

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**

**SIXTH REPORT TO THE COURT OF THE RECEIVER**  
**(dated May 16, 2014)**

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## INTRODUCTION

1. Pursuant to an Order (the “**Appointment Order**”) of Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 27, 2011 (the “**Appointment Date**”), Deloitte & Touche Inc., 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 Fifth 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. In connection with the Priority Issue, the Receiver proposed in the Third Report that it would be more efficient and to the general benefit of the Rose estate for a particular segment of stakeholders (the Arm’s Length Claimants as defined in the Third Report), Peoples, the Receiver and the Court to adjudicate the Priority Issue if representative

counsel was appointed to act on behalf of the Arm's Length Claimants ("**Representative Counsel**").

6. The scope of the mandate of Representative Counsel was eventually narrowed to only include arm's length purchasers of Units in the Life-Lease Residence (the "ALUs").
7. The ALUs are mostly composed of persons of Korean Heritage, many of whom are elderly and/or have a limited grasp of English.
8. 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, including the re-categorization of certain Unit-holders into or out of the ALU category, and addressed procedural matters related to the appointment of Representative Counsel.
9. 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).
10. 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**").
11. 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. and IWOK Corporation).

The remaining issues concerning the Priority Motion were adjourned to November 14 and 15, 2013. A copy of Justice Mesbur's endorsement approving the ALU Settlement, which endorsement includes the timetable for delivery of materials in respect of the adjourned Priority Motion issues, and the ALUs Settlement Approval Order is attached hereto as **Appendix "B"**.

12. 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 (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.
13. The purpose of this Sixth Report to the Court (the "**Sixth Report**") is to:

- (a) provide the Court with an update with on the disposition of matters involved in the Priority Motion since December 10, 2013;
- (b) provide the Court with information with respect to 2383431 Ontario Inc. ("238") in its capacity as assignee of the second mortgage against the Property (the "Second Mortgage"), and as moving party on a motion to vary certain orders; and
- (c) summarize the outstanding issues in the Priority Motion;

#### **TERMS OF REFERENCE**

- 14. In preparing this Sixth 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.
- 15. 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.
- 16. The Receiver has sought the advice of Gowling Lafleur Henderson LLP, 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 Blaney McMurtry LLP.

#### **DECEMBER 13, 2013 HEARING**

- 17. On December 13, 2013 Justice Mesbur heard Peoples' motion seeking, among other things, an order:
  - (a) approving the conditional settlements between Peoples and the Unit-holders of 14 Unit who were not-ALUs (comprised of the Unit-holders of 6 ILA Units and Unit-holders of 8 other Units who did not require independent legal advice from KRMC);

- (b) declaring that Peoples was entitled to priority over the Unit-holders of 17 additional non-ALU Units except for any construction lien claims found to be valid and prior by a judge presiding over the Superior Court of Justice (Commercial List); and,
  - (c) declaring that Peoples had priority over 6 Units claimed by Unimac (the “Unimac Units”) and the 1 Unit claimed by Leon Hui (the “Unimac Priority Dispute”),  
  
(the “December 13 Motion”).
18. At the December 13 Motion, Mr. Baichoo, counsel for Unimac, advised the Court that he now represented 238, who wished to participate in the Rose receivership proceedings. 238 sought an adjournment of the December 13 Motion so that it might make submissions with respect to the approval of settlements between Peoples, the Receiver and the Unit-holders of the 14 non-ALU Units (the “December 13 Settlements”).
  19. Justice Mesbur denied 238’s request for an adjournment on several grounds. Attached as **Appendix “C”** is Justice Mesbur’s Endorsement dated December 13, 2013.
  20. Justice Mesbur approved the settlement between Peoples, the Receiver, and the Unit-holders claiming an interest in the following 14 Units: 203, 205, 801, 802, 804, 809, 811, 903, 1001, 1003, 1007, 1107, 1109 and 1111. Attached as **Appendix “D”** is the Order of Justice Mesbur approving the December 13 Settlements.
  21. On February 4, 2014, 238 appealed the December 13 Settlements to the Ontario Court of Appeal (the “238 Appeal”). Attached as **Appendix “E”** is 238’s Amended Notice of Appeal dated February 3, 2014. The 238 Appeal is scheduled to be heard on July 4, 2014.
  22. Paragraph 7 in the 238 Amended Notice of Appeal states as one of the grounds of appeal that “The Receiver has refused to provide 2383431 Ontario Inc. with any information regarding the Property.” The Receiver is not aware of any request that 238 has allegedly made of it for information regarding the Property.
  23. Prior to the December 13 Motion, Unimac served and filed in the Divisional Court a motion for leave to appeal (the “Unimac Motion for Leave to Appeal”) Justice



Mesbur's decision of November 22, 2013 refusing to admit the Second Hui Affidavit. Therefore, Justice Mesbur adjourned the hearing of the Unimac Priority Dispute, pending the outcome of the Unimac Motion for Leave to Appeal.

#### **MOTION FOR LEAVE TO APPEAL**

24. On January 9, 2014, Madam Justice Kiteley of the Divisional Court heard and denied the Unimac Motion for Leave to Appeal. Attached as **Appendix "F"** is a copy of the Endorsement of Justice Kiteley dated January 9, 2014.

#### **PRIORITY OVER UNITS CLAIMED BY UNIMAC**

25. Following the denial of Unimac's Motion for Leave to Appeal, the Unimac Priority Dispute was heard by Justice Brown on February 6, 2014. Justice Brown granted an Order declaring that Peoples' security is entitled to priority over Unimac's claim to the Unimac Units and over Leon Hui's claim to one additional Unit (the "**February 6 Order**"). Attached as **Appendix "G"** is the Endorsement of Justice Brown dated February 6, 2014, and the related February 6 Order.
26. The February 6 Order has been appealed by Unimac to the Ontario Court of Appeal (the "**Unimac Appeal**"). Attached as **Appendix "H"** is Unimac's Notice of Appeal dated February 18, 2014. The Unimac Appeal is scheduled to be heard on July 4, 2014 (along with the 238 Appeal).

#### **238 AND THE ASSIGNMENT OF THE SECOND MORTGAGE**

27. Prior to the December 13 Motion, the Receiver had not been notified of 238's intention to participate in the Rose receivership, and consequently was not in a position to assist the Court with evidence regarding either 238 or the assignment of the Second Mortgage. Since that time the Receiver has made inquiries concerning 238 and the Assignment.
28. Attached as **Appendix "I"** is a copy of the Corporate Profile Report for 238 as of December 13, 2013, which reveals that it was only incorporated on August 7, 2013.
29. As noted in the Third Report, at the time of the Appointment Order, the Second Mortgage over the Property for \$700,000 was registered against title on November 18, 2008, was

originally in favour of IWOK, and is subject to postponements registered on title in favour of Peoples. Attached as **Appendix "J"** is a copy of the parcel register for the Property dated May 16, 2014 (the "**Parcel Register**").

