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

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

MOTION RECORD - VOLUME II
(Returnable May 31, 2017)

May 12, 2017

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INDEX

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I N D E X

VOLUME I

VOLUME II

TAB 5

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ONTARIO
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BETWEEN:

PEOPLES TRUST COMPANY

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- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

EIGHTH REPORT TO THE COURT OF THE RECEIVER
(dated May 12, 2017)

TABLE OF CONTENTS

APPENDICES

APPENDIX "A": Amended and Restated Appointment Order dated September 27, 2011

APPENDIX "B": Seventh Report to the Court of the Receiver dated March 3, 2015

APPENDIX "C": Order of Justice Wilton-Siegel dated March 6, 2015

APPENDIX "D": Letter to Gowling Lafleur Henderson LLP from the City of Toronto City Planning Division dated July 11, 2016 re Notice of Decision Under S. 51(37) of The Planning Act

APPENDIX "E": Schedule of 48 Peoples Priority Units

APPENDIX "F": Settlement Agreement between Mugungwha Homes and Peoples Trust Company concerning Unit 207

APPENDIX "G": Copy of the Affidavit of Service of Eric Golden sworn March 6, 2015, that was before Justice Wilton-Siegel on March 6, 2015, as well as Mr. Golden's letters dated March 4 and March 19, 2015 to the tenants of Unit PH8, Mr. Golden's emails dated March 10, 2015, to the entire email Service List (including Justin Baichoo) and to Justin Baichoo individually, and Mr. Golden's letters of March 10, 2015 to Justin Baichoo and Leon Hui

APPENDIX "H": Agreement to Lease between Imseop Kim and Grace Kim and Unimac Group Ltd. dated June 28, 2014 for Unit PH8 along with copy of cheque

APPENDIX "I": Notice to End Tenancy For Non-payment of Rent dated March 9, 2017

APPENDIX "J": Summary Statement of Income for the Period January 1 to December 31, 2016 for the Nursing Home

APPENDIX "K": Receiver's Interim Statement of Receipts and Disbursements for the period September 28, 2011 to March 31, 2017

CONFIDENTIAL APPENDIX "A": Residential Condominium Marketing and Sales Agreement between Milborne Real Estate Inc. and Deloitte Restructuring Inc.

CONFIDENTIAL APPENDIX "B": Exclusive Listing Agreement between John A. Jensen Realty Inc. and Deloitte Restructuring Inc.

INTRODUCTION

1. Pursuant to an Order (the "**Appointment Order**") of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 27, 2011 (the "**Appointment Date**"), Deloitte & Touche Inc., now known as Deloitte Restructuring Inc. ("**Deloitte**"), was appointed as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties of Rose of Sharon (Ontario) Retirement Community ("**Rose**"). A copy of the Amended and Restated Appointment Order is attached hereto as **Appendix "A"**.

2. Capitalized terms not defined in this report are as defined in the Appointment Order, or the Receiver's First through Sixth Reports. All references to dollars are in Canadian currency unless otherwise noted.

3. Rose's principal asset is a 12-storey building (the "**Building**") located at 15-17 Maplewood Avenue, Toronto, Ontario (the "**Property**"), which is comprised of a 60 bed long-term care facility located on floors 4 through 6 (the "**Nursing Home**") and 91 life-lease units ("**Units**", and individually "**Unit**") located on floors 2, 3 and 7 through 12 (the "**Life-Lease Residence**").

4. The Receiver's Third Report to the Court dated February 19, 2013 (the "**Third Report**") provided the Court with, among other things, the history of the Property, the construction of the Property, a detailed analysis of the Units purchased in the Life-Lease Residence, the categorization of the Units and those claiming an interest in those Units, details on the terms of the loan provided by Peoples Trust Company ("**Peoples**") used to fund construction of the Property (the "**Construction Loan**"), the competing interests in the Property, and the Receiver's position on priority of the first mortgage registered against title to the Property (the "**Construction Mortgage**") and held by Peoples as against the other various agreements, loans, notes, liens, charges and mortgages registered and unregistered against the Property (the "**Priority Issue**").

5. The Receiver's Fourth Report to the Court (the "**Fourth Report**") dated March 11, 2013, provided the Court with an update on the Receiver's activities in respect of its motion for the appointment of Kronis, Rotzstain, Margles, Cappel LLP ("**KRMC**") as representative

counsel ("**Representative Counsel**") of arm's length purchasers of 28 Units in the Life-Lease Residence (the "**ALUs**"), composed mostly of persons of Korean Heritage, many of whom are elderly and/or have a limited grasp of English. The Fourth report also included re-categorization of certain Unit-holders into or out of the ALU category, and addressed procedural matters related to the appointment of Representative Counsel. The Receiver had proposed the appointment of representative counsel would be to the general benefit of the Rose estate and the ALUs, and would allow for the Priority Issue to be dealt with in a more efficient process.

6. On April 8, 2013, Peoples served its motion materials (the "**Priority Motion**") seeking priority over all of the mortgages registered against the Property and over the Life-Lease Claimants (as defined in the Priority Motion, and essentially being all persons having an interest in the Property, except for those having construction lien claims found to be valid and in priority to Peoples).

7. On April 11, 2013, Justice Mesbur issued an Order approving the appointment of KRMC as Representative Counsel in respect of the Priority Motion for the group that what would eventually consist of only the ALUs (the "**Representative Counsel Order**").

8. On September 10, 2013, the date scheduled for the hearing of the Priority Motion, Gowlings advised the Court that Peoples and the Receiver had reached a settlement with the ALUs in respect of the Priority Motion, representing 28 Units in the Life-Lease Residence (the "**ALU Settlement**"), and sought the Court's approval of the ALU Settlement. Justice Mesbur approved the ALU Settlement and issued an Order (the "**ALUs Settlement Approval Order**") to that effect. There was no opposition to the ALU Settlement at that time (as noted in Justice Mesbur's Endorsement, Justin Baichoo attended on the motion as counsel for both Unimac Group Ltd. ("**Unimac**") and IWOK Corporation ("**IWOK**")). Unimac was the general contractor for the Building, and both it and IWOK held mortgages over the Property at different points in time (IWOK held a fifth mortgage as of September 10, 2013). Unimac and its principal, Leon Hui, also claimed an interest in seven Units. Leon Hui was also an officer and director of IWOK. Other mortgagees as of September 10, 2013, included Turfpro Investments Inc.

("**Turfpro**", a third and a fourth mortgagee), which also claimed an interest in seven Units. The remaining issues concerning the Priority Motion were adjourned to November, 2013.

9. As summarized in the Receiver's Fifth Report to the Court dated December 10, 2013 (the "**Fifth Report**"), the continuation of the Priority Motion resulted in the following Orders:

(a) on November 14, 2013, Justice Mesbur ordered and declared that Peoples was entitled to priority over the claims of all persons claiming an interest in 25 non-ALU Units in the Property, except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List) (the "**November 14 Priority Claims Order**"). These 25 non-ALU Units consisted of sixteen (16) Released and Vacant Units, three (3) Turfpro RTOA Units, two (2) Turfpro Option Units identified as Units 310 and PH3, one (1) Unsold and Vacant Unit, and three (3) Units in which John Yoon or Moon Yoon claimed an interest;

(b) on November 22, 2013, Justice Mesbur made an order (the "**ILA Order**") that KRMC be discharged as Representative Counsel and that it perform a new mandate to provide independent legal advice ("**ILA**") to certain individual unrepresented non-ALUs (the "**ILA Mandate**", ultimately encompassing Unit-holders of 6 Units purchased by non-ALUs, separate and apart from the 25 Units set out in subparagraph (a) above) who had entered, or would be entering, into settlements with Peoples regarding their Units ("**ILA Unit-holders**"); and,

(c) on November 22, 2013, Justice Mesbur made an order refusing to admit the supplementary affidavit of Leon Hui sworn November 11, 2013 on behalf of Unimac (the "**Second Hui Affidavit**"), and adjourning the remaining issues in the Priority Motion to December 13, 2013.

10. On December 13, 2013, Justice Mesbur issued an Order (the "**December 13 Order**") that, among other things:

(a) approved settlements between Peoples, the Receiver and Unit-holders claiming an interest in 14 additional non-ALU Units (the "**December 13 Settlements**");

(b) declared that Peoples is entitled to priority over the claims of all persons claiming an interest in 17 Units, except for any construction lien claims found to be valid and prior; and

(c) declared that Peoples is entitled to priority over the claims of IWOK and Turfpro, including any assignees, claiming under four subordinate mortgages.

11. On January 9, 2014, Madam Justice Kiteley heard and denied a motion brought by Unimac for leave to appeal Justice Mesbur's decision of November 22, 2013, refusing to admit the Second Hui Affidavit.

12. On February 4, 2014, 2383431 Ontario Inc. ("**238**") appealed the December 13 Settlements, alleging, among other things, that 238 never received any notice of the receivership proceedings, including the motion for approval of the December 13 Settlements (the "**238 Appeal**"). On or about September 26, 2013, 238 had taken an assignment of the second mortgage registered against the Property.

13. Unimac was claiming an interest in six Units (including Unit PH8) and Leon Hui was claiming an interest in one Unit. On February 6, 2014, the Unimac/Leon Hui portion of the Priority Motion was heard by Justice D. M. Brown, who granted an Order declaring that Peoples' security is entitled to priority over "over the claims of all persons, including Unimac and Leon Hui, claiming an interest in" the Unimac Units and the Leon Hui Unit (the "**February 6 Order**").

14. On February 18, 2014, Unimac appealed the February 6 Order (the "**Unimac Appeal**").

15. The Receiver's Sixth Report to the Court (the "**Sixth Report**") dated May 16, 2014 provided the Court with an update on the disposition of matters involved in the Priority Motion since December 10, 2013, including providing the Court with information with respect to 238.

16. On July 4, 2014, Justices Feldman, MacPherson and Cronk heard the 238 Appeal and the Unimac Appeal. Both appeals were dismissed.

17. The Receiver's Seventh Report to the Court (the "**Seventh Report**") dated March 3, 2015 provided the Court with an update on, among other things, the rehabilitation work at the Building, the status of the conversion of the Nursing Home and Life Lease Units to condominiums, the status of litigation involving Rose of Sharon and the status of the Occupied Units (as defined in the Seventh Report). Additionally, the Receiver sought approval for, among other things, a settlement of a construction lien action, and an increase in the amount that the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order, which funds would substantially be used to fund the rehabilitation work at the Building. The Seventh Report without exhibits is attached hereto as **Appendix "B"**.

18. On March 6, 2015, Justice Wilton-Siegel issued an Order (the "**March 6 Order**") that, among other things:

    i) approved the settlement of the construction lien action, including sealing an unredacted version of the Minutes of Settlement until the completion of the Minutes of Settlement;

    ii) in respect of the Occupied Units, ordered that Unimac, John Yoon, Moon Yoon, and Leon Hui:

        a) each provide an accounting of funds received;

        b) pay to the Receiver funds received since July 31, 2014; and

        c) provide the Receiver with copies of any and leases;

    iii) in respect of defined "Occupied Units", ordered that all tenants of those Units:

        a) produce on or before March 31, 2015, information required in the Notices to Tenants, Demands for Particulars of Tenancy Agreement and Notices of Rental Attornment (the "**Notices**") that were served by the Receiver; and,

b) commence paying rent to the Receiver from the date of the March 6 Order forward based on the terms of their lease, and, to the extent there is no lease, at market rates as determined by the Receiver;

iv) increased the amount that the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order from $2,500,000 to $6,500,000; and

v) approved the fees and disbursements of the Receiver to November 30, 2014, of Blaneys McMurtry LLP ("**Blaneys**") to September 30, 2014, of Gowling WLG Canada LLP ("**Gowlings**") to December 31, 2014, and KRMC to March 6, 2015.

A copy of the March 6 Order is attached hereto as **Appendix "C"**.

19. The purpose of this Eighth Report to the Court (the "**Eighth Report**") is to:

a) provide the Court with an update on the rehabilitation works at the Rose of Sharon building;

b) provide the Court with the status of the conversion of the Property to condominiums;

c) provide the Court with an update on the Life-Lease Residence and its Unit-holders;

d) seek the Court's approval to enter into a conditional settlement agreement with Mugungwha Homes with respect to Unit 207;

e) provide the Court with an update on the operations of the Nursing Home;

f) seek the Court's approval to enter into a Marketing and Sales Agreement with Milborne Real Estate Inc. for the marketing and sale of the available residential condominium units as set out further below;

g) seek the Court's approval to enter into an Exclusive Listing Agreement with John A. Jensen Realty Inc. to market and sell the Nursing Home;

h) provide the Court with an update on the Statement of Claim Rose, by its Receiver, issued and served against Trisura Guarantee Assurance Company ("**Trisura**", the

surety who issued a Performance Bond in respect of the construction of the Property), Unimac (the general contractor on the project), and other parties involved in the construction of the Property (the "**Building Action**");

i) seek an Order requiring that Grace Kim and Imseop Kim (collectively, the "**Kims**") vacate Unit PH8 at the Property, a Declaration that the purported lease entered into for that Unit is void *ab initio*, and should the Kims take the position they are tenants, Judgment against the Grace Kim for the rent owing for the rental of Unit PH8 since the date of the March 6 Order;

j) seek a Declaration that KRMC has fulfilled its ILA Mandate, and an Order discharging KRMC from its ILA Mandate;

k) seek the Court's approval of the Eighth Report, and the actions and activities of the Receiver from December 1, 2014 to March 31, 2017;

l) seek the Court's approval of the Receiver's Interim Statement of Receipts and Disbursements for the period from September 27, 2011 to March 31, 2017;

m) seek the Court's approval of the Receiver's fees incurred for the period December 1, 2014 to December 31, 2016; and

n) seek the Court's approval of the fees of Blaneys and KRMC as detailed more fully herein.

TERMS OF REFERENCE

20. In preparing this Eighth Report, the Receiver has relied upon the books and records of Rose. In addition, the Receiver has relied upon information provided by Unit-holders, or parties claiming to have a direct or indirect financial interest in Life-Lease Units.

21. The Receiver has compared certain information contained in Rose's records to information that has been provided by Unit-holders. While the Receiver has reviewed certain information for reasonableness, the Receiver has not performed an audit or other

verification of information that is contained in Rose's records or that has been provided to the Receiver and expresses no opinion thereon.

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

STATUS OF CONVERSION TO CONDOMINIUMS

23. In paragraphs 187 through 193 of the Third Report, the Receiver reported on the status of the conversion of the Building to condominiums and that the deadline for submission of materials to the City of Toronto (the "**City**") in respect of approval of the Draft Plan of Condominium was May 26, 2013. In the Fifth Report, the Receiver advised that by letter dated April 19, 2013, the City had agreed to extend the deadline for the submission of materials to April 19, 2014.

24. Prior to the expiration of the April 19, 2014 deadline, Gowlings contacted the City to seek a further extension. The City did not respond to the Receiver's request and, as a result, the draft approvals of the plans of condominium for the Nursing Home and the Life-Lease Residence portions of the Building lapsed.

25. As a result, the Receiver was required to submit a new application for draft approval to the City. The Receiver engaged Sedun + Kanerva Architects Inc. ("**Sedun**") to finalize the condominium application and certify that the easements and reciprocal rights of ways are correctly identified in the Declaration. The Receiver also engaged Norman Lee & Associates ("**NLA**") to provide the certification required by the City that the Property had been completed in accordance with the *Condominium Act*. As discussed below, the Receiver had previously engaged NLA to prepare a Building Audit Report ("**BAR**"), the results of which were set out in the Third Report, and to manage the commissioning of the Building's mechanical and HVAC systems. As a result, NLA was intimately familiar with the Property. NLA advised the Receiver that in order to provide the certification required by the City (that the Property had been completed in accordance with the *Condominium Act*), substantially all of the deficiencies identified in the BAR needed to

be rectified. The progress in completing the rectification of the deficiencies is discussed further below.

26. In December 2015, the Receiver submitted a new application to the City (the "**Condo Application**") for a Draft Plan of Standard Condominium (the "**Draft Plan**"). The Condo Application differs from the original application submitted by Rose in that it involves only the Life-Lease Residence and its 91 units (the Life Lease Residence previously was reported to have 90 units; however, it was determined that at some point one of the units, Unit 5 on level 12, had been bifurcated into two units, Units 5 and 7, identified as PH4 and PH6, resulting in 91 units), whereas the original application included applications for both the Life-Lease Residence and the Nursing Home. The decision to not proceed with the Nursing Home application was made to save the costs that would be involved in that separate application and also reflects the advice received from Gowlings that an eventual purchaser of the Nursing Home would expect to purchase a fee simple interest rather than a condominium.

27. By letter dated July 11, 2016, attached hereto as **Appendix "D"**, the City provided its approval of the Condo Application subject to certain conditions attached to the letter. The conditions for approval are summarized as follows:

- the plans submitted for final approval and registration must be substantially in accordance with the approved draft plans;
- confirmation that taxes have been paid in full and that there are no outstanding City initiated assessment or tax appeals;
- the filing of a complete copy of the final version of the Declaration and Description which includes: i) a schedule containing an opinion from the declarant's solicitor that the legal description is correct and the easements mentioned in the schedule will exist in law upon the registration of the Declaration and Description, and ii) the certification of NLA that the Building has been constructed in accordance with the regulations made under the Condominium Act;

- visitor parking spaces will be clearly delineated on the condominium plan to be registered and that the Declaration shall contain a clause clearly specifying visitors parking shall form part of the common elements and neither be used by or sold to unit owners or be considered part of the exclusive use portions of the common elements;

- the final Declaration and Description shall contain a provision concerning parking units for persons with physical disabilities;

- the filing of certificates with respect to the creation of necessary easements;

- the Declaration must contain necessary wording respecting reciprocal rights-of-way/easements between the owners of the condominium to be established and the freehold lands, for vehicular access to and use of the underground garage, parking spaces, loading area and garbage/recycling storage room;

- establish separate water meters for the non-condominium lands or include wording in the Declaration that the services are to be shared and designate who will be responsible to the local water authority for payment of the water bill;

- the Parties (assumed to be the owner and the Nursing Home) will have entered into a Cost Sharing Agreement with respect to the shared services and/or any other shared facilities; and

- Rose must convey to the City a 2.2 metre strip of land, in perpendicular width across the entire Vaughan Road frontage of the Property.

28. The Receiver and Gowlings are working towards satisfying the conditions and anticipate being in a position to apply for final approval in late Spring 2017.

29. Once the application for final approval of the Draft Plan is submitted, the Receiver has been advised by Gowlings that it typically takes one to two months to receive final approval from the City.

STATUS OF THE REMEDIATION OF BUILDING DEFICIENCIES

30. As discussed it its Third Report, upon its appointment, the Receiver authorized certain immediate repairs to the mechanical systems to ensure that the HVAC system was functioning appropriately, and for certain rooftop mechanical pumps to repair leaks and bring the systems into proper functioning capacity. As noted above, the Receiver also engaged NLA to conduct a BAR of the Property. NLA undertook a thorough review of the Building and in March 2012 delivered the BAR. As detailed in the BAR, NLA identified a number of deficiencies in the Building, the most significant of which involved the windows, glass sliding doors, balcony guardrails, roof and garage waterproofing, mechanical issues and exterior walls and caulking. A summary of the deficiencies identified in the BAR at set out in Appendix "F" attached to the Seventh Report.

31. As a result of the disposition of the Priority Motion, Peoples advised the Receiver that it was in a position to move forward with funding the balance of the Building remediation in order to meet the requirements for application to the City of the Draft Plan. At the Receiver's direction, NLA prepared tender packages for the Building envelope repairs that were required to be made to obtain the certification. The general scope of Building envelope work involved:

- removal of existing windows, frames, and sliding doors metal panels, and supply and installation of new aluminium framed thermal windows, insulated metal panels, insect screens, and insulated metal patio doors;
- retrofitting of existing guardrails at all balconies to meet dimensional requirements of the Ontario Building Code;
- tuckpointing of all missing or prematurely deteriorated brick mortar joints; and,
- installation of new metal flashing at specified areas.

32. As a result of the tender process, the Receiver entered into a Standard Construction Document CCDC2-2008 with KC Structural Ltd. dated July 25, 2014 (the "**Remediation**

Contract"). The base amount of the Remediation Contract was $2,375,400 plus HST. After incorporating NLA's fees in respect of the design, tendering and project management of the Remediation Contract, and the addition of a performance bond and a labour and material payment bond, the total cost of the Remediation Contract was $3,048,499 including HST. The Remediation Contract was completed in late fall of 2015.

33. In addition to the Remediation Contract, the Receiver engaged contractors to repair other Building envelope deficiencies, including repair of deteriorated concrete in the underground parking garage and installation of a waterproofing membrane, and waterproofing the mechanical penthouse, at a cost of $136,617 including HST.

STATUS OF LIFE-LEASE RESIDENCE AND UNIT HOLDERS

34. The various court appearances, orders and endorsements concerning the Priority Motion are discussed in paragraphs 4 to 16 above, the net result of which is the following:

- The ALU Settlement (28 Units, but as the result of the bifurcation of Unit PH6 into PH4 and PH6, now 29 Units) and the December 13 Settlements (14 Units) (collectively, the "**Settlements**"), as approved by the ALUs Settlement Approval Order and the December 13 Order, respectively, and the proposed settlement with Mugungwha Homes for Unit 207 as discussed below, allowed for holders of Right to Occupy Agreements ("**RTOAs**") representing 44 units (the "**Settlement Units**") to continue to occupy their unit pending the conversion of the Building to condominiums, at which point those settling Unit-holders can elect to close the purchase of their unit(s) by the payment of amounts as stipulated in the settlements, or abandon their interest in their Units. Upon the final approval of the Plan of Condominium, the Receiver will provide the parties to the Settlements with a Purchase Notice as provided for in the ALUs Settlement Approval Order and the December 13 Order. The Purchase Notice will set out the total amount due on closing should they elect to purchase their unit, which amount will include the settlement amount owing plus any unpaid common area maintenance fees and unpaid interest required to be paid pursuant to RTOAs (the "**Unit Purchase Price**"). Those parties will have 60 days from the date of Purchase Notice to pay

the Receiver the Unit Purchase Price, failing which the Receiver will be free to sell the Unit free and clear of any and all claims of the Unit-holder; and,

- The November 14 Priority Claims Order (24 Units), the December 13 Order (17 Units) and the February 6 Order (7 Units) declared that Peoples is entitled to priority over the claims of all persons claiming an interest in 48 Units. After consideration of the proposed settlement with Mugungwha Homes for Unit 207, as discussed below, the total number of units that Peoples is declaring priority over is 47 Units (the "**Peoples Priority Units**"). A schedule listing the 47 Peoples Priority Units, which includes details concerning their size and configuration, is attached hereto as **Appendix "E"**;

35. With respect to Unit PH6 (the "**Bifurcated Unit**"), the Settlement that Peoples entered with the ALU for that Unit was completed before it was discovered that the Unit had been split into two Units (PH6 and PH4). As a result, upon the final approval of the Plan of Condominium by the City, and in the event the Unit-holder of the Bifurcated Unit elects to complete the purchase of the Bifurcated Unit, the Receiver will take steps to convey both Units PH4 and PH6 to that ALU.

36. With respect to Unit 207, both Unimac and Mugungwha Homes claimed an interest in that Unit. Prior to the December 13 Hearing, Mugungwha Homes entered into a conditional settlement agreement with Peoples and the Receiver (the "**Unit 207 Settlement**") which agreement applied the same terms, including payment methodology, as was employed in the ALU Settlements. Justice Mesbur declined to approve the Unit 207 Settlement prior to the disposition of Unimac's claim to Unit 207. A copy of the Unit 207 Settlement is attached hereto as **Appendix "F"**.

37. Given Justice Brown's February 6 Order declaring that Peoples is entitled to priority over the Unimac Units, over the claims of all other parties in the those Units, and given that the Unimac Appeal was dismissed by the Court of Appeal, Peoples has advised the Receiver that it wishes to seek this Court's approval for the Unit 207 Settlement.

