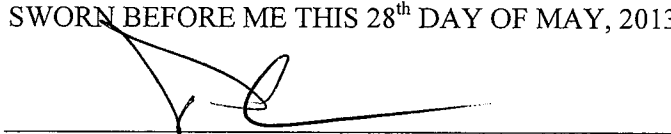
Signature (Witness)

Signature (Purchaser)

(This information is required for financial purposes)

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF HYANG OK HONG
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Philip Cho
A Commissioner, etc.

7/1 ✓

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:

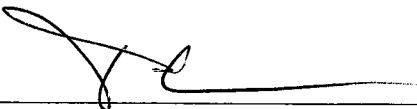



Name: JOHN BAI & HYANG OK HONG
Unit Number: 711

Name:
Unit Number:

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF HYANG OK HONG
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.

"copy"

PROMISSORY NOTE

Amount : \$ 30,000

Date: June 12, 2008

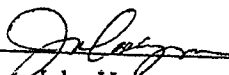
Interest : 9% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, ^{John Yoon, as CEO of} Rose of Sharon (Ontario) Retirement Community, promises to pay to Mr. John Bai, on account with the right of survivorship, the sum of Thirty Thousand DOLLARS (\$30,000), in lawful money of Canada together with interest thereon at the rate of % percent per annum, compounded monthly.

DATED at Toronto, Ontario on this 12th day of June, 2008.

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 14, 2009

Interest : 11% per annum

Due : On Demand

FOR VALUE RECEIVED, the undersigned, Rose of Sharon (Ontario) Retirement Community, promises to pay to JOHN BA 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 14th day of May , 2009.

Rose of Sharon (Ontario) Retirement Community

Per



Name: JOHN YOON Office: CEO

I have authority to bind the corporation.

Document/demandnote

#911(711)

PROMISSORY NOTE**Amount : \$46,576.00****Date: May 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 John Bai, on account with the right of survivorship, the sum of Forty Six Thousand and Five Hundred Seventy Six Dollars (\$46,576.00), 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 May, 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 Jun 12,2008
2. the promissory note (\$10,000) as of May 14,2009

The copy is attached.

Monthly Payment : \$262.00

#911(711)

PROMISSORY NOTE

Amount : \$48,386.00

Date: October 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 John Bai, on account with the right of survivorship, the sum of Forty Eight Thousand and Three Hundred Eighty Six Dollars (\$48,386.00), 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 October, 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 Jun 12,2008
2. the promissory note (\$10,000) as of May 14,2009

The copy is attached.

Monthly Payment : \$272.18

TAB 21

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 CHANG JOON KIM
(Sworn May 28, 2013)**

I, CHANG JOON KIM, 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. My wife and I signed an agreement for Unit 912 (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 of Korean heritage, and were both born in Korea, she in 1946 and I in 1941. We came to Canada in 1999 and throughout our time here, I have worked in a few factories on a part-time basis. My wife never worked in Canada.

8. Like Ms. Kang, my command of the English language is limited and I adopt her statements in paragraphs 18 – 20 of the Kang Affidavit. 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. Like Hae Jeong Kang, we first learned about the Project from John when he gave a seminar presentation about the Project following mass at our church.

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. My wife volunteered at a seniors' home and her experience, working with Koreans in a typical seniors' home, made her appreciate how beneficial a Korean-heritage based seniors' home would be to the Korean-Canadian community generally and to the two of us personally.

11. Based on what John described, 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 begin as a lease to start construction, but then once completed, it would be converted to a condominium. As such, John explained, we had nothing to worry about. Thus, I believed we were purchasing a condominium.

13. It was on that basis that we agreed to purchase a unit from Rose. Attached hereto and collectively marked as Exhibit “A” are copies of the Right to Occupy Agreements for my Unit, dated March 22, 2000 and November 9, 2010. We signed two RTOA’s because, at some point, we decided to upgrade our unit to a larger one. I cannot recall specifically when we decided to do that, but it appears that the RTOA dated November 9, 2010 is for the larger Unit.