30. The Parcel Register sets out that the Second Mortgage was transferred from IWOK to Morrison Financial Services Limited ("**Morrison**") on December 30, 2011, approximately three months after the Appointment Date. Morrison never contacted the Receiver to request that it be served with any materials in the Rose receivership proceedings, be added to the Rose receivership distribution list, or for any other reason. The Parcel Register further indicates that on September 26, 2013, the Second Mortgage was transferred by Morrison to 238 (the ALU Settlement Approval Order was made September 10, 2013). Attached as **Appendix "K"** is a schedule summarizing the current and historical status of the mortgages presently registered against title to the Property (the "**Mortgage Schedule**").
31. Attached as **Appendix "L"** is a copy of the Transfers of Charge for the Second Mortgage, first from IWOK to Morrison, and then from Morrison to 238. The Transfer of Charge from IWOK to Morrison registered against title to the Property on December 30, 2011 sets out consideration for the transfer in the amount of only \$2.00, whereas the Transfer of Charge from Morrison to 238 registered against title to the Property on September 26, 2013 sets out consideration for the transfer in the amount \$150,000.00.
32. Attached hereto as **Appendix "M"** is an email dated September 24, 2013 from "Law Office of Adeyinka Oyenubi" to the Receiver enclosing correspondence dated August 30, 2013 from A. O. Oyenubi, solicitor for 238, and addressed to the Receiver c/o Gowlings at Gowlings' general fax number (and also copied to Morrison). This correspondence confirms that as of at least August 30, 2013, 238 was aware that Rose was in receivership. In his letter dated August 30, 2013, which the Receiver did not receive a copy of until September 24, 2013, the solicitor for 238 requests that 238 be added as a second ranking loss payee on the insurance policy over the Property since 238 was taking an assignment of the Second Mortgage on September 3, 2013. However, no request was

made to add 238 to the Rose receivership service list, or for anything else relating to the Rose receivership (other than the loss payee issue).

33. On October 17, 2013, the Receiver received a similar email from Mr. Oyenubi's office, with a similar letter, except this time advising that Mr. Oyenubi was now the solicitor for 2381682 Ontario Inc., which was taking an assignment of the fifth ranking mortgage over the Property on September 3, 2013 (a mortgage for \$150,000.00 currently held by IWOK), and requesting that 2381682 Ontario Inc. be added as a second ranking loss payee on the insurance policy over the Property. However, no request was made to add 2381682 Ontario Inc. to the Rose receivership service list, or for anything else relating to the Rose receivership (other than the loss payee issue). Attached hereto as **Appendix "N"** is a copy of the email and letter from Mr. Oyenubi's office dated October 17, 2013.
34. Rose's insurance policy that was provided to the Receiver upon its appointment listed only Peoples as loss payee under the policy. Accordingly, upon its appointment, the Receiver immediately arranged for its own insurance to be placed over the Property, which included adding Peoples as loss payee and no other mortgagee. Therefore, upon the requests from Mr. Oyenubi's office that his clients both be added as second loss payees, the Receiver determined that it was unnecessary to add those mortgagees as loss payees under the Receiver's policy.

#### **REMAINING ISSUES IN THE PRIORITY MOTION**

35. For ease of reference the Receiver has prepared and attached as **Appendix "O"** a schedule setting out the current position of each unit in the Property with respect to priority.
36. The following issues in the Priority Motion remain outstanding:
  - (a) The 238 Appeal of the December 13 Settlements, and the Unimac Appeal of the February 6 Order (providing Peoples with priority over the Unimac Units and the Leon Hui Unit);

- (b) The Motion to Vary brought by 238 and returnable on July 14, 2014 as described below; and,
- (c) Court approval of a conditional settlement between Peoples, the Receiver and Mugungwha Homes with respect to Unit #207 as described below.

*Appeals*

- 37. The Ontario Court of Appeal has agreed to hear the 238 Appeal and Unimac Appeal together (collectively, the “Appeals”) on July 4, 2014.
- 38. Peoples has brought a motion for security for costs in both of the Appeals. The Motion for Security for Costs will be heard on May 26, 2014.

*Motion to Vary*

- 39. Notwithstanding that the Transfer of Charge from Morrison to 238 was only registered on September 26, 2013, and that 238 was only incorporated on August 7, 2013, on April 7, 2014, 238 served a motion to, among other things, set aside the following three orders:
  - (a) the Representative Counsel Order made April 11, 2013;
  - (b) the ALUs Settlement Approval Order made September 11, 2013; and,
  - (c) the ILA Order made November 22, 2013(the “Motion to Vary”).
- 40. At a 9:30 Chambers appointment on May 1, 2014, Justice Brown set out the following timetable for the Motion to Vary:
  - (a) Cross examinations to be completed by May 26, 2014;
  - (b) Written argument to be served by July 9, 2014; and
  - (c) Motion to Vary to be heard July 14, 2014.

Attached as **Appendix “P”** is the timetable of Justice Brown dated May 1, 2014.

41. 238's material on the Motion to Vary which includes the affidavit of Win Kin sworn April 4, 2014 (the "Kin Affidavit"). In paragraph 10 of the Kin affidavit, Kin alleges that "counsel for Peoples and the Receiver falsely advised the Court, without presenting any evidence, that IWOK as the previous holder of the Charge, advised that it "did not wish to participate" in these proceedings.
42. Gowlings and Blaneys have advised the Receiver that no such representation was made to the Court. IWOK has been participating in these proceedings from the start and, in fact, had appointed an unlicensed private receiver over Rose prior to the receivership application to the Court by Peoples resulting in the current receivership proceedings. It is the Receiver's position, confirmed by Gowlings and Blaneys, that Morrison has not participated at all in these proceedings.

*Unit #207*

43. 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 Settlements. Madam Justice Mesbur declined to approve the Unit #207 Settlement prior to the disposition of Unimac's claim to Unit #207.
44. Pending the outcome of the Unimac Appeal, the Receiver intends to seek court approval for the Unit #207 Settlement.

All of which is respectfully submitted to this Honourable Court.

DATED this 16<sup>th</sup> day of May, 2014.