Extension of Settlement Agreements

38. The ALUs Settlement Approval Order provided that the ALU Settlements (28 Units) would be effective until 12 months after the date of court approval of the ALU Settlements (the "**ALU Outside Date**"), unless Peoples, in its sole discretion, agrees in writing to extend to a later date. The initial ALU Outside Date was September 9, 2014. As the work to register the Property as a condominium had not been completed by the initial ALU Outside Date, Gowlings on behalf of Peoples has written to the settling ALUs from time to time as required giving them notice that Peoples was extending the ALU Outside Date. The most recent notices issued on March 9, 2017 extend the ALU Outside Date by a further six months.

39. The settlements with the Unit-holders claiming an interest in the non-ALU Units (14 Units), which were approved in the December 13 Order, also provided for an outside date that is twelve months after court approval (the "**Non-ALU Outside Date**"). Similar to the ALU Settlements, by various letters, the most recent dated December 13, 2016, Gowlings on behalf of Peoples extended the Non-ALU Outside Date by a further six months.

Unimac Units and Yoon Units

40. Upon the resolution of the Priority Issue, the Receiver determined that of the 48 Peoples Priority Units (now 47), 10 Units were occupied by either a relative or third-party tenant of the former Unit-holder (the "**Occupied Units**") while the remainder were vacant. Accordingly, on July 29, 2014, the Receiver delivered Notices to Tenants, Demands for Particulars of Tenancy Agreement and Notices of Rental Attornment (the "**Notices**") to each of the occupants of the Occupied Units.

41. Subsequent to the delivery of the Notices, while certain of the tenants commenced paying the Receiver their monthly lease payments, the majority did not. As a result, the Receiver sought the March 6 Order. The occupants of the Occupied Units, Unimac, Leon Hui and John Yoon and counsel for Unimac and Leon Hui (Justin Baichoo) were all provided with a copy of the motion material in support of the March 6 Order, as well as with a copy of the March 6 Order when issued. A copy of the affidavit of service of Eric Golden sworn March 6, 2015, that was before Justice Wilton-Siegel on March 6, 2015, as

well as Mr. Golden's letters dated March 4 and March 19, 2015 to the tenants of Unit PH8, Mr. Golden's emails dated March 10, 2015, to the entire email Service List (including Justin Baichoo) and to Justin Baichoo individually, and Mr. Golden's letters of March 10, 2015 to Justin Baichoo and Leon Hui are attached hereto as **Appendix "G"**.

42. In addition, a copy of the Order of Justice D. M. Brown made February 6, 2014, granting Peoples priority over Unimac's claim to six Units and Leon Hui's claim to one additional Unit was delivered to the occupants of those Units, including the occupants of Unit PH8, on or about July 29, 2014 (see Appendix "G" of the Receiver's Seventh Report dated March 3, 2015).

43. Of those tenants served, the tenant of Unit 301, Jonathan Yapp, and the tenant of Unit PH8, Grace Kim, failed to pay any rent to the Receiver.

44. In the case of Unit 301, the Receiver sent a number of demands for payment of rent to Mr. Yapp who refused to comply with the March 6 Order. The Receiver understands that in or around October 2016, Mr. Yapp vacated Unit 301. In addition, there has been further turnover in the Building such that only three of the Occupied Units are currently still occupied, being Units 1105, PH1 and PH8.

45. The tenants occupying Units 1105 and PH1 continue to pay monthly rent for their Units at the same amount as they were paying in April 2015 ($1,300). Unit 1105 is a 2 bedroom, 2 bathroom unit totaling 825 sq. ft. and Unit PH1 is a 1 bedroom + den, 2 bathroom unit measuring 857 sq. ft. By way of comparison, Unit PH8, is a 2 bedroom, 2 bathroom unit measuring 1,181 sq. ft.

46. The March 6 Order required the tenants of the Occupied Units pay rent for their Unit to the Receiver from the date of that Order based on the terms of their lease, and to the extent there is no lease, at market rates as determined by the Receiver.

47. In the case of Unit PH8, after a number of requests to forward rent payments to the Receiver, by email dated April 28, 2015 (i.e. more than 30 days after the March 6 Order and after notice of that Order and the supporting material was provided to the occupants of PH8, and to Unimac, Hui and Justin Baichoo), Grace Kim provided the Receiver with

an Agreement to Lease dated June 28, 2014 (one month before the date of the Notices) between Grace Kim and Imseop Kim as lessees and Unimac Group Ltd as "landlord" (the "**Purported Unit PH8 Lease**").

48. The Receiver has been advised that Imseop Kim is Grace Kim's mother and a former resident of the Nursing Home. The Purported Unit PH8 Lease provides for a long-term lease of nine years and two months commencing on July 1, 2014 with rent comprising "a lump sum payment of Thirty Three Thousand Canadian Dollars (CDN$ 33,000.00) before closing and this lump sum shall cover the terms of Nine (9) years and Two (2) months." This rental term equates to monthly rent of $300 for a two-bedroom, 1,181 sq. ft. suite, which is also the largest unit in the Life-Lease Residence. Under the terms of use under the Purported Unit PH8 Lease, the following has been added: "Retirement Residential – This Rental Agreement superseded previous Rental Agreement, as a settlement from the physical abuse and wrongful discharge of IMSEOP KIM by Rose O [*sic*] Sharon LTC as claimed by the Tenant, see pictures attached. Tenant tried to appeal in Court before Judge Brown twice." Attached to the April 28, 2015 email is a copy of the front of cheque dated June 28, 2014, for $33,000.00 written by Mr. In Soo Pak and Mrs. Young Sook Pak to Unimac Group Ltd. The Receiver is unaware if the cheque was cashed, or if so on what date. The Receiver believes Mrs. Pak to be the sister of Grace Kim. A copy of the April 28, 2015, email along with the Agreement to Lease and cheque are attached hereto as **Appendix "H"**. The Receiver was not provided with a copy of any previous Rental Agreement that was apparently superseded by the Purported Unit PH8 Lease.

49. Neither Unimac, nor anyone else, was authorized to enter into the Purported Unit PH8 Lease on their own behalf, or on behalf of the Receiver or Peoples, or deal with Unit PH8 in any way, shape or form. The Purported Unit PH8 Lease was entered into without the knowledge or consent of Peoples and the Receiver.

50. On or about March 8, 2017, the Receiver delivered to the Kims a Notice to End Tenancy for Non-payment of Rent totalling $31,200.00, which is attached hereto as **Appendix "I"**.

51. With respect to Imseop Kim, the Nursing Home Manager advises that she was indeed a former resident of the Nursing Home and there were a number of incidents concerning Grace Kim and the Nursing Home Staff. On August 30, 2013, as a result of an incident at the Nursing Home on August 29, 2013, a Critical Incident Report was submitted to the Ministry of Health and Long-Term Care (the "**Ministry**") by the Nursing Home Administrator concerning Grace Kim's abusive behaviour to staff. The Receiver was advised by the Nursing Home Administrator that in October 2013, Grace Kim contacted the local police to report abuse allegations against staff at the Nursing Home. The Receiver was advised by ACC that the police found the allegations to be groundless, no charges were filed, and the police supported restricting Grace Kim's visits. As a result of excessive vacation absences from the Nursing Home, pursuant to O. Reg. 79/10, s 146(4)(c), Imseop Kim was discharged on January 2, 2014. The Receiver believes that since her discharge, Imseop Kim has been living with Grace Kim in unit PH8.

52. The Receiver is seeking a Declaration that the Kims do not have any right, title or interest in Unit PH8, and that the Purported Unit PH8 Lease is void *ab initio.* As well, the Receiver is seeking an Order providing it with vacant possession of Unit PH8 and, should the Kims take the position that they are tenants, judgment against them for $31,200 being the minimum rent they would have had to pay the Receiver for rental of Unit PH8 since April, 2015 ($1,300 per month).

NURSING HOME UPDATE

53. The Nursing Home continues to be fully occupied with an average occupancy for the year-to-date ending December 31, 2016 of 99.8%. The Nursing Home has a wait list of approximately 150 applicants.

54. In its report dated March 27, 2015, the Ministry provided the results of its annual Resident Quality Inspection ("**RQI Inspection**") of the Nursing Home, which it conducted between March 4 and March 11, 2015. The purpose of the Resident Quality Inspection is to ensure long-term care homes comply with the *Long Term Care Homes Act, 2007* and its regulations, which the Ministry achieves through interviews with residents, family members and staff, direct observations of how care is being delivered

and record reviews. The Ministry identified six areas of non-compliance (down from thirteen in the previous year's review) for which it requested the Nursing Home prepare written plans of correction action to achieve compliance. The written plans of correction were submitted to the Ministry within the required timeframe and no further actions were required. The Nursing Home Manager has advised the Receiver that the results of the RQI Inspection were one of the best amongst the long-term care facilities that they manage.

55. In its report dated February 16, 2017, the Ministry provided the results of a further RQI Inspection conducted between January 4 and 12, 2017. During this RQI Inspection, the Ministry investigated an incident that occurred on October 31, 2016, wherein a resident sustained injuries as a result of a fall during bathing. The Ministry initially issued a Compliance Order requiring the Nursing Home to "review and revise the plan of care for that resident to ensure he/she is monitored during bathing". The Nursing Home appealed the Compliance Order, which appeal was upheld and the Compliance Order was rescinded.

56. Attached hereto as **Appendix "J"** is a Summary Statement of Income for the period January 1 to December 31, 2016 for the Nursing Home. As set out in the operating statement, the Nursing Home has generated positive net income of approximately $512,000 for the 12-month period, which is approximately $132,000 or 26% greater than budgeted operating income. The positive operating income variance is essentially due to lower than budgeted expenses in repairs and maintenance, utilities (as a result of a hydro refund relating to prior years) and realty taxes. With respect to realty taxes, MPAC reassessed the Nursing Home in 2016 making it exempt from realty taxes, resulting in no realty expense for the year, which was partially offset by the requirement to repay to the Ministry funding received up to the date of the reassessment (the Ministry reimburses 85% of realty taxes).

MARKETING AND SALE PROGRAMS

Residential Component

57. With the Priority Motion issues resolved, the Building remediation complete and approval of the Draft Plan received, the Receiver approached real estate brokers who specialize in condominiums in order to solicit proposals for the marketing and sale of the residential component of the Building.

58. The Receiver contacted five brokers who have experience in the marketing and sale of condominium residences. Of those contacted, two elected to tour the Property and submit proposals. Of the proposals received, the Receiver determined that the proposal from Milborne Real Estate Inc. ("**Milborne**") provided the most appropriate marketing program and fee structure.

59. Milborne advises that it has over 37 years of experience in condominium sales acting on behalf of over 700 developments and selling over 100,000 units involving residential condominiums, hotel condominiums, condominium conversions, hotel conversions to residential, commercial condominiums and resort properties. Milborne considers itself the most experienced project marketing company in Toronto and estimates that it has 30% market share of the total units for sale being marketed by outside agencies.

60. Milborne's proposed marketing plan involves the following:

- Reviewing each residential Unit to assess any work required both in the individual units and common areas with a view to maximization of sale proceeds;
- Providing recommendations regarding refinements/extras to maximize proceeds and to compete with similar condominium offerings in the area;
- Preparing a detailed Competitive Market Analysis presenting both relevant resale and new competition to assist in establishing pricing with a view to maximizing proceeds in a reasonable timeframe;
- Preparing suggested additions or modifications to the Property to maximize revenue, including analysis of parking and storage locker spaces;

- Reviewing agreements of purchase and sale, disclosure statements, condominium budgets, declarations and by-laws, and surveys to assist with the sale process;

- Establishing furnished model suites and an on-site office staffed by Milborne reception and sales personnel; and,

- Promoting the condominiums via on-site signage, open houses, Multiple Listing Service, social media, and other appropriate methods (the cost of which will be borne by the Receiver).

61. The Receiver and Milborne have negotiated a Residential Condominium Marketing and Sales Agreement (the "**Milborne Agreement**"), a copy of which is attached hereto as **Confidential Appendix "A"**, which sets out the terms and conditions under which Milborne will market and sell available residential Units (representing those Units not subject to a Settlement Agreement, and those units subject to a Settlement Agreement but for which the unitholder elects not to complete the purchase of the Unit). The Milborne Agreement includes the following key terms:

- Six month listing agreement, which automatically renews in further one month increments, and which can be terminated by either party on 30-day's notice;

- A fee for one-time mobilization costs payable upon execution of the Milborne Agreement, which is to cover preparation time, unit walk-throughs and preparation of deficiency lists, upgrade and improvement recommendations and document review;

- Selling commissions at market rates, and provisions for co-broker arrangements should a purchaser be introduced to the Property through their own real estate broker;

- The Receiver shall be responsible for the costs of establishing the on-site sales office including rent, utilities, site administration, reception staff, equipment, services, supplies, insurance, and business and real estate taxes; and,

- Milborne will compensate and supervise all full-time qualified sales agents as may be reasonably required to sell the units in an effective manner.

62. The Receiver is of the view that Milborne is sufficiently experienced and qualified to conduct the marketing and sale process for the residential component of the Building and that the terms of the Milborne Agreement are reasonable. Both Peoples and CMHC have advised the Receiver that they approve of the engagement of Milborne under the terms of the Milborne Agreement.

63. The Receiver is seeking the Court's approval to enter into and carry out the terms of the Milborne Agreement. The Receiver is further seeking that Confidential Appendix "A" filed with this Court be sealed until such time as all of the residential Units are sold and closed.

Nursing Home

64. The Receiver obtained a listing proposal and Exclusive Listing Agreement (the "**Jensen Listing Agreement**") from John Jensen Realty Inc. ("**Jensen Realty**") for the marketing and sale of the Nursing Home. Jensen Realty specializes in the purchase and sale of seniors housing properties and advises that it has sold or financed over 150 seniors housing properties with an aggregate transaction value in excess of $1 billion. The Receiver has engaged Jensen Realty in previous receivership situations involving seniors housing which resulted in successful transactions. Given the relatively small size of the Nursing Home, both in terms of beds and potential sale price, and the fact that the proposed listing agreement with Jensen Realty represent normal market terms, the Receiver is of the view that incurring fees soliciting and evaluating further listing proposals would not be in the best interests of the estate. A copy of the Jensen Listing Agreement is attached hereto as **Confidential Appendix "B"**.

65. Jensen's proposed marketing plan involves the following:

- Implementing a high profile marketing campaign that includes newspaper advertising, posting the opportunity on Jensen Realty's website, networking with other real estate brokerages in the seniors housing sector and distribution of an email teaser to Jensen Realty's proprietary database of over 400 parties interested in seniors housing investment opportunities.

- Establishing an online data room with relevant information concerning the operation of the Nursing Home including financial and operating statements, budgets, contracts and agreements, and offer documentation; and,

- Establishing an appropriate "Sunrise Date" for the acceptance of offers. A Sunrise Date is the earliest date at which offers will be accepted, and is typically one to two months from the commencement of the marketing process, depending on the time of year, the nature of the property and the interest in the market. The Sunrise Date methodology allows for an ample amount of time for interested parties to be made aware of the availability of the Nursing Home, execute a confidentiality agreement, and perform their due diligence in order to submit an offer for the property in a form to be provided in the data room.

66. Jensen Realty has suggested that the marketing campaign exclude an asking price so as not to set a target in purchaser's minds. The Receiver agrees with this recommendation. The Receiver and Jensen Realty will set the Sunrise Date based on the timing of commencement of the marketing process should the Court approve the Receiver entering into the Jensen Listing Agreement.

67. The Jensen Listing Agreement provides for a brokerage commission at market rates and provides for a co-broker arrangement should the purchaser be introduced to the property by a cooperating broker. The term of the Jensen Listing Agreement is 6 months, which term can be extended by way of mutual agreement between the parties.

68. Both Peoples and CMHC have advised the Receiver that they support the engagement of Jensen Realty under the terms of the Jensen Listing Agreement. The Receiver is seeking this Court's approval to enter into the Jensen Listing Agreement. The Receiver is further seeking that Confidential Appendix "B" filed with this Court be sealed until such time as a closing of the sale of the Nursing Home has been completed.

STATEMENT OF CLAIM

Statement of Claim

69. As detailed in paragraphs 174 through 182 in the Third Report, given the extent of deficiencies identified in the BAR, on September 14, 2012, Rose, by its Receiver, issued and served a Statement of Claim (the "**Statement of Claim**") against i) Trisura, the surety of a $7,420,000 Performance Bond issued in respect of the Construction Contract for the Building, as a result of the breaches by Unimac pursuant to the Performance Bond; ii) Unimac Group Ltd. operating as Mikal-Calladan Construction Inc., Unimac Group Ltd. and Mikal Calladan Construction Inc. (the general contractor), iii) Victor J. Heinrichs Architect Inc. and Victor J. Heinrichs Inc., (the architect), iv) York Health Care Developments Inc. (the project manager), v) Jain & Associates Limited (an engineering consultant who prepared mechanical, plumbing and electrical specifications for the project and electrical consultant to the architect) ("**Jain**"), and vi) M.V. Shore Associates (1993) Limited (mechanical engineers on the project and consultant to the architect) ("**Shore**"), for breach of contract and/or negligence in connection with the construction of the Property.

70. In its Fifth Report, the Receiver reported that:

- pleadings in this Building Action against the bonding company had closed;
- the Statement of Claim had been amended to add Royal Windsor Mechanical as a party defendant. Royal Windsor Mechanical failed to defend and had been noted in default; and,
- the remaining parties, including Unimac, had agreed to a timetable that required affidavits of documents to be delivered before December 31, 2013, with

discoveries to be held in June, 2014. The plaintiff delivered its affidavit of documents on November 4, 2013. Only one other party, N.C.K. Engineering Ltd., who had been brought into the litigation via a third party claim by the architect, had delivered its affidavit of documents as of the date of the Fifth Report.

71. Examinations for discovery have been completed, with the exception of examinations of the defendants Unimac Group Ltd. and Mikal-Calladan Construction Inc. Despite numerous requests, and contrary to a court-ordered Discovery Plan, they have not produced witnesses for examinations for discovery. The Receiver is moving to strike the statements of defence of those two parties. The Receiver has also answered its undertakings.

72. The Receiver agreed to a settlement with Jain and Shore and the parties entered into a Full and Final Release dated June 19, 2015, which provided for the terms of settlement to not be disclosed. The settlement funds have been received.

73. On November 3, 2016, the Receiver participated in a mediation with Heinrichs and York. The mediation failed to result in a settlement and the Receiver intends to move forward to trial. Neither Unimac nor Mikal-Calladan Construction Inc. attended the mediation, and the Receiver intends to go to trial against both of them if they continue to defend.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

74. Attached hereto as **Appendix "K"** is the Receiver's Interim Statement of Receipts and Disbursements for the period September 28, 2011 to March 31, 2017 (the **"R&D"**). The R&D indicates that as of March 31, 2017, the balance in the Receiver's bank account in respect of the Life-Lease Residence, including the account maintained by Sterling Karamar Property Management (the firm engaged by the Receiver to manage the Life-Lease Residence), is $262,824. The R&D excludes the bank account maintained by the Nursing Home manager for the Nursing Home which is discussed in the following paragraph. In addition, the R&D excludes proceeds received from Jain and Shore as described in paragraph 72 above as pursuant to the Full and Final Release executed between the parties, the amount of these settlements is not to be disclosed.

75. The R&D includes receipts and disbursements from the Life-Lease Residence and receipts from the Ministry on account of monthly funding of the Nursing Home. In accordance with the Appointment Order, this funding is transferred to the bank account established for Nursing Home operations. As of March 31, 2017, the balance in the bank account maintained by the Nursing Home operator (Assured Care Consulting) is $1,022,406. Any excess funds not required for operation of the Nursing Home are from time-to-time transferred back to the Receiver's bank account. Since the Appointment Date, $850,000 in excess funds have been transferred back to the Receiver's bank account.

76. The Receiver is seeking the Court's approval of the R&D.

STATEMENTS OF ACCOUNT OF THE RECEIVER AND ITS COUNSEL

77. The Receiver's fees for services rendered for the period December 1, 2014 to March 31, 2017, in respect of its activities as Receiver are particularized in the Affidavit of Hartley Bricks sworn May 2, 2017, and the invoices attached as exhibits thereto. The total amount of the invoices for this period is $401,086.72, inclusive of HST ("**Receiver Fees**").

78. The fees and disbursements of Blaneys, independent counsel to the Receiver, in respect of work performed for the period October 1, 2014 to December 31, 2016, is particularized in the affidavit of Chad Kopach sworn May 11, 2017. The total amount of the invoices for this period is $51,633.19 inclusive of HST ("**Blaneys Fees**").

79. As discussed above, KRMC acted as ILA Counsel to certain non-ALUs concerning the December 13 Settlements. The Order of Justice Mesbur made November 22, 2013, appointing KRMC to its ILA Mandate provided for payment of KRMC's fees up to a maximum amount of $15,000.00 (excluding disbursements and HST). The Order of Justice Wilton-Siegel made March 6, 2015, approved KRMC's fees for its ILA Mandate to March 6, 2015, totalling $11,883.52 (including disbursements and HST, and a fee estimate of $2,666.80 for time after March 21, 2014 to complete the ILA Mandate). I am advised by Phillip Cho of KRMC that this estimate was below actual fees incurred, due in part to attempts by Mr. Baichoo's clients to set aside, vary and/or appeal certain Orders

of Justice Mesbur. The actual fees and disbursements of KRMC in respect of work performed on its ILA Mandate from March 22, 2014 to March 20, 2015, are set out in the final KRMC invoice dated April 8, 2015, included in the fee affidavit of Philip Cho sworn May 11, 2017. The total of the invoice for that period is $3,318.56 (the "**KRMC Fees**"), but the total fees billed by KRMC for its entire ILA Mandate are still below the maximum amount provided for in the Order of Justice Mesbur made November 22, 2013 ($15,000.00, plus HST and disbursements), even taking into account the additional KRMC Fees.

80. The Receiver has reviewed the invoices of Blaneys and KRMC, and finds the work performed and charges to be appropriate and reasonable.

81. The Receiver sought and received the approval of Peoples to the Receiver taking interim draws against the fees of the Receiver, Blaneys and Gowlings.

82. The Receiver is seeking this Honourable Court's approval of its activities to March 31, 2017, and the Receiver Fees, Blaneys Fees and KRMC Fees.

RECEIVER'S REQUEST TO THE COURT

83. The Receiver is respectively seeking an Order:

i) approving this Eighth Report and the actions and activities of the Receiver from December 1, 2014 to March 31, 2017;

ii) approving the Receiver entering into the Milborne Agreement for the marketing and sale of the available residential units and sealing the Milborne Agreement until such time as all of the residential Units are sold and closed;

iii) approving the Receiver entering into the Jensen Listing Agreement for marketing and sale of the Nursing Home and sealing the Jensen Listing Agreement until such time as a sale of the Nursing Home has closed;

iv) declaring that the Kims do not have any right, title or interest in Unit PH8, and that the Purported Unit PH8 Lease is void *ab initio*;

v) if the Kims take the position that they are tenants of Unit PH8, judgment against Grace Kim for $31,2000.00, being the minimum market rent that should have been payable by them to the Receiver as tenants for Unit PH8 since April 1, 2015;

vi) regardless of whether the Kims are tenants or occupants, providing the Receiver with vacant possession of Unit PH8;

vii) approving the R&D;

viii) declaring that KRMC has fulfilled its mandate as ILA counsel to the ILA Unit-Holders, and discharging KRMC as ILA counsel to the ILA Unit-Holders; and,

ix) approving the Receiver Fees, the Blaneys Fees and the KRMC Fees.

All of which is respectfully submitted to this Honourable Court.