14. Attached hereto and marked as Exhibit “B” is a copy of the Acknowledgment and Consent Agreement, dated November 9, 2010.

15. My experience in signing the RTOA (on both occasions) 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.

16. I note that the form of first RTOA that I signed 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.

17. My second 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.

18. The ACA that I signed is similar to the one described in paragraphs 41 – 44 the Lee Affidavit and I adopt the statements contained therein.

19. 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.

20. 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

21. I have paid a total of \$38,280 in deposits as required by the RTOA in the following manner:

- a. On April 7, 2004, I paid \$12,760;
- b. On May 31, 2006, I paid \$12,760; and

c. On September 27, 2006, I paid \$12,760.

22. These payments appear to be confirmed by the Receiver in the Payment Summary which is reproduced at Exhibit "K" of the Kang Affidavit.

D. The Amended RTOA

23. Attached hereto and marked as Exhibit "C" is a copy of the Amended RTOA for my Unit which is unsigned. John asked me to sign this agreement, but I refused because I did not want to borrow money or pay the interest on the balance of the purchase price.

24. I insisted on paying the balance of the purchase price, which I did. On or about April 1, 2010, I provided payment to John in the amount of \$80,000, bringing the total paid to that point to \$118,280. We demanded that John cause Rose to provide us with confirmation that our Unit was paid for in full.

25. In the fall of 2010, John still had not sent us any documents indicating that we had paid in full. We were in New Brunswick at that time visiting our daughter. We flew back to Toronto early to demand that John provide us with confirmation that the Unit was paid for. He finally provided us with a handwritten letter dated October 25, 2010, a copy of which is attached as Exhibit "D". The letter is written in Korean and translated to English would read:

"The entire purchase price has been paid in full."

26. For some reason the Payment Summary does not show my payment of \$80,000 on or about April 1, 2010, but it does indicate that there is "note" dated April 1, 2010 for \$80,000.

27. Also as stated earlier, we upgraded our Unit to a larger one, and as a result, we paid \$85,000 on or about November 9, 2010. I do not know why the Receiver has indicated a date of October 25, 2010 for the two payments totalling \$85,000 on its Payment Summary. I recall providing two cheques to John in November 2010, one in the amount of \$45,000 and the other in the amount of \$40,000.

28. 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.

29. I also agree with the statements set out in paragraphs 52 – 57 regarding the Promissory Notes. The balance of the purchase price paid was certainly not intended to be a loan of any kind to Rose, and I did not agree to borrow any amounts from Rose.

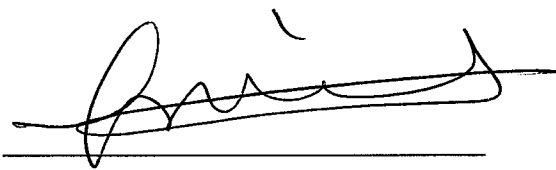
E. Prejudice to Lose Unit

30. If we cannot keep the Unit and are unable to recover the monies that we have paid to Rose, my wife and I will suffer significant prejudice. We have paid significant sums of money for the Unit, in excess of \$200,000.

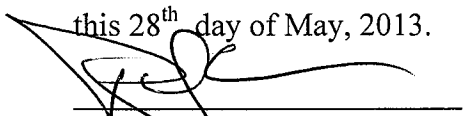
31. To lose the Unit and all the money that we paid to purchase the Unit would be devastating for us. We are both retired with a limited and modest fixed income. We have little to no savings left now that we have purchased this Unit.

32. We reside in the Unit as our principal residence. If we are forced to leave, we must find a new place to live which will be very difficult given our lack of savings and income.

SWORN BEFORE ME)
at the City of Toronto)
in the Province of Ontario,)
this 28th day of May, 2013.)

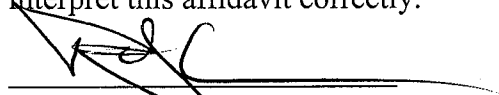


CHANG JOON KIM



Philip Cho
A Commissioner, etc.