**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 A**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE

)

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

)

JUSTICE C. CAMPBELL

)

OF SEPTEMBER, 2011

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

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

**APPOINTMENT ORDER**

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



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

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

### **SERVICE**

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

### **APPOINTMENT**

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

### **RECEIVER'S POWERS**

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

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

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

- (c) subject to section 110 of the *Long-Term Care Homes Act*, S.O. 2007, c. 8 (the "LTCHA") to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) subject to section 110 of the LTCHA, to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order, and in this regard the Receiver is specifically authorized to retain counsel for the Applicant to advise and represent it save and except on matters upon which the Receiver in its judgment determines it requires independent advice, in which case the Receiver shall retain Blaney McMurtry LLP;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) Notwithstanding anything in this Order, the Debtor is the licensee (the "Licensee") of the long-term care home <sup>926 located at 17 Maplewood Avenue,  
Toronto, Ontario</sup> which forms a part of the Property (the "Home"). The Home is currently licensed pursuant to the LTCHA

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together with the TC LHIN, the

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

*PRG*

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

*PRG*

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

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

*PRG*  
(n)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

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

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

**NO EXERCISE OF RIGHTS OR REMEDIES**

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

**NO INTERFERENCE WITH THE RECEIVER** *For the Receiver*

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

**CONTINUATION OF SERVICES**

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

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

#### RECEIVER TO HOLD FUNDS

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

#### EMPLOYEES

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



**PIPEDA**

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

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

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

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

### **RECEIVER'S ACCOUNTS**

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

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

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

### **FUNDING OF THE RECEIVERSHIP**

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

ROE-212-

Subject to section 107 of  
the LTCHA,

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

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

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

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

#### **GENERAL**

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

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

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

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

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

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

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

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

SEP 27 2011

*[Handwritten signature]*

PER/PAR: *[Handwritten signature]*

*[Handwritten initials]*

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

*[Handwritten initials]*

**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-11-939900CL

**PEOPLES TRUST COMPANY**  
Applicant

v.

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

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**APPOINTMENT ORDER**

**GOWLING LAFLEUR HENDERSON LLP**  
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M5X 1G5

Clifton Prophet  
LSUC No.: 34845K

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Lawyers for the Applicant,  
Peoples Trust Company

# **APPENDIX B**



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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE ) TUESDAY, THE 10<sup>th</sup> DAY  
)  
JUSTICE MESBUR ) OF SEPTEMBER, 2013

B E T W E E N:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

ORDER  
(ALUS SETTLEMENT APPROVAL)

THIS MOTION made by Peoples Trust Company ("Peoples") for an Order giving effect to a settlement (the "Settlement") between Peoples and the arms length purchasers of units in the Property (the "ALUs") represented by Kronis, Rotsztain, Margles, Cappel LLP as representative counsel (the "Representative Counsel") pursuant to the Order of Justice Mesbur dated April 11<sup>th</sup>, 2013 was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Peoples' Compendium and the documents contained therein, Peoples' Factum and Supplementary Factum and on hearing the submissions of counsel for Peoples, Representative Counsel and counsel for Deloitte Restructuring Inc. in its capacity as

receiver and manager (the “**Receiver**”) in relation to the property, assets and undertaking (the “**Property**”) of Rose of Sharon (Ontario) Retirement Community (“**Rose of Sharon**”) and those other counsel appearing on the counsel slips provided to this Court, no one appearing for any other party although duly served as appears from the Affidavits of Service of Haddon Murray, sworn September 4, 2013, September 5, 2013 and September 6, 2013.

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that the Settlement reached between the ALU’s (as defined below) and Peoples, as comprehensively set out in the further terms of this Order, is hereby approved and Representative Counsel and the Receiver are hereby authorized and directed to take all steps necessary to implement the Settlement.
3. THIS COURT ORDERS that the Receiver is hereby authorized to take commercially reasonable steps to register the residential and long term care facility that comprises the Property as a condominium pursuant to *Condominium Act* and related regulations.
4. THIS COURT ORDERS that upon and conditional upon registration of the Property as a condominium, each arms length purchaser of units in the Property (the “**ALUs**”) represented by Kronis, Rotsztain, Margles, Cappel LLP as representative counsel (the “**Representative Counsel**”) pursuant to the Order of Justice Mesbur dated April 11<sup>th</sup>, 2013 shall be given a notice (the “**Purchase Notice**”) by the Receiver providing that they 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 total amount set out in the attached chart (the “**Payment Chart**”) in the column entitled “Settlement Amount Owing” subject to such adjustments as the Receiver may determine are appropriate to reconcile payments of principal

amounts due under RTOA's actually received by the Receiver from ALUs after the appointment of the Receiver;

- (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".

5. THIS COURT ORDERS that each ALU shall have sixty (60) days from the date of delivery of the Purchase Notices to pay the Unit Purchase Price to the Receiver.
6. THIS COURT ORDERS that in default of payment of the Unit Purchase Price for a unit within the period prescribed in paragraph 4 above, the Receiver may sell the unit free and clear of any and all claims of the ALU and anyone claiming through them, including any tenant of the ALU, and the Receiver shall be entitled to obtain applicable vesting orders and writs of possession in respect of each such unit.
7. THIS COURT ORDERS that upon payment of the Unit Purchase Price, the Receiver shall sell and each of the ALUs shall purchase their units 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 ALUs with the Receiver, Rose of Sharon or the Property.
8. THIS COURT ORDERS that 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 ALUs and neither the Receiver nor Peoples shall have any liability in respect of these contributions.
9. THIS COURT ORDERS that ALUs 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, each ALU 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").

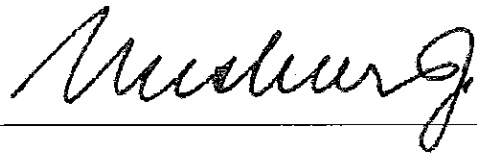
10. THIS COURT ORDERS that in the event that the Property is not registered as a condominium by the Outside Date, all rights and obligations provided for under paragraphs 2, 3, 4, 5, 6 and 7 of this Order shall lapse and be of no further force and effect.

11. THIS COURT ORDERS AND DECLARES that the Receiver shall not be obliged to deliver the disclosure statement contemplated by s. 72(1) of the *Condominium Act* in respect of the ALUs' units unless and until the Purchase Notices have been delivered by the Receiver.

ENVIÉ EN REGISTRE À TORONTO  
ON / BOUQUIN  
LE / DANS LE REGISTRE NO.



SEP 11 2013



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SCHEDULE "A"  
Unit # St. Ft.