DATED this 12th day of May, 2017

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

Per:

Adam Bryk, CPA, CA, CIRP, LIT
Senior Vice-President

Hartley Bricks, MBA, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX "A"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	**TUESDAY , THE 27th DAY**
	)	
JUSTICE C. CAMPBELL	)	**OF SEPTEMBER, 2011**

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

AMENDED AND RESTATED APPOINTMENT ORDER

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

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

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

SERVICE

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

APPOINTMENT

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

RECEIVER'S POWERS

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

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of

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

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

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

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

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

(g) Notwithstanding anything in this Order, the Debtor is the licensee (the "**Licensee**") of the long-term care home located at 17 Maplewood Avenue, Toronto, Ontario which forms a part of the Property (the "**Home**"). The

Home is currently licensed pursuant to the LTCHA and the regulations thereunder. Toronto Central Local Health Integration Network (**"TC LHIN"**) will continue to pay the Licensee (and the Receiver will be entitled to receive such payments) pursuant to the Service Accountability Agreement in respect of the Home between the TC LHIN and the Debtor effective March 4, 2011 (the **"SAA"**) and the Ministry of Health and Long-Term Care (~~together with the TC LHIN,~~ the **"MOH"**) will continue to pay the Licensee (which payments shall be received by the Receiver in accordance with this Order) pursuant to ~~the~~ existing ~~agreement~~ agreements. Any monies received by the Debtor or the Receiver from the MOH or the TC LHIN shall be used or applied by the Receiver for the operation of the Home in accordance with the SAA, any agreement with the MOH and the LTCHA. Any payments by the TC LHIN shall be subject to TC LHIN review and reconciliation as provided for under the SAA and applicable law and written policy. Any payments by the MOH shall be subject to MOH review and reconciliation as provided for under any agreement with the Debtor or the Receiver and applicable law and written policy. For clarity, subject to the foregoing reconciliations, any surplus monies arising from the operation of the Home may be applied by the Receiver in accordance with this Order.

(h) to settle, extend or compromise any indebtedness owing to the Debtor;

(i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

(k) to apply for such permits, licenses, approvals or permissions as may be required by any governmental authority with respect to the Property, including, without limitation, licenses under the LTCHA

(l) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(m) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(n) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $50,000 provided that the aggregate consideration for all such transactions does not exceed $200,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

(o) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(p) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(q) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(r) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(s) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(t) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

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DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including without limitation Mr. Charles Daley and IWOK Corporation (all of the foregoing, collectively, being **"Persons"** and each being a **"Person")** shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver and any party the Receiver retains in accordance with sub-paragraph 3(d) of this Order and section 110 of the LTCHA, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the

information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver and the Manager, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a

security interest, or (iv) prevent the registration of a claim for lien. For clarity, this paragraph 9 shall apply to the Manager solely in its capacity as agent for the Receiver.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver, at least one of which will describe the account holder as "Deloitte & Touche Inc. as Rec. & Mgr. of Rose of Sharon (Ontario) Retirement Community" (the **"Post**

Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively,

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

000160

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

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

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. Subject to section 107 of the LTCHA, the whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections, 81.4(4), and 81.6(2) of the BIA.

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

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

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

GENERAL

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

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

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or,

if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

~~29.~~ 28A. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, the Receiver and Manager shall comply with the SAA, the LTCHA and the regulations thereunder as they apply to the ~~management~~operation of the Home and ~~the~~neither TC LHIN nor MOH shall ~~not~~ be subject to paragraphs 9 and 10 of this Order in relation to any non-compliance with the SAA, the LTCHA and the regulations thereunder by the Receiver and/or the Manager with respect to the ~~management~~operation of the Home.

29. ~~30.~~

000163

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

Natasha Brown
Registrar

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

DEC 23 2011

PER / PAR:

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

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

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

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

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

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

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

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

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

DATED the _____ day of _____, 20__.

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

Per: _____

Name: Daniel R. Weisz

Title: Senior Vice President

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

AMENDED AND RESTATED
APPOINTMENT ORDER

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Lawyers for the Applicant,
Peoples Trust Company

APPENDIX "B"

000187

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

SEVENTH REPORT TO THE COURT OF THE RECEIVER
(dated March 3, 2015)

000168

TABLE OF CONTENTS

APPENDICES

	Rental Attornment delivered to each of the occupants of the Occupied Units
APPENDIX "H":	Summary Statement of Income for the Period January 1 to December 31, 2014 for the Nursing Home
APPENDIX "I":	Confidential Appendix – Minutes of Settlement made as of February 2, 2015, Offer to Settle the Construction Lien dated January 21, 2015 and the Receiver's Analysis of Lien Settlement
APPENDIX "J":	Copy of the Absolute Assignment of the Construction Lien against the Property by Unimac Group Ltd. to Trisura Guarantee Assurance Company
APPENDIX "K":	Receiver's Interim Statement of Receipts and Disbursements for the period September 28, 2011 to November 30, 2014

INTRODUCTION

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

2. Capitalized terms not defined in this report are as defined in the Appointment Order, or the Receiver's First through Sixth Reports. All references to dollars are in Canadian currency unless otherwise noted.

3. Rose's principal asset is a 12 storey building located at 15-17 Maplewood Avenue, Toronto, Ontario (the "**Property**") which is comprised of a 60 bed long-term care facility located on floors 4 through 6 (the "**Nursing Home**") and 90 life-lease units ("**Units**", and individually "**Unit**") located on floors 2, 3 and 7 through 12 (the "**Life-Lease Residence**").

4. The Receiver's Third Report to the Court dated February 19, 2013 (the "**Third Report**") provided the Court with, among other things, the history of the Property, the construction of the Property, a detailed analysis of the Units purchased in the Life-Lease Residence, details on the terms of the loan provided by Peoples Trust Company ("**Peoples**") used to fund construction of the Property (the "**Construction Loan**"), the competing interests in the Property, and the Receiver's position on priority of the first mortgage registered against title to the Property (the "**Construction Mortgage**") and held by Peoples as against the other various agreements, loans, notes, liens, charges and mortgages registered and unregistered against the Property (the "**Priority Issue**").

5. The Receiver's Fourth Report to the Court (the "**Fourth Report**") dated March 11, 2013 provided the Court with an update on the Receiver's activities in respect of its motion for the appointment of Kronis, Rotzstain, Margles, Cappel LLP ("**KRMC**") as representative counsel ("**Representative Counsel**") of arm's length purchasers of Units in the Life-

Lease Residence (the "**ALUs**"), composed mostly of persons of Korean Heritage, many of whom are elderly and/or have a limited grasp of English. The Fourth report also included re-categorization of certain Unit-holders into or out of the ALU category, and addressed procedural matters related to the appointment of Representative Counsel. The Receiver was of the opinion that the appointment of Representative Counsel would be to the general benefit of the Rose estate and the ALUs and would allow for the Priority Issue to be dealt with in a more efficient process.

6. On April 8, 2013, Peoples served its motion materials (the "**Priority Motion**") seeking priority over all of the mortgages registered against the Property and over the Life Lease Claimants (as defined in the Priority Motion, and essentially being all persons having an interest in the Property except for those having construction lien claims found to be valid and in priority to Peoples), including Unimac Group Ltd. ("**Unimac**").

7. On April 11, 2013, Justice Mesbur issued an Order approving the appointment of KRMC as Representative Counsel in respect of the Priority Motion for the group that what would eventually consist of only the ALUs (the "**Representative Counsel Order**").

8. On September 10, 2013, the date scheduled for the hearing of the Priority Motion, Gowlings advised the Court that Peoples and the Receiver had reached a settlement with the ALUs in respect of the Priority Motion, representing 28 Units in the Life-Lease Residence (the "**ALU Settlement**"), and sought the Court's approval of the ALU Settlement. Justice Mesbur approved the ALU Settlement and issued an Order (the "**ALUs Settlement Approval Order**") to that effect. There was no opposition to the ALU Settlement at that time (as noted in Justice Mesbur's Endorsement, Justin Baichoo attended on the motion as counsel for both Unimac and IWOK Corporation ("**IWOK**")). The remaining issues concerning the Priority Motion were adjourned to November 14 and 15, 2013.

9. As summarized in the Receiver's Fifth Report to the Court dated December 10, 2013 (the "**Fifth Report**"), the continuation of the Priority Motion resulted in the following Orders:

000172

(a) on November 14, 2013 Justice Mesbur ordered and declared that Peoples was entitled to priority over the claims of all persons claiming an interest in 25 non-ALU Units in the Property, except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List) (the "**November 14 Priority Claims Order**"). These 25 non-ALU Units consisted of sixteen (16) Released and Vacant Units, three (3) Units subject to Right to Occupy Agreements ("**RTOA**") with Turfpro Investments Inc. ("**Turfpro**") (the "**Turfpro RTOA Units**"), two (2) Units subject to options to enter into RTOAs with Turfpro (the "**Turfpro Option Units**") identified as Units #310 and #PH3, one (1) Unsold and Vacant Unit, and three (3) Units in which John Yoon or Moon Yoon, the former CEO of Rose and his spouse, claimed an interest;

(b) on November 22, 2013, Justice Mesbur made an order (the "**ILA Order**") that KRMC be discharged as Representative Counsel and that it perform a new mandate to provide independent legal advice ("**KRMC ILA Retainer**") to certain individual unrepresented non-ALUs (ultimately encompassing Unit-holders of 6 Units purchased by non-ALUs separate and apart from the 25 Units set out in subparagraph (a) above) who had entered, or would be entering, into settlements with Peoples regarding their Units ("**ILA Unit-holders**"); and

(c) on November 22, 2013, Justice Mesbur made an order refusing to admit the supplementary affidavit of Leon Hui sworn November 11, 2013 on behalf of Unimac (the "**Second Hui Affidavit**"), and adjourning the remaining issues in the Priority Motion to December 13, 2013.

10. On December 13, 2013, Justice Mesbur issued an Order (the "**December 13 Order**") that, among other things:

(a) approved settlements between Peoples, the Receiver and Unit-holders claiming an interest in 14 non-ALU Units (comprised of 11 units with former Rose directors or those related to Rose directors - six of whom received ILA pursuant to the KRMC ILA Retainer - two units with the nursing home manager and one unit

000173

with Mugungwha Homes, a charity related to Rose) (the "**December 13 Settlements**");

(b) declared that Peoples is entitled to priority over the claims of all persons claiming an interest in 17 additional Units (comprised of the Vase Units, as defined in the Third Report, and those Unit-holders who elected not to accept Peoples' settlement offer), except for any construction lien claims found to be valid and prior; and

(c) declared that Peoples is entitled to priority over the claims of IWOK and Turfpro, including any assignees, claiming under four subordinate mortgages.

11. On January 9, 2014, Madam Justice Kiteley heard and denied a motion brought by Unimac for leave to appeal Justice Mesbur's decision of November 22, 2103 refusing to admit the Second Hui Affidavit.

12. On February 4, 2014, 2383431 Ontario Inc. ("**238**"), an assignee of the second mortgage against the Property, appealed the December 13 Settlements, alleging, among other things, that 238 never received any notice of the receivership proceedings, including the motion for approval of the December 13 Settlements (the "**238 Appeal**").

13. On February 6, 2014, that portion of the Priority Motion dealing with Unimac and Leon Hui was heard by Justice Brown who granted an Order declaring that Peoples' security is entitled to priority over Unimac's claim to six Units and over Leon Hui's claim to one additional Unit (the "**February 6 Order**").

14. On February 18, 2014, Unimac appealed the February 6 Order (the "**Unimac Appeal**").

15. The Receiver's Sixth Report to the Court (the "**Sixth Report**") dated May 16, 2014 provided the Court with an update on the disposition of matters involved in the Priority Motion since December 10, 2013, including providing the Court with information with respect to 238.

16. On July 4, 2014, the Court of Appeal (Justices Feldman, MacPherson and Cronk) heard the 238 Appeal and the Unimac Appeal. Both appeals were dismissed. Copies of the July

000174

7, 2014 Endorsements in respect of the 238 Appeal and the Unimac Appeal are attached hereto as **Appendix "B"** and **Appendix "C"**, respectively.

17. The purpose of this Seventh Report to the Court (the "**Seventh Report**") is to:

a) provide the Court with a summary of the disposition of the matters involved in the Priority Motion;

b) provide the Court with the status of the conversion of the Nursing Home and Life Lease Units to condominiums;

c) provide the Court with an update on the rehabilitation work at the Rose of Sharon building;

d) provide the Court with an update on the Life-Lease Residence and Unit-holders;

e) provide the Court with an update on the Occupied Units (as defined below) and seek an order directing Unimac and John and Moon Yoon ("**Yoon**") to provide an accounting to the Receiver for rent received in respect of the Occupied Units, to pay those funds to the Receiver and to direct the tenants of the Occupied Units to pay current and future rent to the Receiver;

f) provide the Court with an update on the operations of the Nursing Home;

g) provide the Court with an update on the action commenced by the Receiver against Trisura Guarantee Assurance Company ("**Trisura**"), the surety who issued a Performance Bond in respect of the construction of the Project, Unimac, the general contractor on the project, and other parties involved in the construction of the Property (the "**Building Action**");

h) provide the court with an update on the Construction Lien Action, as defined below, and seek the Court's approval of a settlement between Trisura, Peoples and the Receiver of the Construction Lien Action and the Building Action as it relates to Trisura;

i) seek the Court's approval to increase the amount that the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order from $2,500,000 to $6,500,000;

j) seek the Court's approval of the Sixth Report and this Seventh Report and the actions and activities of the Receiver from November 1, 2013 to November 30, 2014;

k) seek the Court's approval of the Receiver's Interim Statement of Receipts and Disbursements for the period September 27, 2011 to November 30, 2014;

l) seek the Court's approval of the Receiver's fees incurred for the period November 1, 2013 to November 30, 2014; and

m) seek the Court's approval of the fees of Gowling Lafleur Henderson LLP ("**Gowlings**"), Blaney McMurtry LLP ("**Blaneys**") and KRMC as detailed more fully herein.

TERMS OF REFERENCE

18. In preparing this Seventh Report, the Receiver has relied upon the books and records of Rose. In addition, the Receiver has relied upon information provided by Unit-holders, or parties claiming to have a direct or indirect financial interest in Life-Lease Units.

19. The Receiver has compared certain information contained in Rose's records to information that has been provided by Unit-holders. While the Receiver has reviewed certain information for reasonableness, the Receiver has not performed an audit or other verification of information that is contained in Rose's records or that has been provided to the Receiver and expresses no opinion thereon.

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

000176

DISPOSITION OF THE PRIORITY MOTION

21. The various court appearances, orders and endorsements concerning the Priority Motion are discussed above, the net result of which is the following:

- The ALU Settlement (28 Units) and the December 13 Settlements (14 Units) (collectively, the "**Settlements**"), as approved by the ALUs Settlement Approval Order and the December 13 Order, respectively, and the proposed settlement with Mugungwha Homes for Unit #207 as discussed below, allowed for holders of Right to Occupy Agreements ("**RTOAs**") representing 43 Units (the "**Settlement Units**") to continue to occupy their unit pending the conversion of the building to condominiums, at which point those settling Unit-holders can elect to close the purchase of their Unit(s) by the payment of amounts as stipulated in the settlements or abandon their interest in their Units. A schedule listing the 43 Settlement Units, which includes the settlement amount owing upon closing including estimated unpaid common area maintenance fees and interest payments owing pursuant to the RTOAs assuming a December 31, 2015 closing date, is attached hereto as **Appendix "D"**; and

- The November 14 Priority Claims Order (24 Units), the December 13 Order (17 Units) and the February 6 Order (7 Units) declared that Peoples is entitled to priority over the claims of all persons claiming an interest in 48 Units. After consideration of the proposed settlement with Mugungwha Homes for Unit #207, as discussed below, the total number of units that Peoples is declaring priority over, except for any valid construction lien claims found to be in priority, is 47 Units (the "**Peoples Priority Units**"). A schedule listing the 47 Peoples Priority Units, which includes details concerning the size, configuration and occupancy of the Units, is attached hereto as **Appendix "E"**.

22. Both Unimac and Mugungwha Homes claimed an interest in Unit #207. Prior to the December 13 Hearing, Mugungwha Homes entered into a conditional settlement agreement with Peoples and the Receiver (the "**Unit #207 Settlement**") which agreement applied the same terms, including payment methodology, as was employed in the ALU

000177

Settlements. Madam Justice Mesbur declined to approve the Unit #207 Settlement prior to the disposition of Unimac's claim to Unit #207.

23. Given Justice Brown's February 6 Order declaring that Peoples is entitled to priority over the claims of all other parties in the Unimac Units, and given that the Unimac Appeal was dismissed by the Court of Appeal, Peoples has advised the Receiver that it will be seeking court approval for the Unit #207 Settlement at a later date.

STATUS OF CONVERSION TO CONDOMINIUMS

24. In paragraphs 187 through 193 of the Third Report, the Receiver reported on the status of the conversion of the building to condominiums and that the deadline for submission of materials to the City of Toronto in respect of approval of the Draft Plan of Condominium was May 26, 2013. In the Fifth Report, the Receiver advised that by letter dated April 19, 2013, the City of Toronto (the "**City**") had agreed to extend the deadline for the submission of materials to April 19, 2014.

25. Prior to the expiration of the April 19, 2014 deadline, Gowlings contacted the City to seek a further extension. The City did not respond to the Receiver's request.

26. The draft approvals of the plans of condominium for the Nursing Home and the Life-Lease portions of the building have now lapsed without the architect, Sedun + Kanerva Architects Inc. ("**Sedun**"), or the engineer, Norman Lee & Associates ("**NLA**") having been able to certify the building was completed as required by the *Condominium Act* and its regulations. Gowlings has suggested that the Receiver seek to have the City accept new applications for approval of those plans of condominium without having to refile new supporting materials and has had some preliminary discussions with the City's legal staff. The Receiver intends to pursue this strategy with the City once the remediation of the building has sufficiently progressed.

27. The Receiver has engaged Sedun to finalize the Draft Plan of Condominium and certify that the easements and reciprocal rights of ways have been correctly identified in the Declaration. The Receiver has also engaged NLA to provide the certification required by the City that the Property has been completed in accordance with the *Condominium Act*.

The Receiver had previously engaged NLA to prepare a Building Audit Report ("**BAR**"), the results of which were reported in the Third Report, and to manage the commissioning of the building's mechanical and HVAC systems.

28. NLA had advised the Receiver that in order to provide the certification required by the City (that the Property has been completed in accordance with the *Condominium Act*), substantially all of the deficiencies identified in the BAR need to be rectified.

STATUS OF THE REMEDIATION OF BUILDING DEFICIENCIES

29. As discussed it its Third Report, upon its appointment the Receiver engaged NLA to conduct an audit of the Property. Norman Lee undertook a thorough review of the building and in March 2012 delivered the BAR. As detailed in the BAR, Norman Lee identified a number of deficiencies in the building, the most significant of which involved the windows, glass sliding doors, balcony guardrails, roof and garage waterproofing, mechanical issues and exterior walls and caulking. A summary of the deficiencies identified in the BAR at set out in the attached **Appendix "F"**.

30. The Receiver authorized certain immediate repairs to the mechanical systems to ensure the HVAC system was functioning appropriately, and to certain rooftop mechanical pumps to repair leaks and bring systems into proper functioning capacity. Up to November 30, 2014, the Receiver has approved and paid for approximately $375,000 of repairs to the premises that addressed mechanical and building envelope deficiencies identified in the BAR, including certain repairs to the laundry room, the mechanical penthouse, the underground garage and a portion of the first draw on the Remediation Contract (as defined below). In addition, since the commencement of the receivership, the Receiver has expended approximately $542,000 for general repairs and maintenance to the property (including janitorial and custodial costs, elevator, HVAC and fire system maintenance, snow removal, etc.) and items not identified in the BAR since the Appointment Date.

31. As a result of the disposition of the Priority Motion, Peoples advised the Receiver that it was in a position to move forward with funding the balance of the building remediation in order to meet the requirements for application to the City of the plan of condominium.

000179

At the Receiver's direction, NLA prepared tender packages for the building envelope repairs that were required to be made to obtain the certification. The general scope of building envelope work involves:

- removal of existing windows, frames, sliding doors metal panels and supply and install new aluminium framed thermal windows, insulated metal panels, insect screens, and insulated metal patio doors;
- retrofitting of existing guardrails at all balconies to meet dimensional requirements of the Ontario Building Code;
- tuckpointing of all missing or prematurely deteriorated brick mortar joints; and
- installation of new metal flashing at specified areas.

32. Three companies responded to the tender and KC Structural Ltd. ("**KC**") was the lowest and successful bidder. The Receiver entered into a Standard Construction Document CCDC2-2008 with KC dated July 25, 2014 (the "**Remediation Contract**"). The base amount of the Remediation Contract is $2,375,400 plus HST. In addition, the Receiver, at Peoples's request, obtained a $1,342,101 Performance Bond and an equivalent Labour & Material Payment Bond from Travelers Insurance Company of Canada to secure the Remediation Contract. Bonding resulted in an $118,700 plus HST increase in the amount of the Remediation Contract to $2,494,100 plus HST. Further, NLA is to be paid a fee equal to 10% of the contract price in respect of design, tendering and project management services resulting in a further $249,410 plus HST that will be payable. As a result, the total cost of the Remediation Contract, including bonding costs and project management fees, is $3,100,166 including HST.

33. The Remediation Contract is to be performed in four stages based on the elevations of the Property. Stage 1 commenced in October 2014 with the removal and replacement of the windows on the east elevation. As of the date of this Seventh Report, Stage 1 is complete. Stage 2, consisting of work on the south elevation, commenced during the week of January 26, 2015 and is to be completed by mid-March 2015. Stages 3 and 4, which

involve work on the west and north elevations, respectively, is scheduled to take place in the spring through fall with a target completion date for the entire project of mid-November 2015. Completion of the work is subject to any weather related issues and coordination with the Life-Lease Residence and Nursing Home, as residents need to be temporarily moved from their rooms in order for the windows on their floors to be replaced.

34. As of November 30, 2014, the Receiver had paid a portion of the first progress draw on the Remediation Contract totalling $172,055, leaving approximately $2,928,150 still to be paid as work moves toward completion.

35. In addition to the building envelope deficiencies that are being addressed through the Remediation Contract, there are mechanical and electrical deficiencies in the building that were identified in the BAR that still require rectification in order for NLA to provide the appropriate approvals. The estimated cost to correct the mechanical and electrical deficiencies is, respectively, $275,000 and $80,000 including HST. NLA advises that these matters will be addressed during the spring and summer of 2015.

36. Given the approximately $3.3 million of remediation work remaining to completed at the Property, as set out further below, the Receiver is seeking approval to increase the maximum amount it is permitted to borrow under the Appointment Order in order to fund the completion of the work.

STATUS OF LIFE-LEASE RESIDENCE AND UNIT HOLDERS

Extension of Settlement Agreements

37. The ALUs Settlement Approval Order provided that the ALU Settlements (28 Units) would be effective until 12 months after the date of court approval of the ALU Settlements (the "**ALU Outside Date**"), unless Peoples, in its sole discretion, agrees in writing to extend to a later date. The ALU Outside Date was September 10, 2014. As the work to register the Property as condominiums had not been completed by the outside date, on September 10, 2014, Gowlings on behalf of Peoples wrote to the settling ALUs giving them notice that the ALU Outside Date was extended to March 10, 2015.

Gowlings has advised the Receiver that it intends to provide a further extension of the ALU Outside Date prior to March 10, 2015.

38. The settlements with the Unit-holders claiming an interest in the non-ALU Units (14 Units), which were approved in the December 13 Order, also provided for an outside date that is twelve months after court approval (the "**Non-ALU Outside Date**"). Similar to the ALU Settlements, by letters dated December 10, 2014, Gowlings, on behalf of Peoples, extended the Non-ALU Outside Date to June 13, 2015.

Common Area Maintenance Fee Payments

39. One of the conditions of the Settlements was that the settling Unit-holders are to make monthly common area maintenance fee ("**CAM**") payments in relation to their Units which arise after the Settlement Date, as when they become due. After the Settlement date, the Receiver identified 16 units for which the settling Unit-holder was not making their required monthly CAM payments. Accordingly, the Receiver wrote to those settling Unit-holders reminding them of the requirement to pay. As of the date of this Seventh Report, there are Unit-holders of 9 Units who continue to not remit some or all monthly CAM payments. The Receiver continues to pursue these delinquencies with the applicable Unit-holders.