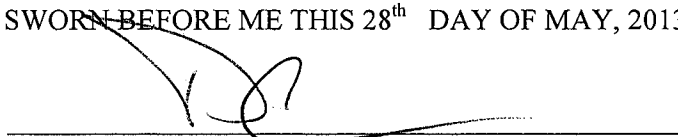
I, Philip Cho, do hereby certify that, in my presence, this affidavit was interpreted to the deponent in the Korean language by Jong Su Yoon, an interpreter who took an oath before me to interpret this affidavit correctly.



Philip Cho

TAB A

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF CHANG JOON KIM
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.

RIGHT TO OCCUPY AGREEMENT

(Founders' Circle)

THIS AGREEMENT made in duplicate this 22nd day of March, 2000 .

BETWEEN:

THE ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY INC.

(hereinafter referred to as the "Community")

- and -

MR. & MRS. CHANG JOON KIM
5-2709 LAKESHORE BLVD. W.

of the City of ETOBICOKE ,

in the Province of ONTARIO

MBV 166

(416) 253-6904

(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 #706, RED PEACH BLOSSOM, 홍도화 (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 Six Hundred (\$ 107,600), 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 November, 2001 (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 of 1% of the cost of the unit upon execution of this agreement, to be held in trust until mortgages are finalized; \$1,076 (One Thousand
March 22/2000 Seventy Six dollars received)
- (b) Ten percent (10%) of the Right to Occupy Cost, less deposit, being Ten Thousand Seven Hundred \$ 10,760) within 30 days;
Sixty
- (c) A further ten percent (10%) of the Right to Occupy Cost, being Ten Thousand Seven Hundred (\$ 10,760) upon the footings being complete; Sixty
- (d) A further ten percent (10%) of the Right to Occupy Cost, being Ten Thousand Seven Hundred \$ 10,760) upon completion of the Main Floor slab. Sixty
- (e) 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
156 Front St. W.
Toronto, Ontario
M5J 2L6

Notice may be given to the Purchaser at:

MR. & MRS. CHANG JOON KIM
5-2709 LAKESHORE BLVD. W,
ETOBICOKE, ONT. M8V 1G6

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.

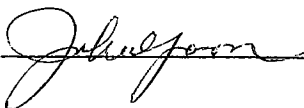
18. This Agreement and every term herein contained, shall be binding upon the Purchaser and his/her respective heirs, executors and administrators.

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.

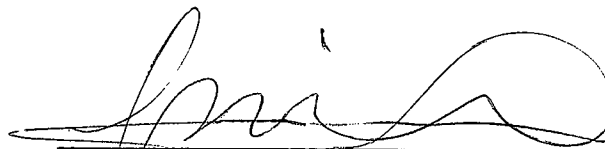
IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement this day of , 2000.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

Per:  _____

Per: _____

We have authority to bind the Corporation.



Purchaser

Purchaser

RIGHT TO OCCUPY AGREEMENT
(Founders' Circle)

THIS AGREEMENT made in duplicate this 9 day of Nov, 2010.

BETWEEN:

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

(hereinafter referred to as the "Community")

- and -

Kim, Chang Joon/ Kim, Soon Ja/Sang Hyon Kim
 S.J.


 S.J.

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 **#912 (710)** (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 **Two Hundred Seventeen Thousand and Nine Hundred Eighty Dollars (\$ 217,980)**, including **zero(1)** 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 Oct, 2010 (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) percent (30%) of the Right to Occupy Cost upon execution of this agreement;
Sixty Five Thousand and Three Hundred Ninety Four Dollars (\$65,394)

(b) The final payment is due upon Occupancy permit One Hundred Fifty Two Thousand and Five Hundred Eighty Six Dollars (\$152,586)

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:

725 Parkwood St, Bathurst, NB
E2A 4C2 506-547-9197

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 9
day of Nov 2010 .