Units	Name of Unit Holder	Date of RTOA	Years	Life Lease Purchase/Selling Price	Deposits Paid	Price Adjustments/ Rebates/ Offsets Given by Rose of Sharon	Balance Owed	Loan(s) to Rose/ Promissory Note(s) from Rose	Balance Owling After Note(s)	3% Interest	New Value	Settlement Amount Owling
ALUS												
304	Mary Chen	24/08/2005	8	137,885.00	-41,304.85	-13,768.00	82,611.15	-82,612.00	-0.65	33,044.40	170,729.40	33,044.40
305	Mary Chen	10/05/2005	8	189,610.00	-93,261.00	-18,961.00	77,388.00	-77,388.00	0.00	45,508.40	235,116.40	45,508.40
308	Youngsook Cha	18/06/2006	7	182,240.00	-51,770.00	0.00	127,568.00	0.00	127,568.00	38,270.40	220,510.40	188,838.40
706	Sung-Sun Yoon/Mi-Kyung Yoon	22/09/2003	10	111,195.00	-31,672.00	0.00	79,425.00	-74,561.00	4,864.00	33,358.50	144,553.50	38,222.50
707	Soon-Sup Lee / Kyung Good Lee	06/08/2009	4	177,645.00	-95,403.00	0.00	82,242.00	-73,935.00	8,307.00	21,317.40	188,962.40	29,624.40
708	Kyung Yuri/Lee/Jung Ja Lee	08/11/2009	4	186,000.00	-76,300.00	0.00	119,700.00	-119,700.00	0.00	23,520.00	219,520.00	23,520.00
709	Young-Joon	28/10/1996	17	132,407.00	-69,804.00	0.00	62,603.00	-62,603.00	0.00	67,527.57	199,934.57	67,527.57
711	Young-Joon	28/10/1996	17	114,439.00	-69,804.00	0.00	44,635.00	-52,347.00	-32,712.00	56,363.89	172,802.89	56,363.89
803	Bog Shim Shin	30/12/1999	14	143,000.00	-84,000.00	0.00	49,000.00	0.00	49,000.00	60,090.00	203,090.00	109,090.00
805	Han Hyeong Lee/Hae-Jeong Kang	31/12/2003	10	185,000.00	-185,000.00	0.00	0.00	0.00	-25,000.00	58,500.00	253,500.00	58,500.00
806	Eunkyung Yim	13/05/2005	8	182,838.00	-54,851.00	-9,141.90	118,845.10	0.00	118,845.10	43,861.12	228,716.12	162,726.22
807	Jong-Rain Kim	10/12/2007	6	214,600.00	-233,966.00	0.00	-19,466.00	0.00	-19,466.00	36,610.00	253,110.00	36,610.00
810	Sun Hwa Lee	05/09/2003	10	100,000.00	-23,285.99	0.00	76,714.01	-105,353.54	-33,619.53	30,000.00	130,000.00	30,000.00
812	Sun Hwa Lee	05/09/2003	10	187,000.00	-46,834.01	0.00	151,165.99	-207,546.48	-56,380.47	59,100.00	256,100.00	59,100.00
906	Woo Sam Park	06/04/2006	7	163,000.00	-48,900.00	-16,300.00	97,800.00	0.00	72,800.00	34,230.00	197,230.00	107,030.00
907	Myung Hee Kim/Jun-Do Sung	27/11/2004	9	221,000.00	-66,300.00	-22,100.00	132,600.00	0.00	132,600.00	59,670.00	280,670.00	192,270.00
908	Han Hyeong Lee/Hae-Jeong Kang	22/09/2003	10	107,600.00	-107,600.00	0.00	0.00	0.00	0.00	32,260.00	138,860.00	32,260.00
909	Meirsoo Chun	21/07/2008	5	150,000.00	-24,400.00	0.00	125,600.00	0.00	125,600.00	22,500.00	172,600.00	149,100.00
911	Hyang Ok Hong/Joon Bai	23/12/2002	11	182,800.00	-44,280.00	0.00	138,520.00	-40,000.00	98,340.00	60,288.00	242,856.00	158,594.00
912	Chang Joon Kim/Soon Ja Kim/Sar	09/11/2010	3	217,890.00	-123,280.00	0.00	94,700.00	-90,600.00	4,100.00	19,618.20	237,598.20	23,718.20
1002	Brenda (Chun Ja) Ha	31/10/1996	17	159,319.00	-103,582.00	0.00	55,737.00	0.00	55,767.00	81,252.69	240,571.69	137,019.69
1066	Yeung Sojin	30/05/2007	6	320,900.00	-96,270.00	0.00	224,630.00	0.00	224,630.00	57,762.00	378,662.00	282,392.00
1008	Mai Hwa Kim/Ellen Kim	30/05/2007	6	150,000.00	-95,000.00	0.00	125,000.00	0.00	125,000.00	27,000.00	177,000.00	152,000.00
1009	Morigina Lee	14/05/2011	2	155,000.00	-85,000.00	0.00	90,000.00	0.00	90,000.00	9,300.00	164,300.00	99,300.00
1010	Gye-Soon Kim/Joon Kie Kim	12/03/2010	3	227,000.00	-148,200.00	0.00	78,800.00	-50,000.00	28,800.00	20,430.00	247,430.00	49,230.00
1108	Jae Won Byun	27/09/2004	9	329,810.00	-98,946.00	-32,981.00	197,883.00	-186,555.00	11,328.00	89,048.70	418,938.70	100,376.70
PH6	Jong Rye Lee/Chang Hum Shin	29/03/2005	8	209,800.00	-62,880.00	0.00	146,920.00	0.00	146,920.00	50,304.00	269,504.00	197,024.00
PH6	Jong Rye Lee/Chang Hum Shin	29/05/2007	6	441,000.00	-44,100.00	0.00	396,900.00	-89,000.00	308,900.00	79,380.00	520,380.00	388,280.00
Units # 28		8,3829		5,308,368.00	-2,237,923.85	-113,252.90	2,957,191.25	-1,267,201.00	1,589,950.25	1,254,093.27	6,562,461.27	2,987,262.37

\* - Charged from 16 to 4 years. ALU advised that 2009 RTOA is for new unit, and therefore, reflects 2009 unit prices - not 1997 unit price. Affidavit is consistent with this. Documents support this and are available if required.  
 \*\* - This should have been 14 years but had been recorded as 5 years.  
 \*\*\* - Charged from 13 years to 8 years. RTOA is dated 2005 but contains a notation that it is a renewal of agreement dated 2000. ALU advises that this is incorrect as only immigrated to Canada in 2002 and only signed one RTOA in 2005. Affidavit is consistent with this.  
 \*\*\*\* - Charged from 44,000 to 88,000. See payment summary of Receiver. Two notes of \$44,000 each. ALU advises that the two notes, plus the initial deposit, total the 30% deposit required.

**PEOPLES TRUST COMPANY**  
Applicant

v.