Unimac Units and Yoon Units

40. Of the 42 Units which Peoples obtained orders declaring that Peoples is entitled to priority over those Units, ten Units (six Unimac Units, one Leon Hui Unit and three Yoon Units) are occupied by either a relative or third-party tenant of the former Unit-holder (the "**Occupied Units**"). For those ten Units, the former Unit-holders, the names of the occupant at July 29, 2014 and the name of the occupant at March 2, 2015, where known, are as follows:

Unit #	Names of Former Unit-holder	Names of Occupant at July 29, 2014	Name of Occupant at March 2, 2015
207	Unimac	Unknown – addressed to Current Occupant	Chris Cull
301	Unimac	Alvaro Jimenez or Current Occupant	Jonathan Yapp
303	Unimac	Ved Billorey or Current Occupant	Vacant

309	Unimac	Isac Lima & Bruna Peloso or Current Occupant	Troy Hamilton
710	Yoon	Unknown – addressed to Current Occupant	Unknown
712	Yoon	Mike Yoon or Current Occupant	Mara Silvia
1011	Yoon	Young Seob Park, Won Seong Gu & Kwon Yoon Jin or Current Occupant	Cara Andrews
1105	Leon Hui	Sakhawat Javed or Current Occupant	Sakhawat Javed
PH1	Unimac	Tal Batalion or Current Occupant	Shlomi Silbertstein
PH8	Unimac	Grace Kim or Current Occupant	Grace Kim

41. On July 29, 2014, the Receiver delivered Notices to Tenants, Demands for Particulars of Tenancy Agreement and Notices of Rental Attornment (the "**Notices**") to each of the occupants of the Occupied Units with a copy provided to Unimac/Leon Hui or Yoon, as applicable. Attached hereto as **Appendix "G"** is an affidavit of service for delivery of the Notices to the occupants of the Occupied Units as well as copies of the Notices for each of the ten Units.

42. As of the date of this Seventh Report, none of the occupants of the Occupied Units has complied with the Notices.

43. The Receiver is therefore requesting an Order that:

i) Unimac, Leon Hui and Yoon each provide copies of any and all leases for the Occupied Units from July 29, 2014 onward, or to the extent no written leases were entered into, details of oral leases including start date, term, amount payable and name of tenant(s);

ii) Unimac, Leon Hui and Yoon each provide an accounting of all amounts each has received in respect of rent for the Occupied Units from July 29, 2014 onward;

iii) Unimac, Leon Hui and Yoon each pay to the Receiver, for the benefit of the estate and subject to Peoples' first ranking security, all amounts received from tenants of Occupied Units from July 29, 2014 onward;

iv) all tenants of Occupied Units return the information required in the Notices by March 31, 2015; and

v) all tenants of Occupied Units commence payment of rent to the Receiver from the date of the proposed Order onward, for the benefit of the estate and subject to Peoples' first ranking security, based on the terms of their lease, and to the extent there is no lease, at market rates as determined by the Receiver.

NURSING HOME UPDATE

44. The Nursing Home continues to be fully occupied with an average occupancy for the year ended December 31, 2014 of 99.5%. The Nursing Home has a wait list exceeding 125 applicants.

45. In its report dated June 4, 2014, the Ministry of Health and Long-Term Care (the "**Ministry**") provided the results of its annual Resident Quality Inspection of the Nursing Home, which it conducted from May 15 to 28, 2014. The purpose of the Resident Quality Inspection is to ensure long-term care homes comply with the *Long Term Care Homes Act, 2007* and its regulations, which the Ministry achieves through staff interviews with residents, family members and staff, direct observations of how care is being delivered and record reviews. The Ministry's report identified thirteen areas of non-compliance for which it requested the Nursing Home prepare written plans of correction to achieve compliance. The written plans of correction were submitted to Ministry within the required timeframe and no further actions were required.

46. Attached hereto as **Appendix "H"** is a Summary Statement of Income for the period January 1 to December 31, 2014 for the Nursing Home. As set out in the operating statement, the Nursing Home has generated positive net operating income of $446,878 for the 12 month period, which is approximately $69,600 or 17% greater than budgeted operating income. The positive operating income variance is essentially due to the following:

- revenue being approximately $16,300 higher than budget due primarily to better than expected revenue from private accommodations;

- lower than anticipated wage costs of approximately $21,600;
- lower than expected repairs and maintenance expense by approximately $16,900;
- lower than expected supplies costs of approximately $13,500 due to lower supply costs in laundry and housekeeping;
- lower than expected maintenance contract costs of approximately $6,800; and
- higher than expected utilities expenses of $7,000.

The balance of the variance is due to minor positive and negative variances in other expense accounts.

STATEMENT OF CLAIM AND CONSTRUCTION LIEN LITIGATION

Statement of Claim

47. As detailed in paragraphs 174 through 182 in the Third Report, given the extent of deficiencies identified in the BAR, on September 14, 2012, Rose, by its Receiver, issued and served a Statement of Claim for breach of contract and/or negligence in connection with the construction of the Property (the "**Statement of Claim**") against i) Trisura Guarantee Insurance Company ("**Trisura**"), the surety of a $7,420,000 Performance Bond issued in respect of the Construction Contract, as a result of the breaches by Unimac pursuant to the Performance Bond; ii) Unimac Group Ltd. operating as Mikal-Calladan Construction Inc., Unimac Group Ltd., Mikal Calladan Construction Inc. (the general contractor), iii) Victor J. Heinrichs Architect Inc., Victor J. Heinrichs Inc., (the architect), iv) York Health Care Developments Inc. (the project manager), v) Jain & Associates Limited (engineering consultant who prepared mechanical, plumbing and electrical specifications for the project and electrical consultant to the architect), and vi) M.V. Shore Associates (1993) Limited (mechanical engineers on the project and consultant to the architect) for breach of contract and/or negligence in connection with the construction of the Property.

48. In its Fifth Report, the Receiver reported that:

- pleadings in the action against the bonding company had closed;
- the Statement of Claim had been amended to add Royal Windsor Mechanical as a party defendant. Royal Windsor Mechanical failed to defend and had been noted in default; and
- the remaining parties had agreed to a timetable that required affidavits of documents to be delivered before December 31, 2013 with discoveries to be held in June, 2014. The plaintiff delivered its affidavit of documents on November 4, 2013. Only one other party, N.C.K. Engineering Ltd., the structural consultant on the Project who the architect added to the proceeding through a third-party claim, had delivered its affidavit of documents as of the date of the Fifth Report.

49. Since the update in Fifth Report, examinations for discovery have been completed, with the exception of examinations of the defendants Unimac and Mikal-Calladan Construction Inc. ("**Mikal-Calladan**"). Despite numerous requests, and contrary to a court-ordered Discovery Plan, witnesses for examinations for discovery for Unimac and Mikal-Calladan have not been produced. The Receiver is moving to strike the statements of defence of those two parties and that motion is scheduled to be heard on April 1, 2015. The Receiver is also in the process of answering its undertakings. After these two steps are complete, it is expected that this proceeding can be set down for trial, possibly in June or July 2015.

Construction Lien Action

50. As detailed in paragraphs 70 and 183 through 186 in the Third Report, on November 19, 2010, Mikal-Calladan registered a lien for $4,166,659 against the Property (the "**Construction Lien**"). On January 30, 2012, the Construction Lien was subsequently assigned to Trisura. On December 27, 2012, the Court issued an Order lifting the stay of proceedings so that Trisura could set the Construction Lien action down for trial (the "**Construction Lien Action**").

51. In the Fifth Report, the Receiver reported, among other things, that :

- the Construction Lien Action had been set down for trial and the first pre-trial was scheduled for February 3, 2014 before Master Wiebe.

- an examination under s. 40 of the *Construction Lien Act* had been scheduled for January 27, 2014 to obtain the evidence required to post a lesser amount of security to bond off the lien; and

- discovery in the Construction Lien Action was expected to be timetabled by Master Wiebe at the February 3, 2014 pre-trial.

52. Since the update in the Fifth Report, affidavits of documents and productions have been exchanged and examinations for discovery were scheduled to be completed by the end of February 2015. The Receiver had brought a motion to discharge the lien which has been scheduled for June 3, 2015. In addition, the parties entered into without prejudice discussions of a possible settlement of the Construction Lien Action.

53. On January 21, 2015, Peoples made an Offer to Settle the Construction Lien and the Construction Lien Action to Trisura. The Offer to Settle was accepted by Trisura on January 29, 2015 (the "**Offer to Settle**") and the parties executed Minutes of Settlement made as of February 2, 2015 (the "**Lien Settlement**"). Copies of the Offer to Settle and the Lien Settlement are attached hereto as **Confidential Appendix "I"**. The terms of the Lien Settlement are summarized as follows:

i) Peoples shall pay Trisura the total sum set out in Confidential Appendix "I" in full and final settlement of all of Trisura's claims against Rose and Peoples;

ii) Trisura will obtain an order discharging the Construction Lien against title to the Property, vacating the certificate of action registered by Mikal-Calladan and dismissing the action on a without costs basis;

iii) The Receiver will obtain an order dismissing the Statement of Claim as against Trisura, without costs;

iv) Trisura, Trisura as assignee of the Mikal-Calladan Lien, the Receiver on behalf of Rose, and Peoples will exchange a release in form and content agreeable to all parties, acting reasonably. The form of release will allow Trisura to continue its litigation against Mikal-Calladan and Unimac, and the Receiver to continue its litigation against the other defendants in the Statement of Claim;

v) Trisura will obtain an order discharging the Tremonte Manufacturing Welding & Ironworks Limited claim for lien registered as Instrument No. AT2557379; and,

vi) The Lien Settlement is conditional upon Court approval.

54. The Receiver is of the view that the Lien Settlement is in the best interest of Rose. The Receiver's analysis and reasons for its position are set out in Confidential Appendix "I".

55. Accordingly, the Receiver and Peoples are seeking approval of the Lien Settlement. It is an essential term of the Lien Settlement that the Court approve it and confirm that Trisura's release of lien releases all possible claims that can be made by any party under the *Construction Lien Act* against the Property, Peoples and the Receiver. This relief is required because Unimac has asserted that it is entitled to claim the lien relied upon by Trisura, despite the said lien having been assigned by Unimac to Trisura. Attached hereto as **Appendix "J"** is a copy of the absolute assignment of the Construction Lien against the Property said to arise from work done by Unimac to Trisura.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

56. Attached hereto as **Appendix "K"** is the Receiver's Interim Statement of Receipts and Disbursements for the period September 28, 2011 to November 30, 2014 (the **"R&D"**). The R&D indicates that as of November 30, 2014, the balance in the Receiver's bank account, including the account maintained by Sterling Karamar Property Management (**"Sterling Karamar"**), the firm engaged by the Receiver to manage the Life-Lease Residence, in respect of the Life Lease Residence but excluding the bank account maintained by Assured Care Consulting Inc. (**"ACC"**), the company engaged by the Receiver to manage the Nursing Home on its behalf, for the Nursing Home, is $299,009.

57. The R&D includes receipts and disbursements from the Life-Lease Residence and receipts from the Ministry on account of monthly funding of the Nursing Home. In accordance with the Appointment Order, this funding is transferred to the bank account established for Nursing Home operations. As of November 30, 2014, the balance in the bank account maintained by ACC is $681,389. Any excess funds not required for operation of the Nursing Home are from time-to-time transferred back to the Receiver's bank account. Since the Appointment Date, $850,000 in excess funds have been transferred back to the Receiver's bank account.

58. The Receiver is seeking the Court's approval of the R&D.

RECEIVER'S BORROWINGS

59. Since the commencement of the receivership, the Receiver has borrowed $2,500,000.00 from Peoples by way of Receiver's Certificates in order to fund the receivership, substantially as a result of the cost of rectification efforts to date and to fund Receiver and legal and other professional fees in connection with the Priority Issue, the Construction Lien action and the Statement of Claim. In addition, the life-lease premises operates at a recurring cash deficit of between $20,000 to $30,000 per month. The Receiver's borrowings are the maximum allowed under the Amended and Restated Appointment Order.

60. As indicated above, as at November 30, 2014, the balance of funds in the Receiver's possession is $299,001. As discussed above, the Receiver anticipates that it will incur a further $3.3 million in costs to complete the remediation of the deficiencies at the Property in order to be in a position to convert the building to condominiums and close the transactions for the Settlement Units as well as realize on the Peoples Priority Units and the Nursing Home. In addition, further funds are required to administer the Life-Lease Residence and for Receiver and legal fees. Accordingly, the Receiver is seeking an Order increasing the Receiver's borrowing limit to $6,500,000.00, which would allow the Receiver access to a further $4,000,000.00. These borrowings will be received from Peoples.

STATEMENTS OF ACCOUNT OF THE RECEIVER AND ITS COUNSEL

61. The Receiver's fees for services rendered for the period November 1, 2013 to November 30, 2014 in respect of its activities as Receiver are particularized in the Affidavit of Hartley Bricks sworn March 2, 2015 and the invoices attached as exhibits thereto. The total amount of the invoices for this period is $241,232.98, inclusive of HST ("**Receiver Fees**").

62. The fees and disbursements of Gowlings, in its capacity as counsel to the Receiver, in respect of work performed for the Receiver, for the period December 31, 2013 to December 31, 2014 will be particularized in an affidavit to be sworn. The total amount of the invoices for this period is $269,270.83, inclusive of HST ("**Gowling Fees**").

63. The fees and disbursements of Blaneys, independent counsel to the Receiver, in respect of work performed for the period November 1, 2013 to September 30, 2014 will be particularized in an affidavit to be sworn. The total amount of the invoices for this period is $80,267.74, inclusive of HST ("**Blaneys Fees**").

64. The fees and disbursements of KRMC, in respect of work performed for the period November 26, 2013 to March 6, 2015 with respect to the KRMC ILA Retainer in connection with the December 13 Settlements will be particularized in an affidavit to be sworn. The total amount of the invoices for this period is $11,883.52, inclusive of HST ("**KRMC Fees**").

65. The Receiver has reviewed the invoices of Gowlings and Blaneys and finds the work performed and charges to be appropriate and reasonable.

66. The Receiver sought and received the approval of Peoples to the Receiver taking interim draws against the fees of the Receiver and Gowlings.

67. The Receiver is seeking this Honourable Court's approval of its activities to November 30, 2014 and the Receiver Fees, Gowlings Fees, Blaneys Fees and KRMC Fees.

RECEIVER'S REQUEST TO THE COURT

68. The Receiver is respectively seeking an order:

i) approving the Sixth Report and this Seventh Report and the actions and activities of the Receiver from November 1, 2013 to November 30, 2014;

ii) approving the R&D;

iii) approving the Lien Settlement as between Trisura, Peoples and the Receiver;

iv) directing Unimac, Leon Hui and Yoon to each provide copies of any and all leases for the Occupied Units from July 29, 2014 onward, or to the extent no written leases were entered into, details of oral leases including start date, term, amount payable and name of tenant(s);

v) directing Unimac, Leon Hui and Yoon to each provide an accounting of all amounts each has received in respect of rent for the Occupied Units from July 29, 2014 onward;

vi) ordering Unimac, Leon Hui and Yoon each pay to the Receiver, for the benefit of the estate and subject to Peoples' first ranking security, all amounts received from tenants of Occupied Units from July 29, 2014 onward;

vii) directing all tenants of Occupied Units to return the information required in the Notices by March 31, 2015;

viii) directing all tenants of Occupied Units to commence payment of rent to the Receiver from the date of the proposed Order onward, for the benefit of the estate and subject to Peoples' first ranking security, based on the terms of their lease, and to the extent there is no lease, at market rates as determined by the Receiver.

ix) increasing the maximum of the Receiver's borrowing limit to $6,500,000.00; and

x) approving the Receiver Fees, Gowlings Fees, Blaneys Fees and KRMC Fees.

All of which is respectfully submitted to this Honourable Court.

DATED this 3rd day of March, 2015.

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

Deloitte Restructuring Inc.

Adam Bryk, CPA, CA, CIRP
Senior Vice President

Hartley Bricks, MBA, CPA, CA, CIRP
Vice President

APPENDIX "C"

000192

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

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

THE HONOURABLE MR.	)	FRIDAY, THE 6th DAY
	)	
JUSTICE WILTON-SIEGEL	)	OF MARCH, 2015

B E T W E E N:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

O R D E R

THIS MOTION made by **Deloitte Restructuring Inc.**, in its capacity as Receiver and Manager over all of the current and future assets, undertakings and properties of the Respondent (in that capacity, the "**Receiver**") for an Order (i) abridging the time for service of the notice of motion and motion record herein, (ii) approving the Sixth Report of the Receiver dated May 16, 2014 (the "**Sixth Report**") and the activities described therein, (iii) approving the Seventh Report of the Receiver dated March 3, 2015 (the "**Seventh Report**") and the activities described therein, (iv) approving the settlement of the construction lien of Mikal-Calladan Construction Inc. (the "**Construction Lien**") registered against the Rose of Sharon ("**Rose**") nursing home

000133

and life-lease residence located at 15-17 Maplewood Avenue, Toronto (the "**Property**") on November 19, 2010, and assigned to Trisura Guarantee Insurance Company ("**Trisura**") by way of agreement dated January 30, 2012, as well as the related Construction Lien action, and approving the settlement with only Trisura of that portion of Rose's Statement of Claim issued by its Receiver in connection with the construction of the Property, as set out in Minutes of Settlement made as of February 2, 2015 (the "**Minutes of Settlement**"), (v) sealing the unredacted Minutes of Settlement from the public record until the settlement been completed, or until further Order of the Court, (vi) directing Unimac Group Inc. ("**Unimac**"), John Yoon and Moon Yoon (collectively, the "**Yoons**"), and Leon Hui to each provide an accounting of all amounts each has received in respect of rent for the 10 units (the "**Occupied Units**") referred to in paragraph 40 of the Seventh Report, provide details of the leases for those Occupied Units and ordering that each pay to the Receiver any and all amounts received from tenants of the Occupied Units from July 29, 2014 onward, (vii) directing all tenants of the Occupied Units to produce to the Receiver on or before March 31, 2015, the information required in the Notices to Tenants, Demands for Particulars of Tenancy Agreement and Notices of Rental Attornment (the "**Notices**") set out in paragraph 40 and Appendix "G" of the Seventh Report, and to commence payment of rent to the Receiver from the date of the Order onward based on the terms of their lease, and to the extent there is no lease, at market rates as determined by the Receiver, (viii) approving and accepting the Receiver's Interim Statements of Receipts and Disbursements for the period from September 28, 2011 to November 30, 2014, (ix) increasing to $6,500,000.00 the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order (as defined in the Notice of Motion), and (x) approving the fees and disbursements for services rendered by the Receiver for the period from November 1, 2013 to November 30, 2014, the fees

and disbursements of Blaney McMurtry LLP ("**Blaneys**") for the period from November 1, 2013 to September 30, 2014, the fees and disbursements of Gowling Lafleur Henderson LLP ("**Gowlings**") for the period from December 31, 2013 to December 31, 2014, and the fees and disbursements of Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**") for the period from November 26, 2013 to March 6, 2015, was heard this day at Toronto.

ON READING the Receiver's Motion Record dated March 3, 3015, the Sixth Report, the Seventh Report, the affidavit of Hartley Bricks sworn March 2, 2015, the affidavit of Chad Kopach sworn March 3, 2015, the affidavit of Christopher Stanek sworn February 26, 2015, and the affidavit of Mervyn Abramowitz sworn February 26, 2015, and upon hearing the submissions of counsel for the Receiver, counsel for the Applicant, and counsel for Trisura, no one else appearing,

and the affidavit of Eric Golden sworn March 6, 2015

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion returnable March 6, 2015 (the "**NOM**"), and related motion material filed in support of that NOM (the "**Motion Material**") be and is hereby abridged, that service of the NOM and Motion Material is hereby validated, and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** that the Sixth Report dated May 16, 2014, and the actions of the Receiver and its counsel described therein be and are hereby approved.

3. **THIS COURT ORDERS** that the Seventh Report dated March 3, 2015, and the actions of the Receiver and its counsel described therein be and are hereby approved.

4. **THIS COURT ORDERS** that (i) the settlement of the Construction Lien of Mikal-Calladan registered against the Property on November 19, 2010, and assigned to Trisura by way

000195

of agreement dated January 30, 2012, and the related Constriction Lien action, and (ii) the settlement with only Trisura of that portion of Rose's Statement of Claim issued by its Receiver in connection with the construction of the Property, as set out in the Minutes of Settlement made as of February 2, 2015, be and is hereby approved.

5. **THIS COURT ORDERS** that the unredacted version of the Minutes of Settlement as defined in paragraph 53 of the Seventh Report and attached to that Report in redacted form as Redacted Appendix "I" shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

6. **THIS COURT ORDERS** that the unredacted version of the Minutes of Settlement shall remain under seal until the Minutes of Settlement have been completed, or until further Order of the Court. The balance of Appendix "I" shall remain sealed HHW pending further order of this Court.

7. **THIS COURT ORDERS** that Unimac, John Yoon, Moon Yoon and Leon Hui each provide the Receiver by March 31, 2015 an accounting of any all funds each has received since July 31, 2014, in respect of rent or otherwise from any of the Occupied Units referred to in paragraph 40 of the Seventh Report (the "**Attornment Rent Monies**").

8. **THIS COURT ORDERS** that Unimac, John Yoon, Moon Yoon and Leon Hui each pay to the Receiver by March 31, 2015, any and all Attornment Rent Monies they have received since July 31, 2014.

9. **THIS COURT ORDERS** that Unimac, John Yoon, Moon Yoon and Leon Hui each provide the Receiver by March 31, 2015, copies of any and all leases from July 29, 2014 onward in their possession for any of the Occupied Units they ever claimed any form of interest in, and to the extent no written leases were entered into or can be produced, details of any oral leases for those Occupied Units including start date, term, amount payable and name of tenant(s).

10. **THIS COURT ORDERS** that all tenants of the Occupied Units produce to the Receiver on or before March 31, 2015 the information required in the Notices set out in paragraph 40 and Appendix "G" of the Seventh Report.

11. **THIS COURT ORDERS** all tenants of the Occupied Units commence payment of rent for their respective Occupied Unit to the Receiver from the date of this Order onward based on the terms of their lease, and to the extent there is no lease, at market rates as determined by the Receiver.

12. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period from September 28, 2011 to November 30, 2014 as set out at Appendix "K" of the Receiver's Seventh Report, be and is hereby accepted and approved.

13. **THIS COURT ORDERS** that the amount the Receiver is authorized to borrow pursuant to paragraph 20 of the Appointment Order issued by Justice Campbell on September 27, 2011, be and is hereby increased to $6,500,000.00.

14. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from November 1, 2013 to November 30, 2014, the fees and disbursements of Blaneys from November 1, 2013 to September 30, 2014, the fees and disbursements of Gowlings from

000197

December 31, 2013 to December 31, 2014, and the fees and disbursements of KRMC from November 26, 2013 to March 6, 2015, be and are hereby approved.

C. Hainey J.

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

MAR 9 2015

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at **TORONTO**

ORDER

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

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

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

0001593

APPENDIX "D"

TORONTO

City Planning Division

Jennifer Keesmaat, MES MCIP RPP
Chief Planner and Executive Director

Toronto City Hall
100 Queen Street West
12th Floor, East Tower
Toronto ON M5H 2N2

Fax: (416) 392-1330
Refer to: Carla Tsang at (416) 395-7137
E-Mail: ctsang@toronto.ca
www.toronto.ca/planning

Gowling Lafleur Henderson LLP
David Tang
100 King St W Suite 1600
Toronto ON M5X 1G5

Re: **Notice of Decision Under S.51(37) of The Planning Act**
Draft Plan of Standard Condominium
Condominium Approval 15 268792 STE 21 CD
165 - 171 Vaughan Road
Ward 21 - St. Paul's

The above draft plan of standard condominium has been approved subject to the attached conditions and a 20-day appeal period from the date of this letter. A copy of the plan, endorsed to this effect, is enclosed. This approval applies to Draft Plan of Condominium of Part of Lots 24, 25 and 26, Block F of Registered Plan 875 (York), Drawing No. 2166-0DP1, Sheets 1-3, prepared by D. Miret, Ontario Land Surveyor, and date stamped received by the City of Toronto on January 4, 2016. An approved copy of the plan is enclosed.