ROSE OF SHARON (ONTARIO)
 RETIREMENT COMMUNITY INC

Per: J. Lyons

Per: _____

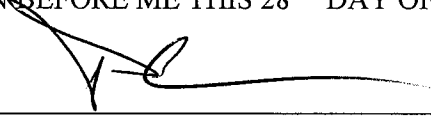
We have authority to bind the Corporation.

[Signature]
Purchaser

[Signature]
Purchaser

TAB B

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF CHANG JOON KIM
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, Kim, Chang Joon/ Kim, Soon Ja 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 9 day of Nov, 2010. Pursuant to the Agreement, the Purchaser is obligated to pay deposit installments totaling (\$217,980) (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.

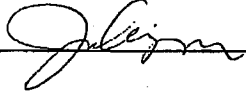
7. As required by Canada Mortgage and Housing Corporation, on the date of executing this Agreement and from time to time, the Purchaser agrees to provide to the Community all financial and other information as the Community may reasonably require in order to confirm the credit worthiness of the Purchaser 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 9 day of Nov, 2010.

ROSE OF SHARON (ONTARIO)
RETIREMENT COMMUNITY INC

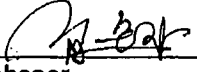
Per:  _____

Per: _____

We have authority to bind the
Corporation.



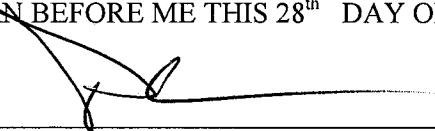
Purchaser



Purchaser

TAB C

THIS IS EXHIBIT "C" REFERRED TO
IN THE AFFIDAVIT OF CHANG JOON KIM
SWORN BEFORE ME THIS 28th DAY OF MAY, 2013



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 -

Kim, Chang Joon

(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 808 (608) 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 Thirty Two Thousand and Nine Hundred Eighty Dollars (\$132,980.00) (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 Four Thousand and Seven Hundred Dollars (\$94,700.00);
 - 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 : 21 Trinity Close, St. John, New Brunswick E2K4N3

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: _____

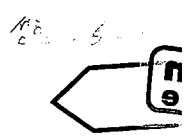
) I/We have authority to bind the corporation.

 Witness

) _____
 Purchaser Name:

 Witness

) _____
 Purchaser Name:



PROMISSORY NOTE

Amount: \$94,700.00

Date: April 1, 2010

FOR VALUE RECEIVED \$94,700.00 ("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 Ninety Four Thousand and Seven Hundred Dollars (\$94,700.00) (the "principal sum") in lawful money of Canada together with interest thereon as hereinafter provided, in respect of unit 808 (608).

1. **ADDRESSES OF PARTIES:**

The Maker declares its address to be: 21 Trinity Close, St. John, New Brunswick E2K4N3

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 Forty Five Dollars and Sixteen Cents (\$645.16) 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

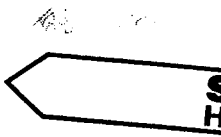
- (h) imposed hereunder upon the Maker or Makers shall be joint and several.
Severability: Provided that if any of the covenants or conditions in this Promissory Note contained shall be void for any reason if shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance;

DATED at Toronto, Ontario, this 1st day of April, 2010.

The Maker -

The Lender -

John Yoon
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: **\$94,700.00**Compounded: **Semi-annually**Interest Rate: **6.7500%**Exact Day: **No**Effective Rate: **6.8639%**Payment: **\$645.16**Payment Frequency: **Monthly**Period: **25.000 Years**Balloon Payment: **\$0.00**

Kim, Chang Joon

Loan Date: Apr 01, 2010
 Compounded: Semi-annually

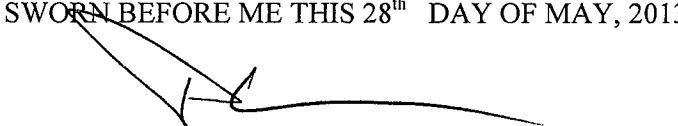
Loan Type: Normal
 Period: 2.000 Year(s)