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

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**ORDER**

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Lawyers for the Applicant,  
Peoples Trust Company



Sept 10/13.

Mr. Prophet & Mr. Murray for  
Peoples

Mr. Abramowitz & Mr. Cho for  
the ALLs

Mr. Gaden for the Receiver

Mr. Baichoo for Unimac/WORK.

Today's motion is to deal  
with the approval of a  
settlement with the ALLs.

The remaining issues are  
adjourned to November  
14 & 15, 2013 for 1 1/2 days BEFORE  
ME.

The issues to be argued  
in November are ~~the~~  
determining the priorities  
among Peoples and the unitholders,  
namely: (a) the Director Unitholders  
(b) The Mungungwa Homes  
Units  
(c) the 18 Investor Units



Sept 10/13 - cont'd. (2)

- (d) The 16 vacant units
- (e) The 6 Unimac units
- (f) The 7 Juffed units
- (g) the 1 unshelved vacant unit

And among Peoples & the other mortgages.

The construction lien in relation to <sup>UNIMAC</sup> Massco & its assignee & it being dealt with in a construction lien action, # CV-11-9399-occl. Once the quantum of the lien is determined, the issue of priority will be decided in this overall receivership application on a date to be fixed.

Sept 10/13 (cont'd)

Timetable for delivery  
of any further material  
for the November date is  
limited to the following:

(a) Unimac may deliver  
a supplementary  
affidavit if it wishes  
to, provided it does  
so by Sept 20/13.

(b) Peoples to deliver  
a reply, if any  
Sept 27, 2013.

(c) Unimac to deliver  
a supplementary factum  
if it wishes to, by  
October 11, 2013.

(d) Peoples' reply factum  
if any, to be delivered  
by October 25, 2013.

(e) The Receiver is at

Sept 10/13 - cont'd. pg 4.

liberty to deliver a  
further report, if it  
wishes to, by Sept 27/13.

(f) No further material  
may be filed by  
any other stakeholder,  
since they were already  
given an opportunity  
to do so in the timetable  
set on April 11/13.

Mr. Prophet will produce  
a new compilation  
for the hearing in November,  
containing only the  
material necessary for  
the November hearing.

Sept 10/13 (cont'd) pg 5.

This leaves the issue of the motion to approve the settlement with the ALUs.

Both counsel filed voluminous material & cross-examined extensively. Settlement negotiations then took place over a period of weeks with experienced counsel. The ALUs have specifically & unanimously supported the proposed settlement in both form & substance.

All of these factors assure me it is a settlement reached by adversarial parties dealing

Sept 10/13 pg 6

at arm's length with  
competent counsel.

I am therefore  
satisfied all the foundair  
principles have been  
met, & the proposed  
settlement is fair &  
commercially reasonable  
in all the circumstances.  
Since one of representative  
counsel speaks Korean,  
I am also satisfied  
the ALLs have been able  
to communicate with  
representative counsel  
in their own language.  
This gives me comfort  
that they support the

Sept 10/13. 197

Settlement with full  
knowledge & understanding  
of what the settlement  
entails.

Order to go approving  
the settlement in form  
of draft order I have  
signed.

Musling

# APPENDIX C

Dec 13 113

Mr. Prophet & Mr. Murray for  
People

Mr. Holden for Receiver

Mr. MacKellon for Trisura

Mr. Baichoo for Unimac

SNOW 238 3431 Ontario  
Que.

Mr. Baichoo seeks an  
adjournment of this motion  
to approve additional  
unit settlements. He tells  
me he was retained  
by 236 3431 Ontario Que  
last night. 238 holds  
the 2nd mortgage as apparent  
assignee of Morrison who  
in turn was the assignee  
of IWK, the second mortgagee  
at the time of The initial



Nov 11 1911.

Relationship order. Scott received notice of the original application. In fact, it had appointed its own receiver under its security. That receiver was replaced in this proceeding. IWK also held or held as 5<sup>th</sup> mortgage. Mr. Bailew represented it on at least one appearance before me.

Z38 now requests it has had no notice of these proceedings & now wishes to participate & take some kind of position ~~on~~ regarding the proposed settlements that ~~these~~ are

Dec 19/13 pg 27

scheduled to be heard today. It seems to me that 238 bears responsibility for doing due diligence. Its predecessors in title were fully aware of these proceedings. They advised they did not wish to participate.

It is hardly incumbent on the receiver or on Peoples to continue to search title & see if any mortgages have been assigned. 238 should be in no different position than

Dec 1915

pg 4

its assignors, who had ample opportunity to put a motion to the court. 238's adjournment request is denied.

I will deal with the approval of the additional settled units. Mr. Macbellan reminds the court again of the outstanding lien claim of his client. That claim is being adjudicated in a lien action. The outcome of that action ~~will be~~ may have a bearing on the ultimate priorities here.

Units 801, 802, 804, 809, 811, 1001,  
1003, 1007, 1107, 1109 & 1111

These units are held  
by directors, who, I am  
satisfied are in no different  
position than the ALLs.

They were directors in name  
only & took none of the  
decisions John Lyon  
participated in. They  
should be treated no  
differently than the ALLs,  
whose settlements I  
have already approved.

The settlements of  
the above-noted units  
are based on the same  
principles as the ALL  
settlements. The Receiver

Dec 19/11 p 10

The ALLU settlements  
said they were reasonable  
& in the interests of  
all stakeholders. That  
must apply equally  
to these proposed  
settlements.

On this basis, these  
settlements are approved.

Mugingwa Homes Units

# 205 + 207.

As to Unit 205 I am  
satisfied it is held by  
a bona fide charity which  
invested funds in it in  
the same way as the ALLUs.  
The settlement of this unit  
is on the same basis as  
the ALLUs' settlements. For

Dec 13  
2013 p. 7

The same reasons as set out above, the settlement re unit 205 is approved.

Univac asserts a claim to 207, so I will deal with that unit when I address the other Univac units.

Units 203 + 903.

These units are registered to Mr. Berg, the principal of Assured Care Consulting Inc (ACC) & also to ACC. They are used as offices. ACC is manager of the nursing home facility

10/17/13  
2013 p8

in the Rose of Sharon  
project. Again the  
same formula + process  
was used to arrive  
at the settlement  
amounts <sup>for these</sup> ~~units~~ for this case,  
funds are advanced to  
cover payroll for nursing  
staff has been credited  
to Acc. This is appropriate  
& represents a true  
obligation of Rose of Sharon  
that Acc assumed.

For the same reasons  
as set out above  
the settlements re units  
703 + 903 are approved.

PA

Non-settling units requiring  
declaration of priority:

Units 902, 201, 204, 206, 208,  
209, 210, 211, 212, 213, 214,  
311, 701, 901, 910, 1103 +  
703.