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

Any person will be entitled to receive notice of changes to the conditions of approval of the proposed plan of condominium if they have made a written request to be notified of changes to the conditions of approval of the proposed plan of condominium.

No person or public body shall be added as a party to the hearing of an appeal regarding any changes to the conditions of approval unless the person or public body before the approval authority made its decision, made oral submissions at the public meeting or written submissions to the approval authority or made a written request to be notified of the changes to the conditions.

Only individuals, corporations or public bodies may appeal decisions in respect of a proposed plan of condominium to the Ontario Municipal Board. A notice of appeal may not be filed by

an unincorporated association or group. However, a notice of appeal may be filed in the name of an individual who is a member of the association or group on its behalf.

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

If there is an appeal, you will be notified. If no appeal is filed, the draft plan of standard condominium is approved, subject to the attached conditions, after the 20th day from the date of this letter.

When the final plan is prepared it should be forwarded, along with the required copies, to Gregg Lintern, MCIP RPP, Director, Community Planning, Toronto and East York District, 18th Floor East Tower, City Hall, 100 Queen Street West, Toronto ON M5H 2N2. We need to receive:

1. the original set of mylars
2. one (1) mylar print
3. four (4) paper prints

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

Please contact Carla Tsang, Assistant Planner at (416) 395-7137 if you have any questions.

Yours truly,

Jennifer Keesmaat, MES MCIP RPP,
Chief Planner and Executive Director
City Planning Division

July 11.16
Date

Attachment
Enclosure

cc: Rose Of Sharon (Ontario) Retirement Community, 53 The Links Rd, Toronto ON M2P 1T7
Administrator, City Clerk's Office, Toronto and East York District (no enclosures)
Director, Planning & Development Law, Legal Services (1 plan enclosed)
Manager, Engineering and Construction Services, Toronto and East York District (1 plan enclosed)
R. Avis Surveying Inc., 235 Yorkland Blvd, Ste 203 Toronto ON M2J 4Y8 (1 plan enclosed)
Joe Mihevc, Councillor (no enclosures)

Attachment: 1

City File No. : 15 268792 STE 21 CD

CONDITIONS

This approval applies to Draft Plan of Condominium of Part of Lots 24, 25 and 26, Block F of Registered Plan 875 (York), Drawing No. 2166-0DP1, Sheets 1-3, prepared by D. Miret, Ontario Land Surveyor, and date stamped received by the City of Toronto on January 4, 2016. An approved copy of the plan is enclosed.

(1) The plans submitted for final approval and registration must be substantially in accordance with the approved draft plans specified above. Any revisions to these plans must be approved by the Chief Planner's designate, the Director of Community Planning, Toronto and East York District.

(2) The owner shall provide to the Director of Community Planning, Toronto and East York District, confirmation that the taxes have been paid in full (Statement of Account or Tax Clearance Certificate) and that there are no outstanding City initiated assessment or tax appeals made pursuant to Section 40 of the Assessment Act or the provisions of the City of Toronto Act, 2006. In the event that there is an outstanding City initiated assessment or tax appeal, the Owner shall enter into a financially secured agreement with the City satisfactory to the City Solicitor to secure payment of property taxes in the event the City is successful with the appeal.

(3) The owner shall file with the Director of Community Planning Toronto and East York District, a complete copy of the final version of the Declaration and Description to be registered, which includes the following schedules:

a) Schedule "A" containing statement from the declarant's solicitor that in his or her opinion, based on the parcel register or abstract index and the plans and drawings recorded in them, the legal description is correct and the easements mentioned in the schedule will exist in law upon the registration of the Declaration and Description; and

b) Schedule "G" being the certification of the project engineer and/or architect that all buildings have been constructed in accordance with the regulations made under the Condominium Act.

When the owner files a copy of the Declaration with the City of Toronto, it shall be accompanied with a letter of undertaking, stating that, "This is our undertaking to register the Declaration in the same form and content as was provided to you, subject to any changes the Land Registrar may require. This is also our undertaking to provide you with a registered copy of the Declaration once it is registered. If the Land Registrar requires any amendments to the Declaration, we will advise you."

(4) Visitors parking spaces will be clearly delineated on the condominium plan to be registered and the Declaration shall contain a clause clearly specifying visitors parking

shall form part of the common elements and neither be used by or sold to unit owners or be considered part of the exclusive use portions of the common elements.

(5) The owner shall file with the Director of Community Planning, Toronto and East York District, a copy of the final Declaration and Description which contains a provision satisfactory to the Chief Planner or his/her designate whereby non-disabled owners and/or occupants of non-visitor handicapped parking units shall be obligated, upon notification by the condominium corporation, to exchange, at no cost to the disabled driver, the use of the handicapped parking unit with a disabled driver's non-handicapped parking unit.

Alternatively, non-visitor handicapped parking spaces can be made common element, however all condominium documents including the Declaration and Description must state that the condominium corporation will retain control over the spaces and that they cannot be made exclusive use portions of the common element. All non-visitor handicapped parking spaces must conform to one of the alternatives identified above.

(6) The owner shall file with the Director of Community Planning, Toronto and East York District, fully executed copies of the following certificates satisfactory to the said Director:

a) certification from the applicant's solicitor with respect to the creation of necessary easements;

b) certification from the applicant's surveyor with respect to the identification of necessary easements;

c) certification from the applicant's engineer with respect to the identification of necessary easements.

(7) The Owner must submit a copy/copies of the declaration/condominium documentation that contains the necessary wording respecting reciprocal rights-of-way/easements between the Owners of the condominium to be established and the freehold lands, for vehicular access to and use of the underground garage, parking spaces, loading area, and garbage/recycling storage room.

(8) The Owner shall ensure that there are separate water meters for the retail component (non-condominium lands), or shall include wording in the Declaration that the services are to be shared and will designate who will be responsible to the local water authority (not to the City of Toronto in case of a change in the future) for payment in full of the water bill. A copy of the Declaration must be provided to the Executive Director, Engineering & Construction Services when the services are being shared.

(9) The Owner shall file with the Director of Community Planning, Toronto and East York District, a fully executed copy of Certificate from the applicant's solicitor that:

a) The Parties have entered into a Cost Sharing Agreement with respect to the shared services and/or any other shared facilities; and,

b) The Cost Sharing Agreement designates an owner who will be the person responsible in the case of any issues regarding the shared services, including but not limited to issues arising with respect to the City of Toronto Municipal Code Chapters 681 and 851 (the "Person of Responsibility"). The Certification shall indicate:

i. Who the Person of Responsibility is;
ii. The contact information for the Person of Responsibility; and,
iii. That the Cost Sharing Agreement contains a clause requiring the Person of Responsibility to maintain up-to-date contact information with the General Manager, Toronto Water.

(10) Prior to registration, the owner shall prepare all documents and convey to the City, at nominal cost, a 2.2 metre strip of land, in perpendicular width across the entire Vaughan Road frontage. Such lands to be free and clear of all encumbrances and subject to a right-of-way for access purposes in favour of the Grantor, until such time as said lands have been laid out and dedicated for public highway purposes, as contemplated by Condition No. 5 in the Site Plan Agreement registered on December 31, 1997 as Instrument No. CA 517084.

(11) If the condominium is not registered within 5 years of the date of draft plan approval, then this approval shall be null and void and the plans and drawings must be resubmitted to the City of Toronto for approval.

Attachment: 2

City File No. : 15 268792 STE 21 CD

ADVISORY NOTES

(1) The following certificates from the Consulting Engineering and/or Landscape consultant, as required in respect of the completion of the works contemplated in the various conditions in the Site Plan Agreement registered on title on December 31, 2007 as Instrument No. CA 517084 and its amendment File No. 10/5/285 dated December 10, 2013, have not been submitted:

a) Site Plan Agreement registered on title on December 31, 1997, as Instrument No. CA 517084

i. Condition Nos. 3, 4, 6, 7, 11, 12 and 37; and,
ii. Condition No. 13 (lay-by on Maplewood Avenue Road) along with the as-built drawings.

b) Amending (Minor Variations) Site Plan Agreement File No. 10/5/285, dated December 10, 2013

i. Condition No. 1(e), respecting site servicing, grading and stormwater management.

(2) There is no record of the required streetscaping permit (Application No. 472279) for the works that were carried out within the public rights-of-way for Vaughan Road and Maplewood Avenue being issued or the required securities and payments in that respect submitted, as outlined in the letter dated March 22, 2010 from the General Manager of Transportation Services to Mr. John Yoon of Rose of Sharon Retirement Community.

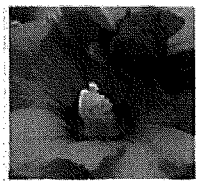
APPENDIX "E"

Rose of Sharon (Ontario) Retirement Community
Schedule of Peoples Priority Units
As at January 12, 2017

Suite # on door	Unit # in Condo Plan	Unit Size (sq. ft.)	Bath-rooms	Bedroom/ Studio	Terrace
201	Floor 2 - Unit 2	501	1	1	
202	Floor 2 - Unit 1	381	1	studio	
204	Floor 2 - Unit 5	610	1	2 (1+den)	x
206	Floor 2 - Unit 6	558	1	1	
208	Floor 2 - Unit 7	539	1	1	
209	Floor 2 - Unit 8	553	1	1	
210	Floor 2 - Unit 9	910	1	2	
211	Floor 2 - Unit 10	425	1	studio	
212	Floor 2 - Unit 12	492	1	studio+den	
213	Floor 2 - Unit 13	452	1	studio	
214	Floor 2 - Unit 14	536	1	1	
301	Floor 3 - Unit 2	685	1	2	
302	Floor 3 - Unit 1	443	1	studio	
303	Floor 3 - Unit 3	621	1	1	x
305	Floor 3 - Unit 4	610	1	2	x
307	Floor 3 - Unit 7	539	1	1	
309	Floor 3 - Unit 9	910	1	2	
310	Floor 3 - Unit 10	425	1	studio	
311	Floor 3 - Unit 12	492	1	studio+den	
312	Floor 3 - Unit 13	452	1	studio	
313	Floor 3 - Unit 11	439	1	studio	x
314	Floor 3 - Unit 14	536	1	1	
701	Floor 7 - Unit 1	545	1	1	
702	Floor 7 - Unit 3	409	1	studio	x
703	Floor 7 - Unit 2	585	1	1	x
704	Floor 7 - Unit 4	380	1	studio	x
705	Floor 7 - Unit 5	823	2	2	
710	Floor 7 - Unit 9	458	1	1	x
712	Floor 7 - Unit 10	704	1	1	x
808	Floor 8 - Unit 8	485	1	1	
901	Floor 9 - Unit 1	567	1	1	
902	Floor 9 - Unit 3	393	1	studio	
904	Floor 9 - Unit 4	473	1	1	
905	Floor 9 - Unit 5	823	2	2	
910	Floor 9 - Unit 9	456	1	1	
1006	Floor 10 - Unit 5	668	1	1+den	
1110	Floor 11 - Unit 7	454	1	1	
1011	Floor 10 - Unit 9	606	1	1	
1101	Floor 11 - Unit 1	567	1	1	
1102/1104	Floor 11 - Unit 3	857	2	1+den	
1103	Floor 11 - Unit 2	636	1	1	x
1105	Floor 11 - Unit 4	823	2	2	
PH1/PH2	Floor 12 - Unit 6	857	2	1+den	
PH3	Floor 12 - Unit 1	866	2	1	x
PH5	Floor 12 - Unit 2	632	1	1	
PH7	Floor 12 - Unit 3	1,009	2	2	
PH8	Floor 12 - Unit 4	1,181	2	2	
Units = 47		28,366			

APPENDIX "F"

000206



Mugungwha Homes

Charitable No.: 8661 45303 RR0001

Mugungwha Homes
20 Dukinfield Crescent
Toronto ON M3A 2S1

November 20, 2013

Gowling Lafleur Henderson LLP
Barristers and Solicitors
First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario M5X 1G5

NOV 20 2013

Attention: Clifton Prophet

Dear Mr. Prophet,

RE: Settlement Offer for **Unit 205 (LM4)** with Terrace, Parking Space #9
Settlement Offer for **Unit 207 (LM11)** with Terrace
Court File No.CV-11-9399-00CL

Dear Mr. Prophet:

Mugungwha Homes is pleased to receive and accept the Settlement as offered. The previous president signed and notarized the acceptance letter on my behalf, as I had been working on November 13, 2013. The letter was delivered by hand on that day. In case it did not arrive or is missing, we are re-sending this notarized acceptance letter again. As President of Mugungwha Homes, I appreciate your offer. Thank you.

Sincerely yours,

Jane Choo
President

Encl. Settlement offer accepted for Unit 205, notarized on Nov. 21, 2013
Settlement offer accepted for Unit 207, notarized on Nov. 21, 2013
Copy of Settlement offer accepted for Unit 205, notarized on Nov. 13, 2013
Copy of Settlement offer accepted for Unit 207, notarized on Nov. 13, 2013

gowlings montréal · ottawa · toronto · hamilton · waterloo region · calgary · vancouver · moscow · london

November 8, 2013

Clifton Prophet
Direct (416) 862-3509
Direct Fax (416) 863-3509
Assistant 416-862-4340
clifton.prophet@gowlings.com

SENT BY COURIER

Mugungwha Homes
20 Dukinfield Crescent
Toronto ON M3A 2S1

Dear Sir or Madam:

Re: Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon") – Unit 205

We write on behalf of Peoples Trust Company ("**Peoples**") regarding the ongoing priority dispute over Unit 205 (the "**Unit**") at the property owned and operated by Rose of Sharon (Ontario) Retirement Community ("**Rose of Sharon**") known municipally as 15-17 Maplewood Avenue, Toronto, Ontario (the "**Property**").

Peoples, with the approval of Deloitte Restructuring Inc. as receiver and manager of Rose of Sharon (the "**Receiver**"), would like to extend an offer to settle the dispute with respect to the Unit on the following terms.

You receive:

1. You will be entitled to occupy the Unit until such time as it is converted to a condominium; and

2. On condition that the Property is successfully converted to a condominium, you will receive a fee simple interest in the Unit when and if that happens.

Your obligations:

3. You must make a one time payment of $74,368.70 plus certain other amounts described in Schedule "A" hereto (the "**Unit Purchase Price**").This payment has been calculated by taking into account:

   (a) The Right to Occupy Agreement purchase price of the Unit;

   (b) The increased value of the Unit over time;

   (c) Any deposits made by you;

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(d) Any amounts loaned by you to Rose of Sharon that was not in excess of the price of the Unit; and

4. In addition you must obey the terms and conditions attached as **Schedule "A"** to this letter.

5. If there is any discrepancy or inconsistency between this letter and the terms and conditions set out in Schedule "A", the terms and conditions set out in Schedule "A" shall govern.

6. Should you accept this offer, full payment of the Unit Purchase Price will be due 60 days from the date you are given notice to pay by the Receiver. **If you do not pay the Unit Purchase Price by that time the Unit will be sold by the Receiver free and clear of your interest and you will have no claims to the Unit or its proceeds.**

7. If you agree to settle all matters relating to your claims to the Unit in accordance with the terms and conditions set out in this letter please sign in the space below and return this letter to its author, Clifton Prophet.

The forgoing terms and conditions are subject to the approval of the Ontario Superior Court of Justice.

If you do not accept the settlement terms provided for in this letter, Peoples will be seeking orders from the Court at the hearing previously scheduled for November 14 and 15, 2013 which will extinguish and forever bar any and all claims which you may assert in relation to the Unit.

Yours very truly,

GOWLING LAFLEUR HENDERSON LLP

C. Prophet

Clifton Prophet

HM/adc
Attachment

The Undersigned hereby agrees to the terms and conditions set out in this letter:

Witness:

Schedule "A"

1. Upon and conditional upon registration of the Property as a condominium, the unitholder(s) (the "Unitholder") or their authorized assignee may acquire title to the condominium unit(s) identified in their respective Right to Occupy Agreements, as amended ("RTOAs") upon payment of the sum of the following amounts (the **"Unit Purchase Price"**), in immediately available funds:

   (a) the amount set out in the letter to which this schedule is attached;

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

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

2. The Unitholder shall have sixty (60) days from the date of delivery of a notice from the Receiver requiring payment of the Unit Purchase Price to pay the Unit Purchase Price to the Receiver.

3. In default of payment of the Unit Purchase Price for a unit within the period prescribed in paragraph 2 above, the Receiver may sell the unit free and clear of any and all claims of the Unitholder and anyone claiming through them, including any tenant of the Unitholder, and the Receiver shall be entitled to obtain applicable vesting orders and writs of possession in respect of each such unit.

4. Upon payment of the Unit Purchase Price, the Receiver shall sell and the Unitholder shall purchase their unit on an "as-is, where-is" basis and the Receiver and Peoples shall have no liability in respect of the units and shall be released and discharged from all claims arising from or related to the unit, the RTOAs or any dealings of the Unitholder with the Receiver, Rose of Sharon or the Property.

5. Any amounts required to be contributed to the condominium reserve fund for the Property, either before or after registration of the condominium and whether forming part of common area maintenance charges applicable to a unit or otherwise, shall be for the account of the Unitholder and neither the Receiver nor Peoples shall have any liability in respect of these contributions.

6. The Unitholder shall pay all common area maintenance fees required in relation to their units which arise after the Settlement Date, as and when they become due and that, provided these payments are made, the Unitholder may continue to occupy their units until the earlier of:

   (a) the date which is sixty (60) days after the date of delivery of the Purchase Notices; or

   (b) the date which is 12 months after the Settlement Date, subject to Peoples' subsequent written agreement (which agreement shall be in Peoples' sole discretion) to extend to a later date (the "Outside Date").

7. In the event that the Property is not registered as a condominium by the Outside Date, all rights and obligations provided for under paragraphs 1, 2, 3 and 4 of this Order shall lapse and be of no further force and effect.

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November 8, 2013

Clifton Prophet
Direct (416) 862-3509
Direct Fax (416) 863-3509
Assistant 416-862-4340
clifton.prophet@gowlings.com

SENT BY COURIER

Mugungwha Homes
20 Dukinfield Crescent
Toronto ON M3A 2S1

Dear Sir or Madam:

Re: Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon") – Unit 207

We write on behalf of Peoples Trust Company ("**Peoples**") regarding the ongoing priority dispute over Unit 207 (the "**Unit**") at the property owned and operated by Rose of Sharon (Ontario) Retirement Community ("**Rose of Sharon**") known municipally as 15-17 Maplewood Avenue, Toronto, Ontario (the "**Property**").

Peoples, with the approval of Deloitte Restructuring Inc. as receiver and manager of Rose of Sharon (the "**Receiver**"), would like to extend an offer to settle the dispute with respect to the Unit on the following terms.

You receive:

1. You will be entitled to occupy the Unit until such time as it is converted to a condominium; and

2. On condition that the Property is successfully converted to a condominium, you will receive a fee simple interest in the Unit when and if that happens.

Your obligations:

3. You must make a one time payment of $120,242.08 plus certain other amounts described in Schedule "A" hereto (the "**Unit Purchase Price**").This payment has been calculated by taking into account:

   (a) The Right to Occupy Agreement purchase price of the Unit;

   (b) The increased value of the Unit over time;

   (c) Any deposits made by you;

gowlings

(d) Any amounts loaned by you to Rose of Sharon that was not in excess of the price of the Unit; and

4. In addition you must obey the terms and conditions attached as **Schedule "A"** to this letter.

5. If there is any discrepancy or inconsistency between this letter and the terms and conditions set out in Schedule "A", the terms and conditions set out in Schedule "A" shall govern.

6. Should you accept this offer, full payment of the Unit Purchase Price will be due 60 days from the date you are given notice to pay by the Receiver. **If you do not pay the Unit Purchase Price by that time the Unit will be sold by the Receiver free and clear of your interest and you will have no claims to the Unit or its proceeds.**

7. If you agree to settle all matters relating to your claims to the Unit in accordance with the terms and conditions set out in this letter please sign in the space below and return this letter to its author, Clifton Prophet.

The forgoing terms and conditions are subject to the approval of the Ontario Superior Court of Justice.

If you do not accept the settlement terms provided for in this letter, Peoples will be seeking orders from the Court at the hearing previously scheduled for November 14 and 15, 2013 which will extinguish and forever bar any and all claims which you may assert in relation to the Unit.

Yours very truly,

GOWLING LAFLEUR HENDERSON LLP

C. Prophet

Clifton Prophet

HM/adc
Attachment

The Undersigned hereby agrees to the terms and conditions set out in this letter:

Witness:

Schedule "A"

1. Upon and conditional upon registration of the Property as a condominium, the unitholder(s) (the "Unitholder") or their authorized assignee may acquire title to the condominium unit(s) identified in their respective Right to Occupy Agreements, as amended ("RTOAs") upon payment of the sum of the following amounts (the **"Unit Purchase Price"**), in immediately available funds:

(a) the amount set out in the letter to which this schedule is attached;

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

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

2. The Unitholder shall have sixty (60) days from the date of delivery of a notice from the Receiver requiring payment of the Unit Purchase Price to pay the Unit Purchase Price to the Receiver.

3. In default of payment of the Unit Purchase Price for a unit within the period prescribed in paragraph 2 above, the Receiver may sell the unit free and clear of any and all claims of the Unitholder and anyone claiming through them, including any tenant of the Unitholder, and the Receiver shall be entitled to obtain applicable vesting orders and writs of possession in respect of each such unit.

4. Upon payment of the Unit Purchase Price, the Receiver shall sell and the Unitholder shall purchase their unit on an "as-is, where-is" basis and the Receiver and Peoples shall have no liability in respect of the units and shall be released and discharged from all claims arising from or related to the unit, the RTOAs or any dealings of the Unitholder with the Receiver, Rose of Sharon or the Property.

5. Any amounts required to be contributed to the condominium reserve fund for the Property, either before or after registration of the condominium and whether forming part of common area maintenance charges applicable to a unit or otherwise, shall be for the account of the Unitholder and neither the Receiver nor Peoples shall have any liability in respect of these contributions.

6. The Unitholder shall pay all common area maintenance fees required in relation to their units which arise after the Settlement Date, as and when they become due and that, provided these payments are made, the Unitholder may continue to occupy their units until the earlier of:

(a) the date which is sixty (60) days after the date of delivery of the Purchase Notices; or

(b) the date which is 12 months after the Settlement Date, subject to Peoples' subsequent written agreement (which agreement shall be in Peoples' sole discretion) to extend to a later date (the "Outside Date").

7. In the event that the Property is not registered as a condominium by the Outside Date, all rights and obligations provided for under paragraphs 1, 2, 3 and 4 of this Order shall lapse and be of no further force and effect.

APPENDIX "G"

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

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

AFFIDAVIT OF ERIC GOLDEN

I, ERIC GOLDEN, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am a partner with the law firm of Blaney McMurtry LLP ("**Blaneys**"), the lawyers for Deloitte Restructuring Inc. (the "**Receiver**") in relation to Rose of Sharon (Ontario) Retirement Community. As such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated I verily believe it to be true.

2. At approximately 6:49 p.m. on March 3, 2015, I emailed the Receiver's Notice of Motion returnable March 6, 2015, and Receiver's Seventh Report (without Appendices) to the email distribution list in this proceeding. I sent a follow-up email without attachments to the same distribution list at approximately 10:48 a.m. on March 4. 2015, correcting the weblink to the Receivership material. Attached hereto and marked as **Exhibit "A"** to this affidavit is a copy of those emails (the affidavit of service is in the Court file).