Principal: \$94,700.00
 Total Payments: \$106,520.58

No.	Date	Int. Rate	Payment	Interest	Principal	Balance
1	Apr 01, 2010	6.7500%	\$645.16	\$0.00	\$645.16	\$94,054.84
2	May 01, 2010	6.7500%	\$645.16	\$521.77	\$123.39	\$93,931.45
3	Jun 01, 2010	6.7500%	\$645.16	\$521.08	\$124.08	\$93,807.37
4	Jul 01, 2010	6.7500%	\$645.16	\$520.40	\$124.76	\$93,682.61
5	Aug 01, 2010	6.7500%	\$645.16	\$519.70	\$125.46	\$93,557.15
6	Sep 01, 2010	6.7500%	\$645.16	\$519.01	\$126.15	\$93,431.00
7	Oct 01, 2010	6.7500%	\$645.16	\$518.31	\$126.85	\$93,304.15
8	Nov 01, 2010	6.7500%	\$645.16	\$517.60	\$127.56	\$93,176.59
9	Dec 01, 2010	6.7500%	\$645.16	\$516.90	\$128.26	\$93,048.33
10	Jan 01, 2011	6.7500%	\$645.16	\$516.18	\$128.98	\$92,919.35
11	Feb 01, 2011	6.7500%	\$645.16	\$515.47	\$129.69	\$92,789.66
12	Mar 01, 2011	6.7500%	\$645.16	\$514.75	\$130.41	\$92,659.25
13	Apr 01, 2011	6.7500%	\$645.16	\$514.03	\$131.13	\$92,528.12
14	May 01, 2011	6.7500%	\$645.16	\$513.30	\$131.86	\$92,396.26
15	Jun 01, 2011	6.7500%	\$645.16	\$512.57	\$132.59	\$92,263.67
16	Jul 01, 2011	6.7500%	\$645.16	\$511.83	\$133.33	\$92,130.34
17	Aug 01, 2011	6.7500%	\$645.16	\$511.09	\$134.07	\$91,996.27
18	Sep 01, 2011	6.7500%	\$645.16	\$510.35	\$134.81	\$91,861.46
19	Oct 01, 2011	6.7500%	\$645.16	\$509.60	\$135.56	\$91,725.90
20	Nov 01, 2011	6.7500%	\$645.16	\$508.85	\$136.31	\$91,589.59
21	Dec 01, 2011	6.7500%	\$645.16	\$508.09	\$137.07	\$91,452.52
22	Jan 01, 2012	6.7500%	\$645.16	\$507.33	\$137.83	\$91,314.69
23	Feb 01, 2012	6.7500%	\$645.16	\$506.57	\$138.59	\$91,176.10
24	Mar 01, 2012	6.7500%	\$91,681.90	\$505.80	\$91,176.10	\$0.00
Fiscal 2012 Totals			\$106,520.58	\$11,820.58	\$94,700.00	
Running Totals to Q1 of 2012			\$106,520.58	\$11,820.58	\$94,700.00	

TAB D

THIS IS EXHIBIT "D" REFERRED TO
IN THE AFFIDAVIT OF CHANG JOON KIM
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 somewhat stylized and slanted.

Philip Cho
A Commissioner, etc.

Oct. 25, 2010

Re: Unit # 808 (old #608)

상기 아파트의 구입에 필요한 비용을 전불하셨음.

John Yoon

JOHN YOON, CEO

ROSE OF SHARON
RETIREMENT COMMUNITY

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 2 OF 2

KRONIS, ROTSZTAIN, MARGLES, CAPPEL LLP
Barristers and Solicitors
8 King Street East, Suite 1000
Toronto ON M5C 1B5

Mervyn D. Abramowitz (28323R)
Philip Cho (45615U)
Tel: 416-225-8750
Fax: 416-306-9874

Court-appointed Representative Counsel to the Arm's Length
Claimants of Rose of Sharon (Ontario) Retirement
Community