~~However~~ No one has  
appeared in relation to  
these units. No one  
opposes the relief sought.  
They have had notice of  
the relief sought, apart  
from the unit holder  
for #701 who cannot  
be located, even ~~though~~  
through significant efforts  
have been made to do  
so.



Dec 13  
2013. P10

Order to go as requested  
regarding Peoples priority  
Order these units.

Dec 17  
2013. P10

Order to go as requested  
regarding Peoples priority  
order these units.

## The Animae Units

Animae is seeking  
leave to appeal my  
order of Nov 22/13 in  
which I denied it  
leave to file the Hui  
affidavit sworn Nov 11/12.  
In light of this, the  
motion to declare priorities  
regarding the Animae  
units should not be  
adjudicated until the  
leave application is heard,

Dec 17<sup>th</sup> 2013 pg 11

And if successful,  
until the appeal is  
heard & determined.

The motion for leave  
to appeal is scheduled  
for January 9, 2014  
1 hour. The time is  
booked with the Divisional  
Court.

Timetable as follows

- (1) Appellant to ~~file~~  
deliver its motion for  
record under rule  
67.02(5)(b) by Dec 20/13  
including all endorsements.
- (2) Facts according to  
the rules.
- (3) 9:30 appointment

Dec 17  
2013

pg 17

To be arranged for  
the week following  
the disposition of the  
appeal proceedings  
to schedule the  
return of the priority  
motion to the Unimac  
units (subject to below)

If the Unimac  
have application is  
dismissed, the Unimac  
priority issue will be  
argued on January  
28, 2014 for an hour.  
That hour is in addition  
to the 1/2 day already

Rec  
2013 10

looked for the Receiver's  
Motion + LA Council's  
Motion.

## The Mortgage Priorities

There being no dispute  
that Peoples' Mortgage  
ranks ahead of all the  
other registered mortgages  
the requested order will  
go declaring its priority.

Meslunf

# **APPENDIX D**

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE ) THURSDAY, THE 13<sup>th</sup> DAY  
 )  
JUSTICE MESBUR ) OF DECEMBER, 2013

B E T W E E N:

PEOPLES TRUST COMPANY

Applicant

- and -

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

**ORDER**

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

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

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

3. A declaration of priority over the following mortgages:

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

(the "Subordinate Mortgages")

ON READING Peoples' Compendium and the documents contained therein, Peoples' Factum and Supplementary Factum, the Fifth Report and on hearing the submissions of counsel for Peoples. <sup>v 2283431 Ontario Inc v Re</sup> ~~Representative Counsel~~, the Receiver, Unimac Group Ltd. and Trisura Guarantee Insurance Company, no one appearing for any other party although duly served as appears from the Affidavits of Service of Haddon Murray sworn September 4, 2013, September 6, 2013, October 25, 2013 and December 13, 2013.

SERVICE



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

**SETTLEMENT**

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

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

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

*am* and compliance with the terms and conditions set out in ~~in the Fifth Report, a sample of which is attached at Schedule "D" to this order as between:~~ <sup>other</sup> ~~in the Fifth Report, a sample of which is~~ <sup>therein</sup> ~~attached at Schedule "D" to this order as between:~~

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

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

(the "Settling Unitholders")

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

### PRIORITY

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

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

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

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

**GENERAL**

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

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

  
\_\_\_\_\_

DEC 17 2013

NB

**SCHEDULE "A"**

Units	Name of Unit Holder	Settlement Price
801	Steven Yu	\$48,438.00
802	Jane Kim	\$62,400.00
804	Klara Kim	\$37,908.00
809	Sang-Hyun An/Chang Y An	\$110,601.66
811	Sang-Hyun An/Chang Y An	\$144,698.34
1001	Albert Yoon	\$90,764.33
1003	Albert Yoon	\$83,509.08
1007	Lawrence (Myung Kyou) Kim	\$65,183.02
1107	Ollvia Yoon	\$40,440.27
1109	Lawrence (Myung Kyou) Kim	\$79,224.00
1111	Sang-Hyun An/Chang Y An	\$75,622.80
205	Mugungwha Homes	\$74,368.70
203	Robert Berg (ACC)	\$50,400.00
903	Assured Care Consulting Inc.	\$78,949.40

**Units: 14**

**PEOPLES TRUST COMPANY**  
Applicant

v.

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

**ONTARIO SUPERIOR COURT OF JUSTICE  
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**ORDER**

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# **APPENDIX E**

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

**COURT OF APPEAL FOR ONTARIO**

BETWEEN:

**PEOPLES TRUST COMPANY**

Applicant

and

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

Respondent

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

**AMENDED NOTICE OF APPEAL**

2383431 ONTARIO INC. (the "Appellants"), APPEALS to the Court of Appeal from the Judgment of the Honourable Justice R. E. Mesbur, dated December 13, 2013, made at Toronto, Ontario.

**THE APPELLANTS ASKS THAT** that a judgment be granted as follows:

1. The Order of the Honourable Justice R. E. Mesbur, dated December 13, 2013, made at Toronto, Ontario (the "Order"), approving the sale and/or settlement of Units Nos., located at 15-17 Maplewood Avenue, Toronto, Ontario, (the "Property"):
  - a. 203;
  - b. 205;
  - c. 801;
  - d. 802;
  - e. 804;

- 2 -

- f. 809;
- g. 811;
- h. 903;
- i. 1001;
- j. 1003;
- k. 1007;
- l. 1107;
- m. 1109; and
- n. 1111;

of the Rose of Sharon (Ontario) Retirement Community (the "Units") be set aside;

2. The Order be stayed until the final determination of the within appeal; and
3. Such other and further relief as counsel may advise and the Honourable Court may permit.