3. At approximately 6:51 p.m. on March 3, 2015, I sent Justin Baichoo an email inquiring if he was still acting for any of the parties I recalled him previously acting for in this proceeding - Leon Hui ("**Hui**"), 2383431 Ontario Inc. ("**238**"), Unimac Group Ltd. ("**Unimac**") and IWOK Corporation ("**IWOK**"). I asked Mr. Baichoo to let me know if he was still acting for any them in this proceeding and, if so, to advise if he would be attending on the motion returnable March 6, 2015 and for what purpose. I also advised Mr. Baichoo that I would send a copy of the Receiver's Notice of Motion directly to Hui 238, Unimac and IWOK if Mr. Baichoo was no longer acting for them, or if he did not get back to me.

4. I did not hear back from Mr. Baichoo. As a result, by way of email sent at 3:59 p.m. on March 4, 2015, I advised Mr. Baichoo that I had arranged to serve the Receiver's Notice of Motion and Seventh Report (without Appendices) directly on Hui, 238, Unimac and IWOK. Attached hereto and marked as **Exhibit "B"** to this affidavit is a copy of my two emails to Mr. Baichoo sent on March 3 and March 4, 2015, along with a copy of my letter to Hui, 238, Unimac and IWOK and the related affidavit of service for this letter from my legal assistant, Patricia Keane.

5. The addresses that were used for service on Unimac, IWOK, 238 and Hui were based on the information in Corporate Profile Reports for Unimac, IWOK and 238. Attached hereto and marked as **Exhibit "C"** to this affidavit are copies of the Corporate Profile Reports for Unimac, 238 and IWOK.

6. The letter addressed to Unimac c/o Paul Chan was returned to Blaneys because Paul Chan is no longer carrying on business at that address.

7. I have not heard from Mr. Baichoo this week. However, he is maintaining some form of presence in his office, either on site or off site.

8. Now shown to me marked as **Exhibit "D"** to this affidavit is a copy of a letter signed by Mr. Baichoo and dated March 6, 2015 in an unrelated matter enclosing a Notice of Application issued on March 4, 2015 on behalf of Unimac-United Management Corp. Mr. Baichoo and his law firm are named as the lawyers of record in this Notice of Application. As evidenced by the fax cover sheet to these two documents, copy of Mr. Baichoo's letter and the Notice of Application were sent from his office to one of my partners this morning.

9. I swear this Affidavit in support of the Receiver's motion returnable March 6, 2015, and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 6th day of March, 2015

A Commissioner for Taking Affidavits

Janis Anne Balvers, a Commissioner, etc., City of Toronto, for Blaney McMurtry LLP, Barristers and Solicitors. Expires March 18, 2015.

ERIC GOLDEN

This is Exhibit "A" referred to in the Affidavit of ERIC GOLDEN herein, Sworn before me this 6th day of March, 2015.

A Commissioner for Taking Affidavits

Janis Anne Balvers, a Commissioner, etc.,
City of Toronto, for Blaney McMurtry LLP,
Barristers and Solicitors.
Expires March 18, 2015.

Eric Golden

From: Eric Golden
Sent: March 04, 2015 10:48 AM
To: 'Murray, Haddon'; "Justin Baichoo'; 'Clifton.Prophet@Gowlings.com'; 'Eunice.Machado@ontario.ca'; 'john.yoon@sympatico.ca'; 'diane.winters@justice.gc.ca'; 'kevin.ohara@ontario.ca'; 'bcampbell320@rogers.com'; 'law@waterousholden.com'; 'natalie.wiley@ufcw175.com'; 'PLepsoe@lavery.ca'; 'briankim@koreancu.com'; 'rjaipargas@blg.com'; 'jmaclellan@blg.com'; 'vheinrichs@amibsc.com'; 'mabramowitz@krmc-law.com'; 'pcho@krmc-law.com'; 'iad@kwlaw.net'; 'ECzolij@lavery.ca'; "Mark Mancini"; "Patricia McLean"; "Bruce McEachern"; 'stephen@chaitons.com'; 'cchang@changadvocacy.com"; 'm.harris@matthewrharrislawyer.com'; 'SMG@royoconnor.ca'; 'mhandler@mhandlerlaw.com'
Cc: 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: RE: Rose of Sharon - Receiver's Notice of Motion and Seventh Report

Just a correction to the weblink.

This is it

http://www.insolvencies.deloitte.ca/en-ca/Pages/Rose%20of%20Sharon%20%28Ontario%29%20Retirement%20Community%20.aspx

7th Report with appendices should be posted by noon.

From: Eric Golden
Sent: March 03, 2015 6:49 PM
To: 'Murray, Haddon'; "Justin Baichoo'; 'Clifton.Prophet@Gowlings.com'; 'Eunice.Machado@ontario.ca'; 'john.yoon@sympatico.ca'; 'diane.winters@justice.gc.ca'; 'kevin.ohara@ontario.ca'; 'bcampbell320@rogers.com'; 'law@waterousholden.com'; 'natalie.wiley@ufcw175.com'; 'PLepsoe@lavery.ca'; 'briankim@koreancu.com'; 'rjaipargas@blg.com'; 'jmaclellan@blg.com'; 'vheinrichs@amibsc.com'; 'mabramowitz@krmc-law.com'; 'pcho@krmc-law.com'; 'iad@kwlaw.net'; 'ECzolij@lavery.ca'; "Mark Mancini"; "Patricia McLean"; "Bruce McEachern"; 'stephen@chaitons.com'; 'cchang@changadvocacy.com"; 'm.harris@matthewrharrislawyer.com'; 'SMG@royoconnor.ca'; 'mhandler@mhandlerlaw.com'
Cc: 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: Rose of Sharon - Receiver's Notice of Motion and Seventh Report

I've attached the Receiver's Notice of Motion returnable March 6, 2015, and its Seventh Report, without appendices. The Sixth Report was forwarded to you last year.

If you wish to be removed from this Distribution List, please advise.

The Receiver's Reports (with appendices) and all Orders made to date can be accessed on the Deloittes website (the Seventh Report and related appendices will only be available tomorrow morning). I've set out the weblink below.

http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandrestructuringproceedings/6a6abed46e0b2310VgnVCM3000001c56f00aRCRD.htm
If you'd like a copy of Volume 4 of the Motion Record which is the volume with the fee affidavits and related exhibits, please advise (Volumes 2 and 3 are the Sixth Report and Seventh Report, respectively).

Please also advise if you will be attending on the motion on March 6, 2015.

If you have any questions, please contact me.

Eric Golden

TEL 416.593.3927
egolden@blaney.com

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

EXPECT THE BEST

Blaney McMurtry
BARRISTERS & SOLICITORS LLP

This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

Consider the environment. Please don't print this email unless you really need to.

This is Exhibit "B" referred to in the Affidavit of ERIC GOLDEN herein, Sworn before me this 6th day of March, 2015.

A Commissioner for Taking Affidavits

Janis Anne Balvers, a Commissioner, etc., City of Toronto, for Blaney McMurtry LLP, Barristers and Solicitors. Expires March 18, 2015.

Eric Golden

From: Eric Golden
Sent: March 04, 2015 3:59 PM
To: 'Justin Baichoo (justin@bprlitigation.com)'
Cc: 'Prophet, Clifton'; 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: RE: Rose of Sharon - Motion Returnable March 6, 2015
Attachments: Ltr to 2383431, Leon Hui, IWOK and Unimac encl Receiver's MR - March 4 2015.pdf

Justin,

I didn't hear back from you, so we sent the Notice of Motion and 7th Report (without enclosures) directly to Unimac, 238, IWOK and Hui.

See attached letter.

From: Eric Golden
Sent: March 03, 2015 6:51 PM
To: Justin Baichoo (justin@bprlitigation.com)
Cc: 'Prophet, Clifton'; 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: Rose of Sharon - Motion Returnable March 6, 2015

Justin,

Further to my distribution email of a few minutes ago, I have included Unimac, 238, IWOK and Hui on the Schedule "B" distribution list attached to the Receiver's Notice of Motion I just forwarded.

Please advise if you continue to act for those parties in this proceeding.

I will only send them copies of the Receiver's Notice of Motion by courier tomorrow at 10 a.m. if I have not heard from you, or if I have heard from you but you advise that you no longer act for one or more them in this proceeding.

If you continue to act for one of more of them in this proceeding, please advise if you will be attending on the motion and, if so, for what purpose (as there are myriad grounds of relief being sought in the Notice of Motion).

Finally, on a related note, have Unimac and 238 satisfied all outstanding costs Orders made against them in this proceeding? If not, what costs Orders are still outstanding? I've copied counsel for Peoples on this email, and I'd ask him to respond on those last two points.

Eric Golden

EXPECT THE BEST

TEL 416.593.3927
egolden@blaney.com

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

Blaney McMurtry
BARRISTERS & SOLICITORS LLP

0002222

Blaney McMurtry
BARRISTERS & SOLICITORS LLP

EXPECT THE BEST

March 4, 2015

DELIVERED

2383431 Ontario Inc.
8 Kecala Road
Toronto, ON M1P 1K4

Leon Hui
6 Wilmont Court
Markham, ON L6C 1A9

Leon Hui
27 Landmark Court
Markham, ON L3R 9N7

Iwok Corporation
610 Alden Road
Suite 207
Markham, ON L3R 9Z1

Unimac Group Ltd.
6 Wilmont Court
Markham, ON L6C 1A9

Unimac Group Ltd.
c/o Paul Chan & Associates
7676 Woodbine Avenue
Suite 201
Markham, ON L3R 2N2

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

Eric Golden
416.593.3927
egolden@blaney.com

Dear Sir/Madam:

Re: Rose of Sharon (Ontario) Retirement Community

We enclose the Receiver's Notice of Motion returnable Friday March 6, 2015, at 10 a.m. at 330 University. We also enclose a copy of the Receiver's Seventh Report, without exhibits.

The Receiver's Reports (with appendices) and all Orders made to date can be accessed on the Deloittes website. The weblink is set out below.

http://www.insolvencies.deloitte.ca/en-ca/Pages/Rose%20of%20Sharon%20%28Ontario%29%20Retirement%20Community%20.aspx

Yours very truly,
Blaney McMurtry LLP

Eric Golden
EG/plk
Encl.

cc. Justin Baichoo

000224

Blaney
McMurtry
BARRISTERS & SOLICITORS LLP

EXPECT THE BEST

March 4, 2015

DELIVERED

2383431 Ontario Inc.
8 Kecala Road
Toronto, ON M1P 1K4

Leon Hui
6 Wilmont Court
Markham, ON L6C 1A9

Leon Hui
27 Landmark Court
Markham, ON L3R 9N7

Iwok Corporation
610 Alden Road
Suite 207
Markham, ON L3R 9Z1

Unimac Group Ltd.
6 Wilmont Court
Markham, ON L6C 1A9

Unimac Group Ltd.
c/o Paul Chan & Associates
7676 Woodbine Avenue
Suite 201
Markham, ON L3R 2N2

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

Eric Golden
416.593.3927
egolden@blaney.com

Dear Sir/Madam:

Re: Rose of Sharon (Ontario) Retirement Community

We enclose the Receiver's Notice of Motion returnable Friday March 6, 2015, at 10 a.m. at 330 University. We also enclose a copy of the Receiver's Seventh Report, without exhibits.

The Receiver's Reports (with appendices) and all Orders made to date can be accessed on the Deloittes website. The weblink is set out below.

http://www.insolvencies.deloitte.ca/en-ca/Pages/Rose%20of%20Sharon%20%28Ontario%29%20Retirement%20Community%20.aspx

Yours very truly,
Blaney McMurtry LLP

Eric Golden
EG/plk
Encl.

cc. Justin Baichoo

000226

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

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

AFFIDAVIT OF SERVICE

I, **PATRICIA L. KEANE**, of the City of Brampton, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I served the **Receiver's Notice of Motion** returnable March 6, 2015, by serving a copy by courier on March 4, 2015 to the parties listed on the schedule attached as Exhibit "A" hereto, at their respective listed addresses.

SWORN BEFORE ME
at the City of Toronto
in the Province of Ontario
on March 4, 2015

A Commissioner for Taking Affidavits
ERIC GOLDEN

)
)
)
)
)
)
) **PATRICIA L. KEANE**

This is Exhibit "A" referred to in the Affidavit of PATRICIA L. KEANE herein, Sworn before me this 4th day of March, 2015.

A Commissioner for Taking Affidavits
ERIC GOLDEN

SCHEDULE "B"

RECEIVERSHIP SERVICE LIST

AND TO: **2383431 ONTARIO INC.**
8 Kecala Road
Toronto, ON M1P 1K4

AND TO: **LEON HUI**
6 Wilmont Court
Markham, ON L6C 1A9

AND TO: **LEON HUI**
27 Landmark Court
Markham, ON L3R 9N7

AND TO: **IWOK CORPORATION**
610 Alden Road
Suite 207
Markham, ON L3R 9Z1

AND TO: **UNIMAC GROUP LTD.**
6 Wilmont Court
Markham, ON L6C 1A9

AND TO: **UNIMAC GROUP LTD.**
c/o Paul Chan & Associates
7676 Woodbine Avenue
Suite 201
Markham, ON L3R 2N2

AND TO: **RESIDENTS-OCCUPIED UNITS**
Units 207, 301, 303, 309, 710, 712, 1011, 1105, PH1, PH8

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at **TORONTO**

AFFIDAVIT OF SERVICE

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

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

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

0000229

This is Exhibit "C" referred to in the Affidavit of ERIC GOLDEN herein, Sworn before me this 6th day of March, 2015.

A Commissioner for Taking Affidavits

Janis Anne Balvers, a Commissioner, etc.,
City of Toronto, for Blaney McMurtry LLP,
Barristers and Solicitors.
Expires March 18, 2015.

000231

Request ID: 016107671
Transaction ID: 53226647
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/01/28
Time Report Produced: 11:10:26
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1587866	UNIMAC GROUP LTD.	2003/09/16

Jurisdiction
ONTARIO

Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE

Registered Office Address

6 WILMONT COURT

MARKHAM
ONTARIO
CANADA L6C 1A9

Mailing Address

PAUL CHAN & ASSOCIATES
7676 WOODBINE AVENUE

Suite # 201
MARKHAM
ONTARIO
CANADA L3R 2N2

Date Amalgamated	Amalgamation Ind.
NOT APPLICABLE	NOT APPLICABLE
New Amal. Number	**Notice Date**
NOT APPLICABLE	NOT APPLICABLE
	Letter Date
	NOT APPLICABLE
Revival Date	**Continuation Date**
NOT APPLICABLE	NOT APPLICABLE
Transferred Out Date	**Cancel/Inactive Date**
NOT APPLICABLE	NOT APPLICABLE
EP Licence Eff.Date	**EP Licence Term.Date**
NOT APPLICABLE	NOT APPLICABLE

Number of Directors Minimum	Number of Directors Maximum	Date Commenced in Ontario	Date Ceased in Ontario
00001	00015	NOT APPLICABLE	NOT APPLICABLE

Activity Classification

NOT AVAILABLE

Request ID: 016107671
Transaction ID: 53226647
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/01/28
Time Report Produced: 11:10:26
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1587866	UNIMAC GROUP LTD.

Corporate Name History	Effective Date
UNIMAC GROUP LTD.	2003/09/16

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	YES - SEARCH REQUIRED FOR DETAILS

Administrator:
Name (Individual / Corporation)

LEON
HUI

Address

6 WILMONT COURT

MARKHAM
ONTARIO
CANADA L6C 1A9

Date Began	First Director	
2003/09/16	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

Request ID: 016107671
Transaction ID: 53226647
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/01/28
Time Report Produced: 11:10:26
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1587866	UNIMAC GROUP LTD.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2004	1C	2005/07/02

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 015991743
Transaction ID: 52903162
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/12/13
Time Report Produced: 11:21:05
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1450097	IWOK CORPORATION	2000/11/15
		Jurisdiction
		ONTARIO
Corporation Type	**Corporation Status**	**Former Jurisdiction**
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE

Registered Office Address

610 ALDEN ROAD

Suite # 207
MARKHAM
ONTARIO
CANADA L3R 9Z1

Mailing Address

610 ALDEN ROAD

Suite # 207
MARKHAM
ONTARIO
CANADA L3R 9Z1

Date Amalgamated	Amalgamation Ind.
NOT APPLICABLE	NOT APPLICABLE
New Amal. Number	**Notice Date**
NOT APPLICABLE	NOT APPLICABLE
	Letter Date
	NOT APPLICABLE
Revival Date	**Continuation Date**
NOT APPLICABLE	NOT APPLICABLE
Transferred Out Date	**Cancel/Inactive Date**
NOT APPLICABLE	NOT APPLICABLE
EP Licence Eff.Date	**EP Licence Term.Date**
NOT APPLICABLE	NOT APPLICABLE

Number of Directors Minimum	Number of Directors Maximum	Date Commenced in Ontario	Date Ceased in Ontario
00001	00011	NOT APPLICABLE	NOT APPLICABLE

Activity Classification

NOT AVAILABLE

Request ID: 015991743
Transaction ID: 52903162
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/12/13
Time Report Produced: 11:21:05
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1450097	IWOK CORPORATION

Corporate Name History	Effective Date
IWOK CORPORATION	2000/11/15

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	YES - SEARCH REQUIRED FOR DETAILS

Administrator:

Name (Individual / Corporation)	Address
LEON HUI	27 LANDMARK COURT MARKHAM ONTARIO CANADA L3R 9N7

Date Began	First Director	
2000/11/15	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1450097

Corporation Name

IWOK CORPORATION

Administrator:
Name (Individual / Corporation)

LEON

HUI

Address

27 LANDMARK COURT

MARKHAM
ONTARIO
CANADA L3R 9N7

Date Began	First Director	
2000/11/15	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	PRESIDENT	Y

Administrator:
Name (Individual / Corporation)

LEON

HUI

Address

27 LANDMARK COURT

MARKHAM
ONTARIO
CANADA L3R 9N7

Date Began	First Director	
2011/02/15	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	SECRETARY	Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1450097	IWOK CORPORATION

Administrator:
Name (Individual / Corporation)

LEON

HUI

Address

27 LANDMARK COURT

MARKHAM
ONTARIO
CANADA L3R 9N7

Date Began	First Director	
2011/02/15	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	TREASURER	Y

Request ID: 015991743
Transaction ID: 52903162
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/12/13
Time Report Produced: 11:21:05
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1450097	IWOK CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2011/03/09 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 015991737
Transaction ID: 52903147
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/12/13
Time Report Produced: 11:20:22
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2383431	2383431 ONTARIO INC.	2013/08/07

Jurisdiction
ONTARIO

Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE

Registered Office Address

8 KECALA ROAD

TORONTO
ONTARIO
CANADA M1P 1K4

Mailing Address

8 KECALA ROAD

TORONTO
ONTARIO
CANADA M1P 1K4

Date Amalgamated	Amalgamation Ind.
NOT APPLICABLE	NOT APPLICABLE
New Amal. Number	**Notice Date**
NOT APPLICABLE	NOT APPLICABLE
	Letter Date
	NOT APPLICABLE
Revival Date	**Continuation Date**
NOT APPLICABLE	NOT APPLICABLE
Transferred Out Date	**Cancel/Inactive Date**
NOT APPLICABLE	NOT APPLICABLE
EP Licence Eff.Date	**EP Licence Term.Date**
NOT APPLICABLE	NOT APPLICABLE

Number of Directors Minimum	Number of Directors Maximum	Date Commenced in Ontario	Date Ceased in Ontario
00001	00015	NOT APPLICABLE	NOT APPLICABLE

Activity Classification

NOT AVAILABLE

Request ID: 015991737
Transaction ID: 52903147
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/12/13
Time Report Produced: 11:20:22
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2383431	2383431 ONTARIO INC.

Corporate Name History	Effective Date
2383431 ONTARIO INC.	2013/08/07

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator:

Name (Individual / Corporation)	Address
XUE PING CHEN	8 KECALA ROAD TORONTO ONTARIO CANADA M1P 1K4

Date Began	First Director	
2013/08/07	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

Request ID: 015991737
Transaction ID: 52903147
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2013/12/13
Time Report Produced: 11:20:22
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2383431	2383431 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	1	2013/09/20

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "D" referred to in the Affidavit of ERIC GOLDEN herein, Sworn before me this 6th day of March, 2015.

A Commissioner for Taking Affidavits

Janis Anne Balvers, a Commissioner, etc.,
City of Toronto, for Blaney McMurtry LLP,
Barristers and Solicitors.
Expires March 18, 2015.

BPR
LITIGATION LAWYERS

FACSIMILE

1 West Pearce Street, Ste. 505
Richmond Hill, ON L4B 3K3
www.bprlitigation.com

From: Justin P. Balchoo
Tel: 416-512-2529
Fax: 866-395-9140
justin@bprlitigation.com

Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐

Date: March 6, 2015

Pages: 13
Including Cover Page

To: Ms. Lea Nebel

Company: Blaney McMurtry LLP

Fax N°: 416-593-2969

COMMENTS

Please see the attached.

If you have any problems receiving this facsimile please contact Candace Santaguida at candace@bprlitigation.com or at 416-512-2529 ext. 37.

BPR
LITIGATION LAW FIRM
1 West Pearce Street, Ste. 505, Richmond Hill, ON L4B 3K3

000244

Justin P. Baichoo
direct tel: 416-512-2529
direct fax: 866-395-9140
email: justin@bprlitigation.com

March 6, 2015

Delivered via Facsimile

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
Barristers
155 Wellington Street West, 35th Floor
Toronto, Ontario M5V 3H1
Attention: Robert Centa

ILER CAMPBELL LLP
Barristers & Solicitors
150 John Street, 7th Floor
Toronto, Ontario M5V 3E3
Attention: Ms. Priya Sarin

Dear Sir and Madam:

Re: Our Client: Unimac-United Management Corp.
Your Clients: 2295091 Ontario Ltd. & 2063889 Ontario Ltd, and, St. Clare's-Monaco Place
Re: Court File No.: CV-11-441381/ Divisional Court Number: 110/15

Please find enclosed our client's Notice of Application to the Divisional Court for Judicial Review, dated March 4, 2015, served upon you pursuant to the *Rules of Civil Procedure*.

Yours truly,

Justin P. Baichoo
JPB/jad
Encls.

BPR
LITIGATION LAWYERS
1 West Pearce Street, Ste. 505, Richmond Hill, ON L4B 3K3

000245

C.C. **Stevensons LLP**
Attention: Maureen Whelton
Counsel for Bill-Ko/2295091 Ontario/2063889 Ontario

Blaney McMurtry LLP
Attention: Lea Nebel
Counsel for 4361814 Canada Inc. carrying on business as Noble Trade

City of Toronto, Legal Services
Attention: David A. Gourlay
Counsel for the City of Toronto

Attorney General of Ontario
Attention: Jonathan Sydor
Counsel for Infrastructure Ontario Projects

Garth Low Barrister
Attention: Garth Low
Counsel for Dalcor Inc. & LSL Consulting/Lam Huong Hoang

Newton Wong & Associates
Attention: Newton Wong
Counsel for 6592503 Canada Inc. (RMD Hardware & Supplies)

000246

Court File No: 110/15

ONTARIO
SUPERIOR COURT OF JUSTICE
(DIVISIONAL COURT)

IN THE MATTER OF the *Construction Lien Act*, RSO 1990, c C. 30, As Amended

BETWEEN:

UNIMAC-UNITED MANAGEMENT CORP.

Applicant

and

ST. CLARE'S-MONACO PLACE, 2295091 ONTARIO LTD. and 2063889 ONTARIO LTD.