**THE GROUNDS OF APPEAL are as follows:**

1. The Honourable Justice R. E. Mesbur erred in law and/or exercised her discretion on the wrong principles by approving the sale and/or settlement of the Units;
2. The Honourable Justice R. E. Mesbur erred in law by misapprehending and/or disregarding the facts, evidence and law submitted by the parties in respect of the motion by Deloitte & Touche Inc., in its capacity as Court-appointed Receiver and Manager of the Rose of Sharon (Ontario) Retirement Community (the "Respondent") by approving the sale and/or settlement of the Units;
3. The Appellant, 2383431 Ontario Inc., has been assigned the second mortgage on the Property by Morrison Financial Mortgage Corporation ("Morrison Financial"), which was originally held by IWOK Corporation ("IWOK");



- 3 -

4. The Honourable Justice R. E. Mesbur erred in fact by finding that the previous holder of the second mortgage, IWOK, advised that they did not wish to participate in these proceedings, and that they were fully aware of the same;
5. Accordingly, the Appellant, 2383431 Ontario Inc., is a secured creditor of the Property, and as such, it is directly affected by any orders made with respect to the Property;
6. However, the Appellant, 2383431 Ontario Inc., never received any notice of the within proceedings, including the motion brought below by the Respondent in order to seek approval of the sale and/or settlement of the Units of the Property;
7. The Receiver has refused to provide 2383431 Ontario Inc. with any information regarding the Property;
8. In this regard, the administration of justice and the principles of fairness and due process afford a party, or non-party, whose rights may be affected by the result of a motion and/or proceeding, the right to be heard and be provided with notice of the same, in order to provide it with the opportunity to participate therein;
9. The administration of justice and the principles of fairness and due process also require all relevant facts, evidence and law with respect to issues to be decided on a motion and/or proceeding to be provided to the Court, in order to render a just and informed decision thereon;
10. However, the Appellant, 2383431 Ontario Inc. never had such an opportunity to participate in the motion below and/or the within proceeding, in order to put forth relevant facts, evidence and law with respect to its position on the sales and/or settlements of the Units of the Property;
11. In this regard, the Honourable Justice R. E. Mesbur erred in fact and law by misapprehending and/or disregarding the facts, evidence and law submitted by the parties in respect of the motion by the Respondent by refusing to adjourn the same, and

- 4 -

approving the sale and/or settlement of the Units, despite the fact that the Appellant, 2383431 Ontario Inc., never received any notice of the within proceedings;

12. Accordingly, it is respectfully submitted that the Judgment of the Honourable Justice R. E. Mesbur, dated December 13, 2013, has been rendered without all relevant facts, evidence and law before her, and contrary to the principles of fairness and due process;
13. In addition, the Honourable Justice R. E. Mesbur erred in fact and law by misapprehending and/or disregarding the facts, evidence and law submitted by the parties in respect of the motion by the Respondent by finding that the Appellant, 2383431 Ontario Inc., did not complete its due diligence when it was assigned the second mortgage on the Property by Morrison Financial;
14. The Honourable Justice R. E. Mesbur erred in fact and law by misapprehending and/or disregarding the facts, evidence and law submitted by the parties in respect of the motion by the Respondent by finding that the Appellant, 2383431 Ontario Inc., should be in no different position than its assignor, Morrison Financial, or the assignor of the secured, mortgage interest to Morrison Financial;
15. There is good reason to doubt the correctness of the Judgment and Reasons of The Honourable Justice R. E. Mesbur, dated December 13, 2013;
16. The Judgment and Reasons of The Honourable Justice R. E. Mesbur, dated December 13, 2013, conflict with other decisions in Ontario and elsewhere;
17. The proposed appeal involves matters of importance to the development of the law and to the administration of justice; and
18. Such further and other grounds as counsel for the Appellants may advise and the Honourable Court deems just.

- 5 -

**THE BASIS FOR THE APPELLATE COURT'S JURISDICTION IS:**

1. The Judgment of the Honourable Justice R. E. Mesbur is a final Order of the Superior Court of Justice in an action under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("BIA");
2. An appeal from a final Order of the Superior Court of Justice in an action under the BIA lies to the Court of Appeal, pursuant to Section 193 of the BIA;
3. Leave to appeal to the Court of Appeal is not required in the following cases, pursuant to Section 193 of the BIA:
  - (a) if the point at issue involves future rights;
  - (b) if the order or decision is likely to affect other cases of a similar nature in the bankruptcy proceedings;
  - (c) if the property involved in the appeal exceeds in value ten thousand dollars;
  - (d) from the grant of or refusal to grant a discharge if the aggregate unpaid claims of creditors exceed five hundred dollars;
4. The Judgment of the Honourable Justice R. E. Mesbur falls within the above-noted, enumerated categories;
5. Rules 1.03, 1.04, 1.05, 2.01, 2.03, 3, ~~20~~, ~~31-08~~, ~~37~~, 59, 61, and 62, and 63 of the *Rules of Civil Procedure* RRO 1990, Reg 194;
6. Sections 6, 19, 131, 132, and 134 of the *Courts of Justice Act* RSO 1990, c C-43; and
7. Section 53 of the *Conveyancing and Law of Property Act*, RSO 1990, c C-34;
8. Section 31 of the *Mortgages Act*, RSO 1990, c M-40; and

9. Section 193 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

December 23, 2013

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and 2383431 Ontario Inc.*

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AND TO: **GOWLING LAFLEUR HENDERSON LLP**  
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*Lawyers for Peoples Trust Company, and Deloitte  
& Touche Inc., in its capacity as Court-appointed  
Receiver of Rose of Sharon (Ontario) Retirement Community*

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

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

Applicant

Respondent

COURT OF APPEAL FOR ONTARIO

PROCEEDINGS COMMENCED AT TORONTO

AMENDED NOTICE OF APPEAL

BPR LITIGATION LAWYERS  
Practicing in Association  
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*Lawyers for Unimac Group Ltd.  
and 2383431 Ontario Inc.*

# APPENDIX F

**SUPERIOR COURT OF JUSTICE - ONTARIO**

**RE:** Peoples Trust Company, Applicant

**AND:**

Rose of Sharon (Ontario) Retirement Community, Respondent

**BEFORE:** Kiteley J.

**COUNSEL:** *Justin Baichoo*, for Unimac Group Ltd.

*Clifton Prophet and Haddon Murray*, for the Applicant

*Lou Brzezinski*, for the Receiver

**HEARD:** January 9, 2014

**ENDORSEMENT**

[1] This is a motion for leave to appeal from the order of Mesbur J. dated November 22, 2013 in which she ruled that the supplementary affidavit of Leon Hui sworn and served November 11, 2103 was inadmissible on a pending motion. Counsel relies on rule 62.02(4)(b).

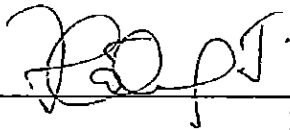
[2] I am not persuaded that there is good reason to doubt the correctness of the order. Mesbur J. gave reasons for her decision which reflect that she made the decision judicially. She referred to the absence of an explanation for the late filing and failure to comply with the timetable that she had established on consent in her earlier order dated September 22, 2013. She did indicate that she was taking an approach similar to that applicable to a request to file fresh evidence. But that does not mean she based her decision “on a novel theory of liability” [Labatt Brewing Co. v NHL Enterprises Canada LP 2011 ONCA 511 at para 6 referencing Rodaro] without giving counsel the opportunity to make submissions. The issue before her was whether the affidavit should be admissible. A key issue was the lateness of delivery of the affidavit. Referencing the fresh evidence principles did not result in the unfairness found in Rodaro.