Respondents

NOTICE OF APPLICATION TO THE DIVISIONAL COURT FOR JUDICIAL REVIEW

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION for judicial review will come on for a hearing before the Divisional Court on a date to be fixed by the registrar at the place of hearing requested by the Applicant. The Applicant requests that this application be heard at Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICTION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the office of the Divisional Court and you or your lawyer must in addition to serving your Notice of Appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant and file it, with proof of service, in the office of the Divisional court within

thirty (30) days after service on you of the Applicant's Application Record, or not later than 2:00 p.m. on the day before the hearing, whichever is earlier.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURHTER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT YOU ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: March 4, 2015 Issued by

Registrar
130 Queen St. W.
Toronto, ON

TO: **REGISTRAR OF THE DIVISIONAL COURT**
Superior Court of Justice – Divisional Court
Osgoode Hall
130 Queen Street West
Toronto, ON M5H 2N5

AND TO: **MASTER CAROL ALBERT**
Ontario Superior Court of Justice
393 University Avenue, 6th Floor
Toronto, ON
M5G 1E6

AND TO: **ILER CAMPBELL LLP**
Barristers & Solicitors
150 John Street, 7th Floor
Toronto, Ontario M5V 3E3

Priya Sarin
LSUC No. 53481W
Tel: (416) 598-0103
Fax: (416) 598-3484

Lawyer for the Respondent,
St. Clare's-Monaco Place

AND TO: **PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**
Barristers
155 Wellington Street West, 35th Floor
Toronto, Ontario M5V 3H1

Robert Centa
Tel: (416) 646-4314
Fax: (416) 646-4301

Lawyers for the Respondents,
2295091 Ontario Ltd. & 2063889 Ontario Ltd.

AND TO: **ATTORNEY GENERAL OF ONTARIO**
Ministry of the Attorney General
Crown Law Office - Civil
720 Bay Street, 8th Floor
Toronto, Ontario M7A 2S9

Tel: (416) 326-4128
Fax: (416) 326-4181

APPLICATION

1. The Applicant makes application for the following:

   (a) An Order in the nature of *mandamus* compelling the Master to recuse herself of the construction lien reference, identified as Court File No.: CV-11-441381, involving the construction project located 1120 Ossington Road, Toronto, Ontario ("the Lien Reference");

   (b) In the alternative, an Order quashing the decision of Master Albert, dated February 20, 2015, refusing to recuse herself from carriage of the Lien Reference, and remitting the motion below for reconsideration by another judicial officer of the Superior Court of Justice;

   (c) An Order setting aside any costs awarded to any responding party;

   (d) Order for costs payable to the Applicant on a substantial indemnity basis; and,

   (e) Such other relief as Counsel may advise and this Honourable Court may allow.

GROUNDS FOR THE APPLICATION ARE:

1. The within application for judicial review is brought pursuant to the decision of Master Carol Albert, dated February 20, 2015, refusing to recuse herself from the Lien Reference;

2. The Applicant's motion for recusal was heard by Master Albert on February 5, 2015 in Toronto, Ontario;

3. The Applicant states that there can be no doubt as to the existence of a reasonable apprehension of bias based on Master Albert's pattern of impartial and prejudicial behavior, which has included, but is not limited to, the following:

i) On December 8, 2011, Master Albert stated that she "looks out for lawyers like [the Applicant's counsel]" and that she was putting him on "her list" which she circulates to other Masters;

ii) Throughout the Lien Reference, Master Albert allowed without consent, direct communications from opposing counsel on numerous occasions, and has made rulings on these, without consent, communications without any input or submissions from the Applicant, whatsoever;

iii) On April 8, 2013, Master Albert exceeded her jurisdiction by staying the Applicant's breach of trust claim in Newmarket, although no such relief was requested by the parties to the motion. In providing such relief, Master Albert stated that the Applicant was "mischievous" and in her written endorsement, she granted such relief based upon the Applicant's "mischief";

iv) On August 6, 2013, Master Albert vacated the Applicant's motion date, based on submissions made to her by opposing counsel, without requesting any input from the Applicant's counsel.

v) On September 30, 2013, when informed that her April 8, 2013 decision was overturned by the Divisional Court on appeal, Master Albert condescendingly stated to the Applicant's counsel, "*if you're so smart, come and sit up here*";

vi) On September 30, 2013, Master Albert denied the Applicant its right to cross-examine an affiant on his affidavit, stating that the cross-

examination was "premature" and thereby provided opposing counsel the opportunity to subsequently withdraw the affidavit, when they knew that the Applicant intended to test the evidence;

vii) Master Albert continuously failed to provide a fair, level and transparent playing field in the Lien Reference by allowing opposing counsel to submit materials in court, without serving the Applicant's counsel with the same in advance, thereby preventing the Applicant's counsel from an opportunity to review these materials and provide a proper response, and when the Applicant's counsel complained of such improper conduct, Master Albert advised him to "stop whining";

viii) On February 24, 2014, Master Albert exceeded her jurisdiction by unilaterally ordering that the lien claimants' claims for lien in the Lien Reference would be "deemed timely" if evidence disproving the timeliness was not submitted by June 30, 2014. However, when the Applicant attempted to obtain such evidence through cross-examination, Master Albert hampered the Applicant's efforts by attaching conditions and costs to the cross-examination which is guaranteed by statute, as of right, to be conducted, at any time, without court order, under s 40(1) of the *Construction Lien Act*, RSO 1990, c C.30;

ix) On May 1, 2014, Master Albert repeatedly expressed pre-judgments on the Applicant's intended motions against the Respondents, and expressly refused to allow the Applicant's intended motions against a "not-for-profit";

x) On May 1, 2014, Master Albert called counsel for the Applicant a "bully";

xi) On May 1, 2014, Master Albert refused to allow the Applicant's security for costs motion, as evidenced by the correspondence sent by the Applicant to Master Albert on consent of opposing counsel;

xii) On May 1, 2014, Master Albert refused to allow the Applicant to bring a motion for the repeated breaches of rule 1.09 by opposing counsel in contacting the court regarding contentious matters, without consent;

xiii) On May 1, 2014 Master Albert advised counsel for the Applicant to "*sit down*" when making objections to her unilateral rulings as "*this is not a TV show*";

xiv) On May 1, 2014, upon being advised that counsel for the Applicant would be seeking instructions with respect to the bringing its recusal motion, Master Albert stated that "*many have tried, but all have failed,*" and proceeded to solicit an affidavit in response to the Applicant's intended recusal motion from opposing counsel, which they provided; and,

xv) On December 15, 2014, Master Albert imposed a two-hour time limit on the Applicant's cross-examinations for the recusal motion without any request from opposing counsel and inquired from the Applicant's counsel on what he intended to examine the affiant on.

4. On February 20, 2015, Master Albert released her decision refusing to recuse herself from the Lien Reference in respect the motion heard February 5, 2015. However, as of the date of this Application, Master Albert has not issued her reasons in respect of her February 20, 2015 decision. As a result, the Applicant will address Master Albert's reasons for her decision refusing to recuse herself once such reasons have been released by way of Amended Notice of Application to the Divisional Court for Judicial Review;

5. The Applicant asserts that, based on the fact that it is a jurisdictional issue as to whether there exists a reasonable apprehension of bias on the part of the decision-

maker, the standard of review on the within application is correctness, and that the Master's decision is therefore not entitled to deference;

6. In addition to the foregoing, the Applicant asserts that the Master has failed to provide the Applicant with the procedural fairness to which it was entitled. In this respect, the principles of natural justice dictate that the Applicant was entitled to an impartial hearing of its motion for recusal by an unbiased adjudicator. Therefore, the Master's decision in respect of the Applicant's recusal motion ought to be quashed due to the Master's breach of procedural fairness based on the existence of a reasonable apprehension of bias;

7. In this regard, the Master must be held to a high duty of procedural fairness given that the Master was acting in a judicial capacity; the absence of a right of appeal of the Master's decision on the motion below; the great importance of the decision to both the Applicant and the administration of justice; and, the Applicant's reasonable expectation that the Master would adjudicate its motion in a manner free from prejudice and bias, as guaranteed by the Judicial Oath that the Master swore upon her appointment to the bench;

8. Expanded grounds of the Master's breach of procedural fairness in failing to recuse herself from hearing the Applicant's recusal motion below will be provided by way of Amended Notice of Application to the Divisional Court for Judicial Review once the Master's Reasons are released in accordance with her February 20, 2015 decision;

9. Rules 1, 1.09, 2, 3, 38, 39, 54, 55 and 57 of the *Rules of Civil Procedure*, RR0 1990, Reg 194;

10. Sections 1, and 80 of the *Courts of Justice Act*, RSO 1990, c C.40;

11. Sections 2, 6 and 10 of the *Judicial Review Procedure Act*, RSO, c J.1; and,

12. Sections 40, 50, 51, 58, 67 and 71 of the *Construction Lien Act*, RSO 1990, c C.34.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE RELIED UPON AT THE HEARING OF THE APPLICATION:

1. The Transcripts of the Proceedings; and,

2. All materials that were before Master C. Albert at the February 5, 2015 hearing.

Date: March 4, 2015

BPR LITIGATION LAWYERS
Practising in Association
1 West Pearce Street, Suite 505
Richmond Hill, ON. L4B 3K3

Justin P. Baichoo
LSUC No. 55750N
Tel: 416-512-2529
Fax: 866-395-9140

Lawyers for the Applicant,
Unimac-United Management Corp

Court File No: 110/15

UNIMAC-UNITED MANAGEMENT CORP.
Respondent

- and -

ST. CLARE'S-MONACO PLACE, et al.
Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(DIVISIONAL COURT)

IN THE MATTER OF the *Construction Lien Act*, RSO 1990, c C.30, as amended

PROCEEDINGS COMMENCED AT **TORONTO**

NOTICE OF APPLICATION TO THE DIVISIONAL COURT FOR JUDICIAL REVIEW

BPR LITIGATION LAWYERS
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1 West Pearce Street, Suite 505
Richmond Hill, ON. L4B 3K3

Justin P. Baichoo
LSUC No. 55750N
Tel: 416-512-2529
Fax: 866-395-9140

Lawyers for the Applicant,
Unimac-United Management Corp.

03/06/2015 10:23 (FAX)905 889 4744 P.013/013 000533

Court File No. CV-11-9399-00CL(COMMERCIAL LIST)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at **TORONTO**

AFFIDAVIT OF ERIC GOLDEN
(Sworn March 6, 2015)

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

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

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

0000256

Blaney McMurtry
BARRISTERS & SOLICITORS LLP

EXPECT THE BEST

March 4, 2015

DELIVERED

Tenants
15 Maplewood Avenue
Unit PH8
Toronto, ON M6C 4B4

Dear Sir/Madam:

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

Eric Golden
416.593.3927
egolden@blaney.com

Re: Rose of Sharon (Ontario) Retirement Community

We enclose the Receiver's Notice of Motion returnable Friday March 6, 2015, at 10 a.m. at 330 University (there is a bulletin board on the hallway wall of the 8th floor to the right of the security desk after you exit the elevators that will specify the Courtroom).

You are being served with the Notice of Motion because certain relief is sought against you as tenants of the Occupied Units. That relief is highlighted in the Notice of Motion and the related draft Order at Tab A. We have also included three pages from the Receiver's Seventh Report (pages 14 to 16) that set out the issues relating to your Occupied Unit.

The tenants of the Occupied Units were each served with the enclosed rent attornment documents for your specific unit in July, 2014. The Receiver never received a response to those documents from the tenant of your Occupied Unit. As a result, it has brought a motion to obtain the required information, and have you pay your rent going forward directly to its property manager, Sterling Karamar Property Management.

The Court attendance this Friday is simply for scheduling purposes as it relates to the relief sought against you. The Receiver will be seeking to schedule a Court date for later this month to argue that portion of its motion relating to the tenants of the Occupied Units if the matter cannot be resolved on consent.

If you have any questions, and/or are prepared to provide the required information regarding your tenancy prior to the Court attendance, please contact the Receiver, Hartley Bricks, who can be reached at (416)775-7326 and/or at hbricks@deloitte.ca. The Receiver requires the following information: the date you became a tenant, your monthly rental payment, the due date for each rental payment, details of any prepaid rent including last month's rent, and any rent you have paid since July 29, 2014, including amount and to whom.

The Receiver's Reports (with appendices) and all Orders made to date can be accessed on the Deloittes website. The weblink is set out below.

http://www.insolvencies.deloitte.ca/en-ca/Pages/Rose%20of%20Sharon%20%28Ontario%29%20Retirement%20Community%20.aspx

Yours very truly,

Blaney McMurtry LLP

Eric Golden
EG/plk
Encl.

Blaney McMurtry
BARRISTERS & SOLICITORS LLP

000259

EXPECT THE BEST

March 19, 2015

BY MAIL & DELIVERED

Tenants
15 Maplewood Avenue
Unit PH8
Toronto, ON M6C 4B4

Dear Sir/Madam:

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

Eric Golden
416.593.3927
egolden@blaney.com

Re: Rose of Sharon (Ontario) Retirement Community

Further to our letter of March 4, 2015, we enclose the Order of Justice Wilton-Siegel issued March 6, 2015.

Pursuant to the terms of the enclosed Order (specifically paragraph 10), please provide the Receiver Hartley Bricks of Deloittes with the following information by March 31, 2015:

1. The lease for your unit;

2. How much you pay each month for rent;

3. The date on which you became a tenant;

4. The amount of rent you have paid since July 29, 2014 (total amount, as well as amount of each payment, to whom and on what date(s));

5. The monthly due date for your rent payment; and

6. Details of any prepaid rent, including last month's rent;

Hartley Bricks can be reached at (416)775-7326 and/or at hbricks@deloitte.ca. His address is as follows:

Hartley Bricks
Deloitte Restructuring Inc
181 Bay Street, Suite 1400
Toronto, ON M5J 2V1

In addition, pursuant to paragraph 11 of the enclosed Order, going forward you are to make all rent payments for your Unit to the Receiver based on the same payment terms as in your lease. No further rents are to be paid to any other person or corporation whatsoever, other than the Receiver.

The rent is to be made payable to "Deloitte Restructuring Inc." and forwarded to the Receiver's property manager as follows:

Sterling Karamar Property Management
53 The Links Road, Suite 1400
Toronto, ON M2P 1T7

Finally, if anyone attempts to interfere with your tenancy in any way, and/or attempts to have you not comply with the terms of the enclosed Order in any way, please contact Mr. Bricks immediately.

If you have any questions, please contact me.

Yours very truly,

Blaney McMurtry LLP

Eric Golden
EG/plk
Encl.

Eric Golden 000261

From:	Eric Golden
Sent:	March 10, 2015 12:17 PM
To:	'Murray, Haddon'; "Justin Baichoo'; 'Clifton.Prophet@Gowlings.com'; 'Eunice.Machado@ontario.ca'; 'john.yoon@sympatico.ca'; 'diane.winters@justice.gc.ca'; 'kevin.ohara@ontario.ca'; 'bcampbell320@rogers.com'; 'law@waterousholden.com'; 'natalie.wiley@ufcw175.com'; 'PLepsoe@lavery.ca'; 'briankim@koreancu.com'; 'rjaipargas@blg.com'; 'jmaclellan@blg.com'; 'vheinrichs@amibsc.com'; 'mabramowitz@krmc-law.com'; 'pcho@krmc-law.com'; 'iad@kwlaw.net'; 'ECzolij@lavery.ca'; "Mark Mancini"; "Patricia McLean'; "Bruce McEachern'; 'stephen@chaitons.com'; 'cchang@changadvocacy.com"; 'm.harris@matthewrharrislawyer.com'; 'SMG@royoconnor.ca'; 'mhandler@mhandlerlaw.com'
Cc:	'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject:	RE: Rose of Sharon - Receiver's Notice of Motion and Seventh Report
Attachments:	Endorsement of Justice Wilton-Siegel dated March 6 2015.pdf; Dismissal Order of Justice Wilton-Siegel issued March 6 2015 and entered March 9 2015.pdf; Receivership Order of Justice Wilton-Siegel issued March 6 2015 and entered March 9 2015.pdf

I've attached the Orders of Justice Wilton-Siegel made March 6, 2015, and the related Endorsement.

From: Eric Golden
Sent: March 04, 2015 10:48 AM
To: 'Murray, Haddon'; "Justin Baichoo'; 'Clifton.Prophet@Gowlings.com'; 'Eunice.Machado@ontario.ca'; 'john.yoon@sympatico.ca'; 'diane.winters@justice.gc.ca'; 'kevin.ohara@ontario.ca'; 'bcampbell320@rogers.com'; 'law@waterousholden.com'; 'natalie.wiley@ufcw175.com'; 'PLepsoe@lavery.ca'; 'briankim@koreancu.com'; 'rjaipargas@blg.com'; 'jmaclellan@blg.com'; 'vheinrichs@amibsc.com'; 'mabramowitz@krmc-law.com'; 'pcho@krmc-law.com'; 'iad@kwlaw.net'; 'ECzolij@lavery.ca'; "Mark Mancini"; "Patricia McLean'; "Bruce McEachern'; 'stephen@chaitons.com'; 'cchang@changadvocacy.com"; 'm.harris@matthewrharrislawyer.com'; 'SMG@royoconnor.ca'; 'mhandler@mhandlerlaw.com'
Cc: 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: RE: Rose of Sharon - Receiver's Notice of Motion and Seventh Report

Just a correction to the weblink.

This is it

http://www.insolvencies.deloitte.ca/en-ca/Pages/Rose%20of%20Sharon%20%28Ontario%29%20Retirement%20Community%20.aspx

7th Report with appendices should be posted by noon.

From: Eric Golden
Sent: March 03, 2015 6:49 PM
To: 'Murray, Haddon'; "Justin Baichoo'; 'Clifton.Prophet@Gowlings.com'; 'Eunice.Machado@ontario.ca'; 'john.yoon@sympatico.ca'; 'diane.winters@justice.gc.ca'; 'kevin.ohara@ontario.ca'; 'bcampbell320@rogers.com'; 'law@waterousholden.com'; 'natalie.wiley@ufcw175.com'; 'PLepsoe@lavery.ca'; 'briankim@koreancu.com'; 'rjaipargas@blg.com'; 'jmaclellan@blg.com'; 'vheinrichs@amibsc.com'; 'mabramowitz@krmc-law.com'; 'pcho@krmc-law.com'; 'iad@kwlaw.net'; 'ECzolij@lavery.ca'; "Mark Mancini"; "Patricia McLean'; "Bruce McEachern'; 'stephen@chaitons.com'; 'cchang@changadvocacy.com"; 'm.harris@matthewrharrislawyer.com'; 'SMG@royoconnor.ca'; 'mhandler@mhandlerlaw.com'

Cc: 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: Rose of Sharon - Receiver's Notice of Motion and Seventh Report 000262

I've attached the Receiver's Notice of Motion returnable March 6, 2015, and its Seventh Report, without appendices. The Sixth Report was forwarded to you last year.

If you wish to be removed from this Distribution List, please advise.

The Receiver's Reports (with appendices) and all Orders made to date can be accessed on the Deloittes website (the Seventh Report and related appendices will only be available tomorrow morning). I've set out the weblink below.

http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencyandrestructuringproceedings/6a6abed46e0b2310VgnVCM3000001c56f00aRCRD.htm
If you'd like a copy of Volume 4 of the Motion Record which is the volume with the fee affidavits and related exhibits, please advise (Volumes 2 and 3 are the Sixth Report and Seventh Report, respectively).

Please also advise if you will be attending on the motion on March 6, 2015.

If you have any questions, please contact me.

Eric Golden

TEL 416.593.3927
egolden@blaney.com

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

EXPECT THE BEST

Blaney McMurtry
BARRISTERS & SOLICITORS LLP

This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

Consider the environment. Please don't print this email unless you really need to.

Eric Golden

From:	Eric Golden
Sent:	March 10, 2015 12:22 PM
To:	'Justin Baichoo (justin@bprlitigation.com)'
Cc:	'Prophet, Clifton'; 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject:	RE: Rose of Sharon - Motion Returnable March 6, 2015
Attachments:	Endorsement of Justice Wilton-Siegel dated March 6 2015.pdf; Dismissal Order of Justice Wilton-Siegel issued March 6 2015 entered March 9 2015.pdf; Receivership Order of Justice Wilton-Siegel issued March 6 2015 and entered March 9 2015.pdf

Here is an email copy of the Orders and Endorsement.

From: Eric Golden
Sent: March 10, 2015 12:21 PM
To: 'Justin Baichoo (justin@bprlitigation.com)'
Cc: 'Prophet, Clifton'; 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: RE: Rose of Sharon - Motion Returnable March 6, 2015

I have still not heard back from you.

I am sending you by courier a copy of the Orders and the Endorsement, along with a copy of my affidavit regarding service on you and 238, Unimac and Hui.

I will also be sending a copy of the Order dealing with the attornment directly to Unimac and Hui.

From: Eric Golden
Sent: March 04, 2015 3:59 PM
To: 'Justin Baichoo (justin@bprlitigation.com)'
Cc: 'Prophet, Clifton'; 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: RE: Rose of Sharon - Motion Returnable March 6, 2015

Justin,

I didn't hear back from you, so we sent the Notice of Motion and 7th Report (without enclosures) directly to Unimac, 238, IWOK and Hui.

See attached letter.

From: Eric Golden
Sent: March 03, 2015 6:51 PM
To: Justin Baichoo (justin@bprlitigation.com)
Cc: 'Prophet, Clifton'; 'Bricks, Hartley (CA - Toronto)'; Chad Kopach
Subject: Rose of Sharon - Motion Returnable March 6, 2015

Justin,

Further to my distribution email of a few minutes ago, I have included Unimac, 238, IWOK and Hui on the Schedule "B" distribution list attached to the Receiver's Notice of Motion I just forwarded.

Please advise if you continue to act for those parties in this proceeding. 000264

I will only send them copies of the Receiver's Notice of Motion by courier tomorrow at 10 a.m. if I have not heard from you, or if I have heard from you but you advise that you no longer act for one or more them in this proceeding.

If you continue to act for one of more of them in this proceeding, please advise if you will be attending on the motion and, if so, for what purpose (as there are myriad grounds of relief being sought in the Notice of Motion).

Finally, on a related note, have Unimac and 238 satisfied all outstanding costs Orders made against them in this proceeding? If not, what costs Orders are still outstanding? I've copied counsel for Peoples on this email, and I'd ask him to respond on those last two points.

Eric Golden

EXPECT THE BEST

TEL 416.593.3927
egolden@blaney.com

Blaney McMurtry LLP
2 Queen Street East, Suite 1500
Toronto, Canada M5C 3G5
416.593.1221 TEL
416.593.5437 FAX
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Consider the environment. Please don't print this email unless you really need to.

Blaney McMurtry
BARRISTERS & SOLICITORS LLP

000265

EXPECT THE BEST

March 10, 2015

BY COURIER

Justin Baichoo
BPR Litigation Lawyers
Barristers and Solicitors
1 West Pearce Street, Suite 505
Richmond Hill, Ontario L4B 3K3

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

Eric Golden

416.593.3927
egolden@blaney.com

Dear Mr. Baichoo:

Re: Rose of Sharon (Ontario) Retirement Community

I enclose a copy of:

1. the Orders of Justice Wilton-Siegel made March 6, 2015, and the related Endorsement

2. my emails to the Distribution List sent March 4, 5 and 10, 2015;

3. my emails to you personally March 4, 5 and 10, 2015 (with enclosure from March 5, 2015); and

4. my affidavit that was requested by Justice Wilton-Siegel during the hearing on March 6, 2015 (along with the related exhibits); and

5. my letter to Unimac and Leon Hui of today's date.

Yours very truly,

Blaney McMurtry LLP

Eric Golden

EG/plk
Encl.

Blaney
McMurtry
BARRISTERS & SOLICITORS LLP

000266

EXPECT THE BEST

March 10, 2015

DELIVERED

Leon Hui
6 Wilmont Court
Markham, ON L6C 1A9

Leon Hui
27 Landmark Court
Markham, ON L3R 9N7

Unimac Group Ltd.
6 Wilmont Court
Markham, ON L6C 1A9

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

Eric Golden
416.593.3927
egolden@blaney.com

Dear Sir:

Re: Rose of Sharon (Ontario) Retirement Community

We have not heard back from you or Justin Baichoo.

We therefore enclose the Endorsement of Justice Wilton Siegel made March 6, 2015, and the two related Orders.

I direct your attention to paragraphs 7, 8 and 9 of the longer Order, and your obligations to be complied with by March 31, 2015.

The Receiver has also been compiling related lease and payment information directly from the tenants. Whatever information you produce (or fail to produce) will be cross-referenced with the tenant information to ensure full compliance of your obligations under the longer Order, including proper, accurate and complete disclosure. The Receiver's position is that your failure to do so would constitute contempt.

Finally, the tenancies are not to be interfered with in any way, including but not limited to the removal of appliances and any other chattels.

Yours very truly,

Blaney McMurtry LLP

Eric Golden
EG/plk
Encl.

cc. Justin Baichoo

APPENDIX "H"

000267

MR. IN SOO PAK
MRS. YOUNG SOOK PAK
300 VALLEYMEDE DR.
RICHMOND HILL, ONTARIO L4B 2C5

068

DATE June 28/14

PAY TO THE ORDER OF Virmac Group Ltd. $ 33,000.00

Thirty three thousand 00/100 DOLLARS

Security features included. Details on back.

ROYAL BANK OF CANADA
YONGE & HOLLYWOOD BRANCH
5001 YONGE ST
NORTH YORK ON M2N 6P6

⑈068⑈ ⑆02874⑈003⑆505⑈484⑈6⑈

000268

Agreement to Lease
Residential

This Agreement to Lease dated this 28th day of June 20 14

TENANT (Lessee), Imseop Kim and Grace Kim
(Full legal names of all Tenants)

LANDLORD (Lessor), Unimac Group Ltd.
(Full legal name of Landlord)

The Tenant hereby offers to lease from the Landlord the premises as described herein on the terms and subject to the conditions as set out in this Agreement.

1. **PREMISES:** Having inspected the premises and provided the present tenant vacates, I/we, the Tenant hereby offer to lease, premises known as:
   15 Maplewood Ave., Suite PH8, Toronto, Ontario M6C 4B4

2. **TERM OF LEASE:** The lease shall be for a term of Nine (9) years and Two (2) months commencing July 1, 2014

3. **RENT:** The Tenant will pay to the said Landlord a lump sum of Thirty Three Thousand Canadian Dollars (CDN$ 33,000.00) before closing and this lump sum shall cover the terms of Nine (9) years and Two (2) months.

4. **USE:** The Tenant and Landlord agree that unless otherwise agreed to herein, only the Tenant named above and any person named in a Rental Application completed prior to this Agreement will occupy the premises.
   Premises to be used only for:
   Retirement Residential - This Rental Agreement superseded previous Rental Agreement, as a settlement from the physical abuse and wrongful discharge of IMSEOP KIM by Rose O Sharon LTC as claimed by the Tenant, see pictures attached. Tenant tried to appeal in Court before Judge Brown twice.

5. **SERVICES AND COSTS:** The cost of the following services applicable to the premises shall be paid as follows:

	LANDLORD	TENANT		LANDLORD	TENANT
Gas	☑	☐	Cable TV	☐	☐
Oil	☑	☐	Condominium/Cooperative fees	☑	☐
Electricity	☑	☐	Other:.....	☐	☐
Hot water heater rental	☑	☐	Other:.....	☐	☐
Water and Sewerage Charges	☑	☐	Other:.....	☐	☐

The Landlord will pay the property taxes, but if the Tenant is assessed as a Separate School Supporter, Tenant will pay to the Landlord a sum sufficient to cover the excess of the Separate School Tax over the Public School Tax, if any, for a full calendar year, said sum to be estimated on the tax rate for the current year, and to be payable in equal monthly installments in addition to the above mentioned rental, provided however, that the full amount shall become due and be payable on demand on the Tenant.

6. **PARKING:**
   #10 in B1

7. **ADDITIONAL TERMS:**

   See Schedule A

INITIALS OF TENANT(S): IK GK **INITIALS OF LANDLORD(S):** LF

8. **SCHEDULES:** The schedules attached hereto shall form an integral part of this Agreement to Lease and consist of: Schedule(s) A 000269

9. **IRREVOCABILITY:** This offer shall be irrevocable by Tenant (Landlord/Tenant) until 11:59 p m on the 28th day of June, 2014 after which time if not accepted, this Agreement shall be null and void

10. **EXECUTION OF LEASE:** Lease shall be drawn by the Landlord on the Landlord's standard form of lease, and shall include the provisions as contained herein and in any attached schedule, and shall be executed by both parties before possession of the premises is given.

11. **ACCESS:** The Landlord shall have the right, at reasonable times to enter and show the demised premises to prospective tenants, purchasers or others. The Landlord or anyone on the Landlord's behalf shall also have the right, at reasonable times, to enter and inspect the demised premises.

12. **USE AND DISTRIBUTION OF PERSONAL INFORMATION:** The Tenant consents to the collection, use and disclosure of the Tenant's personal information by the Landlord and/or agent of the Landlord, from time to time, for the purpose of determining the creditworthiness of the Tenant for the leasing, selling or financing of the premises or the real property, or making such other use of the personal information as the Landlord and/or agent of the Landlord deems appropriate.

13. **CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between Landlord and Tenant. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.

14. **CONSUMER REPORTS: The Tenant is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**

15. **BINDING AGREEMENT:** This Agreement and acceptance thereof shall constitute a binding agreement by the parties to enter into the Lease of the Premises and to abide by the terms and conditions herein contained.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) (Tenant or Authorized Representative) (Seal) DATE June 28/14

(Witness) (Tenant or Authorized Representative) (Seal) DATE June 28/14

(Witness) (Guarantor) (Seal) DATE

We/I the Landlord hereby accept the above Offer, and agree that the commission together with applicable HST (and any other tax as may hereafter be applicable) may be deducted from the deposit and further agree to pay any remaining balance of commission forthwith.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) (Landlord or Authorized Representative) (Seal) DATE June 28, 2014

(Witness) (Landlord or Authorized Representative) (Seal) DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally acceptance by all parties at 7 a m/p m this 28 day of June, 2014 (Signature of Landlord or Tenant)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

(Landlord) DATE June 28, 14

(Landlord) DATE

Address for Service

Tel.No.

I acknowledge receipt of my signed copy of this accepted Agreement to Lease and I authorize the Brokerage to forward a copy to my lawyer.

(Tenant) DATE June 28/14

(Tenant) DATE June 28/14

Address for Service

Tel.No.

000270

Schedule A
Agreement to Lease – Residential

This Schedule is attached to and forms part of the Agreement to Lease between:

TENANT (Lessee), Imseop Kim and Grace Kim, and

LANDLORD (Lessor), Unimac Group Ltd.

for the lease of 15 Maplewood Ave., Suite PH8, Toronto, Ontario M6C 4B4

dated the 28th day of June 2014

The Tenant covenants with the Landlord :

a) To maintain the property in a state of cleanliness, and to repair any damage caused thereto by his own wilful or negligent conduct or that of persons who are permitted in the premises by him except for normal wear and tear.

b) Not to carry on upon the premises any business or activity that may be illegal or contrary to any municipal, federal, provincial laws, by-laws and regulations.

c) The Tenant will leave the premises in good repair, reasonable wear and tear at the end of the term.

d) Not to interfere with the reasonable enjoyment of the neighbours.

e) No pets to be allowed in the property.

f) Not to change any lock without prior approval from the Landlord.

g) No smoking in the premises.

h) Not make any alterations to the premises without prior approval from the Landlord.

Landlord shall permit tenant to sublet during the lease term and the sub-lessee shall comply to all the terms stated in this agreement

Landlord shall pay real estate taxes (condominium fee and parking if applicable) and maintain building and fire insurance on the premises. Tenant acknowledges that Landlord's building and fire insurance provides no coverage on Tenant's personal property. Tenant shall be responsible for getting their own personal property insurance.

Tenant and Landlord agree that an accepted agreement to Lease shall form a completed lease and no other lease will be signed between the Parties.

Landlord represents and warrants that the appliances as listed in this Agreement to Lease will be in good working order at the commencement of the lease term. Tenant agrees to maintain the said appliances in an state of ordinary cleanliness.

The following appliances belonging to the Landlord are to remain on the premises for tenant use: All Electric light fixtures, All Window Coverings, Fridge, Stove, Built-in Dishwasher, Washer and Dryer.

Tenant shall comply with all the By-laws of the Condominium Corporation.

APPENDIX "I"

Blaney McMurtry LLP

Blaney McMurtry LLP | Lawyers
2 Queen Street East | Suite 1500
Toronto, Ontario M5C 3G5

T 416-593-1221
W Blaney.com

Eric Golden
416-593-3927
egolden@blaney.com

March 9, 2017

BY MAIL & DELIVERED

Grace Kim
15 Maplewood Avenue
Unit PH8
Toronto, ON M6C 4B4

Imseop Kim
15 Maplewood Avenue
Unit PH8
Toronto, ON M6C 4B4

Dear Mesdames:

Re: Rose of Sharon (Ontario) Retirement Community

We are counsel to the Receiver of the Rose of Sharon Nursing Home and Life-Lease Residences.

You have not complied with the Order of Justice Wilton-Siegel issued March 6, 2015, requiring you to pay rent to the Receiver.

Instead, after you received the Order of Justice Wilton-Siegel, you took the position that you are tenants of Unimac based on alleged lease with Unimac dated June 28, 2014 (the "**Purported Lease**"). You provided the Receiver with copy of the front of a cheque for $33,000.00 dated June 28, 2014 from Mr. In Soo Pak and Mrs. Young Sook Pak to Unimac Group, but you have not provided any evidence that the cheque was negotiated.

The Receiver's position is that the Purported Lease is void, and that you are not tenants of Unit PH8. If you take the position that you are tenants, the Receiver's position is that you are liable to the Receiver for the market rent of Unit PH8 since you were provided with a copy of the Order of Justice Wilton-Siegel, which totals $31,200.00 ($1,300.00 per month).

In that regard, in the event the Court holds you are tenants, we enclose the Receiver's Notice to End your Tenancy for Non-Payment of Rent.

The Receiver will be bringing a motion in early April, 2017 for, among other things, an Order for vacant possession of Unit PH8. The motion record will follow later this month under separate cover. However, if you vacate Unit PH8 before the Receiver's motion is heard, the Receiver will not pursue its claim against you for the rent outstanding.

000272

If you have any questions, please contact me.

Yours very truly,

Blaney McMurtry LLP

Eric Golden
EG/plk
Encl.

Notice to End your Tenancy
For Non-payment of Rent
N4

To: (Tenant's name) include all tenant names	From: (Landlord's name)
GRACE KIM IMSEOP KIM	Deloitte Restructuring Inc., in its capacity as Receiver and Manager of Rose of Sharon (Ontario) Retirement Co.

Address of the Rental Unit:

15 MAPLEWOOD AVENUE, UNIT PH8
TORONTO, ONTARIO, M6C 4B4

This is a legal notice that could lead to you being evicted from your home.

The following information is from your landlord

I am giving you this notice because I believe you owe me $ 3,120.00 **in rent.**

See the table on the next page for an explanation of how I calculated this amount.

I can apply to the Board to have you evicted if you do not:

- **pay this amount by** 01/04/2017 (dd/mm/yyyy). This is called the termination date.

Or

- **move out by the termination date.**

If another rent payment becomes due on or before the date you make the above payment to your landlord, you must also pay this extra amount.

WHAT YOU NEED TO KNOW

The following information is provided by the Landlord and Tenant Board

The termination date

The date that the landlord gives you in this notice to pay or move out must be at least:
- 14 days after the landlord gives you the notice, if you rent by the month or year, or
- 7 days after the landlord gives you the notice, if you rent by the day or week.

What if you agree with the notice?

If you agree that you owe the amount that the landlord is claiming, you should pay this amount by the termination date in this notice. If you do so, the landlord cannot apply to the Board to evict you based on this notice.

If you do not pay the amount owing, you do not have to move out. However, the landlord can apply to the Board to evict you. If the landlord applies to the Board to evict you and the Board orders the eviction, you will likely have to pay the landlord's filing fee, in addition to what you owe.

What if you disagree with the notice?

You do not have to move out if you disagree with this notice. You could talk to your landlord. You may also want to get legal advice. If you cannot work things out, the landlord may apply to the Board for an order to evict you. The Board will schedule a hearing where you can explain why you disagree.

What if you move out?

If you move out by the termination date in this notice, your tenancy will end on the termination date. However, you may still owe money to your landlord. Your landlord will not be able to apply to the Board but they may still take you to Court for this money.

How will you know if the landlord applies to the Board?

The earliest date that the landlord can apply to the Board is the day after the termination date in this notice. If the landlord does apply, the Board will schedule a hearing and send you a copy of the application and the *Notice of Hearing*.

What you can do if the landlord applies to the Board

- Talk to your landlord about working out a payment plan.
- Go to the hearing where you can respond to the claims your landlord makes in the application; in most cases, before the hearing starts you can also talk to a Board mediator about mediating a payment plan.
- Get legal advice immediately; you may be eligible for legal aid services.

How to get more information

For more information about this notice or about your rights, you can contact the Landlord and Tenant Board. You can reach the Board by phone at **416-645-8080** or **1-888-332-3234**. You can also visit the Board's website at sjto.ca/LTB.

The following information is from your landlord

This table is completed by the landlord to show how they calculated the total amount of rent claimed on page 1:

Rent Period From: (dd/mm/yyyy)	Rent Period To: (dd/mm/yyyy)	Rent Charged $	Rent Paid $	Rent Owing $
01/04/2015	01/03/2017	3120.00	0.00	3120.00
/ /	/ /	.	.	.
/ /	/ /	.	.	.
			Total Rent Owing $	3120.00

Signature ○ Landlord ◉ Representative

First Name: ERIC

Last Name: GOLDEN

Phone Number: (416) 593-3927

Signature	Date (dd/mm/yyyy)
	09/03/2017

Representative Information (if applicable)

Name	LSUC #	Company Name (if applicable)	
ERIC GOLDEN	38239M	BLANEY McMURTRY LLP	
Mailing Address			Phone Number
2 QUEEN STEET EAST, SUITE 1500			416 587 0339
Municipality (City, Town, etc.)	Province	Postal Code	Fax Number
TORONTO	ON	M5C3G5	416 593 5437

APPENDIX "J"

Date: Mar 14, 2017
Time: 10:42:53 ET
User: Ryhan Ahmad

Rose of Sharon Korean Long Term Care
Summary Statement of Income
12/1/2016 to 12/31/2016

Include Adjustment Periods: NO Include Closing Periods: NO

	CURRENT PERIOD						YEAR TO DATE					
	Actual$	PRD.	Budget$	PRD.	Var$	PRD.	Actual$	PRD.	Budget$	PRD.	Var$	
Resident Days	1,860	1.00	1,860	1.00	0	0.00	21,910	1.00	21,960	1.00	(50)	
	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	
Envelope Revenue												
MOH - Nursing	173,162	93.10	188,961	101.59	(15,799)	(8.49)	2,245,906	102.51	2,264,208	103.34	(18,302)	(1
MOH - Programming	17,417	9.36	17,173	9.23	244	0.13	208,574	9.52	205,643	9.39	2,931	
MOH - Food	15,421	8.29	14,873	8.00	548	0.29	182,254	8.32	178,965	8.17	3,289	
TOTAL Envelope Revenue	206,000	110.75	221,007	118.82	(15,007)	(8.07)	2,636,734	120.34	2,648,816	120.90	(12,082)	(1
Envelope Expenses												
Nursing Envelope	188,718	101.46	0	0.00	(188,718)	(101.46)	2,250,676	102.72	0	0.00	(2,250,676)	(10
Nurs Env Over(Under)	(3,073)	(1.65)	221,081	118.86	224,154	120.51	(49,378)	(2.25)	2,236,735	102.09	2,286,113	1
Nurs Env Over(Under) Spent	(3,073)	(1.65)	221,081	118.86	224,154	120.51	(49,378)	(2.25)	2,236,735	102.09	2,286,113	10
Program Envelope	17,417	9.36	0	0.00	(17,417)	(9.36)	207,588	9.47	0	0.00	(207,588)	(9
Prog Env Over (Under) Spent	16,896	9.08	21,412	11.51	4,516	2.43	38,427	1.75	233,115	10.64	194,688	
Prog Env Over(Under) Spent	16,896	9.08	21,412	11.51	4,516	2.43	38,427	1.75	233,115	10.64	194,688	
Raw Food Envelope	15,421	8.29	0	0.00	(15,421)	(8.29)	181,707	8.29	0	0.00	(181,707)	(1
Food Env Over(Under) Spent	1,597	0.86	15,150	8.15	13,553	7.29	7,709	0.35	178,965	8.17	171,256	
Food Env Over(Under) Spent	1,597	0.86	15,150	8.15	13,553	7.29	7,709	0.35	178,965	8.17	171,256	
TOTAL Envelope Expenses	236,974	127.41	257,643	138.52	20,669	11.11	2,636,730	120.34	2,648,815	120.90	12,086	
Envelope Net Income	(30,974)	(16.65)	(36,636)	(19.70)	(5,662)	(3.04)	5	0.00	1	0.00	(4)	
Other Revenue												
MOH - Accomodation	99,497	53.49	99,898	53.71	(401)	(0.22)	1,190,739	54.35	1,193,144	54.46	(2,405)	(1
MOH - Realty Tax Allowance	0	0.00	5,107	2.75	(5,107)	(2.75)	0	0.00	61,284	2.80	(61,284)	(2
MOH - Pay Equity	1,510	0.81	1,510	0.81	0	0.00	18,170	0.83	18,120	0.83	50	
MOH - Structrual Comp												
Moh Structural Comp	4,562	2.45	4,562	2.45	0	0.00	54,894	2.51	54,744	2.50	150	
TOTAL MOH - Structrual Comp	4,562	2.45	4,562	2.45	0	0.00	54,894	2.51	54,744	2.50	150	
MOH - Accreditation	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	
Municipality	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	
Residents' Basic Revenue	95,789	51.50	94,493	50.80	1,296	0.70	1,128,525	51.51	1,133,916	51.75	(5,391)	(0
MOH - Estimate Basic Rev	(93,584)	(50.31)	(88,985)	(47.84)	(4,599)	(2.47)	(1,117,092)	(50.99)	(1,070,746)	(48.87)	(46,346)	(4
MOH - Basic Revenue Adjust	(2,205)	(1.19)	(5,508)	(2.96)	3,303	1.78	(12,190)	(0.56)	(63,170)	(2.88)	50,980	
Preferred Revenue	24,344	13.09	23,064	12.40	1,280	0.69	282,120	12.88	276,768	12.63	5,352	
Residents' Other	55	0.03	0	0.00	55	0.03	3,169	0.14	0	0.00	3,169	
TOTAL Other Revenue	129,968	69.88	134,141	72.12	(4,173)	(2.24)	1,548,334	70.67	1,604,060	73.21	(55,726)	(3
Other Expense												
Wages and Benefits	55,945	30.08	55,462	29.82	(483)	(0.26)	656,013	29.94	668,259	30.50	12,246	
Supplies	1,452	0.78	3,720	2.00	2,268	1.22	39,987	1.83	43,920	2.00	3,933	
Repairs and Maintenance	6,385	3.43	6,421	3.45	36	0.02	31,125	1.42	76,986	3.51	45,861	
Maintenance Contracts	2,083	1.12	2,205	1.19	122	0.07	20,952	0.96	26,460	1.21	5,508	
Leased and Rented Equipment	0	0.00	50	0.03	50	0.03	0	0.00	600	0.03	600	
Office and General	2,620	1.41	2,645	1.42	25	0.01	24,219	1.11	31,840	1.45	7,621	
Advertising and Promotion	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	
Utilities	13,095	7.04	11,600	6.24	(1,494)	(0.80)	109,032	4.98	139,200	6.35	30,168	
Realty Tax	0	0.00	6,008	3.23	6,008	3.23	0	0.00	72,096	3.29	72,096	
Insurance	1,075	0.58	1,500	0.81	425	0.23	12,905	0.59	18,000	0.82	5,095	
Professional Fees	1,083	0.58	1,087	0.58	4	0.00	12,996	0.59	13,000	0.59	4	
Management Fees	13,337	7.17	14,339	7.71	1,002	0.54	165,871	7.57	171,646	7.83	5,775	
TOTAL Other Expense	97,075	52.19	105,037	56.47	7,962	4.28	1,073,100	48.98	1,262,007	57.60	188,907	
Net Operating Income	1,919	1.03	(7,532)	(4.05)	(9,451)	(5.08)	475,239	21.69	342,054	15.61	(133,185)	(1
Less												
Interst on Short Term												
Interest on LOng Term Debt												
TOTAL Interest on LOng Term Debt	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	
TOTAL Interst on Short Term	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	
Unusual Items												
TOTAL Unusual Items	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	
MOH - Capital Funding												
Moh Construct Funding	(3,148)	(1.69)	(3,148)	(1.69)	0	0.00	(37,880)	(1.73)	(37,776)	(1.72)	104	
TOTAL MOH - Capital Funding	(3,148)	(1.69)	(3,148)	(1.69)	0	0.00	(37,880)	(1.73)	(37,776)	(1.72)	104	

Rose of Sharon Korean Long Term Care
Summary Statement of Income
12/1/2016 to 12/31/2016

	CURRENT PERIOD						YEAR TO DATE					
	Actual$	PRD.	Budget$	PRD.	Var$	PRD.	Actual$	PRD.	Budget$	PRD.	Var$	PRD.
Capital Purchases (con't)												
Capital Purchases	0	0.00	0	0.00	0	0.00	1,050	0.05	0	0.00	(1,050)	(0.05)
Bldg Deficiencies												
TOTAL Bldg Deficiencies	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL Less	(3,148)	(1.69)	(3,148)	(1.69)	0	0.00	(36,830)	(1.68)	(37,776)	(1.72)	(946)	(0.04)
Net Income	5,067	2.72	(4,384)	(2.36)	(9,451)	(5.08)	512,069	23.37	379,830	17.34	(132,239)	(6.04)
Adjust												
Capital Reserve												
TOTAL Capital Reserve	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Interst LN												
TOTAL Interst LN	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Long-Term Debt Principal	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL Adjust	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Net Cash Flow	5,067	2.72	(4,384)	(2.36)	(9,451)	(5.08)	512,069	23.37	379,830	17.34	(132,239)	(6.04)

APPENDIX "K"

IN THE MATTER OF THE RECEIVERSHIP OF
ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Receiver's Interim Statement of Receipts and Disbursements
for the period September 27, 2011 to March 31, 2017

Receipts

1. Ministry of Health funding	$	15,980,249
2. Receipts from preferred accommodation re: nursing home residents		7,345,963
Sterling Receipts		6,201,555
3. Receiver borrowings		5,750,000
4. Receipts from life lease tenants (Life lease payments and common area maintenance payments)		1,633,878
Nursing Home - Return of excess funding		850,000
5. Cash in bank		404,887
6. HST refund		239,703
8. Property tax refund		139,700
9. Other		113,983
10. Total receipts	**$**	**32,458,362**

Disbursements

11. Funding of nursing home	$	22,441,436
Sterling Disbursement		6,148,356
12. Repairs & maintenance		4,274,274
13. Receiver fees		1,603,209
14. Legal fees		1,330,123
15. Utilities		785,922
16. Property management fees		426,108
17. HST/PST		404,140
26. Funding of the Sterling Managed Life Lease Account		324,115
18. Cable TV, internet & telephone		207,691
21. Insurance		101,241
22. Consulting fees		64,983
19. Buyout of kitchen equipment lease		60,913
20. Property taxes		57,894
23. Building Condition Assessment		41,270
24. Appraisal fees		43,792
25. City of Toronto Development Charges		10,030
26. Accounting services		5,140
27. Ministry of Health & Long-Term Care fees		3,750
29. Other (Bank charges, filing fees)		9,507
30. Total disbursements	**$**	**32,195,538**
31. Excess of receipts over disbursements	**$**	**262,824**

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

PEOPLES TRUST COMPANY and **ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY**

Applicant Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at **TORONTO**

MOTION RECORD - VOLUME II
(RETURNABLE MAY 31, 2017)

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