[3] As she indicated in her endorsement, Mesbur J. had been managing this complex insolvency proceeding for some months. Given her prolonged involvement, and given the discretionary nature of the decision she made, the decision is subject to great deference.

[4] While it is not necessary to deal with the second aspect of the test for granting leave, I will do so briefly. I do not agree with counsel for the moving party that the proposed appeal

involves matters of such importance that leave to appeal should be granted. The facts in this case are unique to the circumstances of Unimac.

[5] Unimac shall pay costs to the Applicant fixed in the amount of \$2,000 inclusive of fees, disbursements and HST.

  
\_\_\_\_\_ Kiteley J.

**Date:** January 9, 2014



# **APPENDIX G**

**CITATION:** People's Trust Company v. Rose of Sharon (Ontario) Retirement Community,  
2014 ONSC 892  
**COURT FILE NO.:** CV-11-9399-00CL  
**DATE:** 20140206

**SUPERIOR COURT OF JUSTICE – ONTARIO**

**COMMERCIAL LIST**

**RE:** People's Trust Company, Applicant

**AND:**

Rose of Sharon (Ontario) Retirement Community, Respondent

**BEFORE:** D. M. Brown J.

**COUNSEL:** C. Prophet, for the Applicant

E. Golden, for the Receiver

J. Baichoo, for Unimac Group Ltd and 2383431 Ontario Inc.

**HEARD:** February 6, 2014

**ENDORSEMENT**

**I. Unimac - Peoples priority issue**

[1] At the hearing I granted the relief sought by Peoples Trust Company in paragraph 1 of its Amended Notice of Motion dated September 4, 2013. As per paras. 17 to 20 of the Mallich April 4, 2013 affidavit, the first mortgage held by Peoples was registered on May 18, 2007. Its 2007 GSA was registered under the PPSA on March 27, 2007.

[2] As per paras. 7 and 8 of my December 27, 2012 Order, the issues of the liability, timeliness and quantum in the Construction Lien Action will be determined before a Master; the issue of the priority of the construction lien vis-à-vis any other encumbrance will then be determined by a judge on the Commercial List.

[3] Unimac argued that it enjoyed some additional security against the Property in the way of some equitable security arising under a combination of a pledge of "unsold Life Lease units (minimum of 6 units) as security to Unimac Group Ltd. and its sub-trades for all payments certified by project architect" found in para. 4 of a Memorandum of Understanding with Rose of Sharon dated October 17, 2008. Unimac also relies on a set of Right to Occupy Agreements ("RTOAs") entered into thereafter with Rose of Sharon in late 2008 and 2009.

[4] To the extent that the pledge of the RTOAs created some interest in the land – which seems very doubtful – section 93(3) of the *Land Titles Act* governs and the prior charge held by

- Page 2 -

Peoples has priority. To the extent the pledge creates a security interest in personalty, it was unperfected and, in any event, subsequent in time to the perfected GSA of Peoples. Either way, the Peoples earlier security enjoys priority and therefore I granted the order sought.

[5] As to costs, Peoples sought \$22,000 on a substantial indemnity basis; Unimac submitted partial indemnity costs of \$5,000 would be appropriate. Although there was no merit to Unimac's argument, I think at this stage partial indemnity costs are appropriate. I have reviewed the Bill of Costs submitted by Peoples. I have taken into account the factors enumerated under Rule 57, including the time spent, the result achieved, and the complexity of the matter, as well as the application of the principle of proportionality: Rule 1.04(1). In addition, I have considered the principles set forth by the Court of Appeal in *Boucher v. Public Accountants Council for the Province of Ontario* (2004), 71 O.R. (3<sup>rd</sup>) 291 (C.A.) and *Davies v. Clarington (Municipality)* (2009), 100 O.R. (3d) 66 (C.A.), specifically that the overall objective of fixing costs is to fix an amount that is fair and reasonable for an unsuccessful party to pay in the particular circumstances, rather than an amount fixed by actual costs incurred by the successful litigant. I conclude that given the number of prior appearances relating to this issue, an award of partial indemnity costs in the amount of \$8,000.00 would be a reasonable one in the circumstances, and I order Unimac to pay Peoples that amount within 30 days.

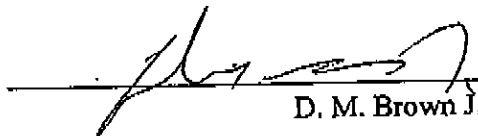
## II. Responsibility for the approved costs of Representative Counsel

[6] The costs of Representative Counsel have been approved by prior order of this Court. By order made April 11, 2013 Mesbur J. granted a charge against the estate for approved fees of up to \$150,000. The second mortgagee - which now by operation of a couple of assignments is 2383431 Ontario Inc. - advised that it opposes extending that charge to cover the additional \$100,000 in approved fees and, indeed, it wishes to bring a motion to vary the April 11, 2013 Order of Mesbur J. on the basis that it was made without notice to the second mortgagee. In her December 13, 2013 endorsement Mesbur J. made several findings regarding 238's position that it had no notice. Nevertheless, counsel for 238 advised that his client wants to bring the motion to vary.

[7] Since Mesbur J. now is acting as the Family Team Leader, I will take over the case management of this Commercial List proceeding. I advised counsel for 238 that if his client brought a motion to vary, it could be risking an award of costs on an elevated scale, including full indemnity costs. I raised that point because some weight must be given to the findings made by Mesbur J. on December 13, 2013. Counsel wanted an opportunity to seek instructions from his client. I will afford him that opportunity. If, after discussion between counsel and client, 238 wishes to proceed with a motion to vary, counsel shall attend at a 9:30 appointment before me to schedule the motion and pre-hearing steps.

[8] When I asked applicant's counsel whether this was a receivership in which the senior secured would suffer a shortfall, he advised that it was too early to tell. From that I infer that this is an estate which is on the cusp, in the sense of whether any funds will be available for subsequent secured creditors. It goes without saying, but let me say it anyway, that the greater the number of interlocutory motions brought in this proceeding, the much greater the chance that no monies will be available for subsequent secured creditors. I would hope that those with

economic interests in this estate will approach the need for further litigation on a very pragmatic, cold-blooded, dollars and cents basis.



D. M. Brown J.

**Date:** February 6, 2014

# APPENDIX H

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

## COURT OF APPEAL FOR ONTARIO

BETWEEN:

PEOPLES TRUST COMPANY

Applicant

and

ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY

Respondent

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

## NOTICE OF APPEAL

UNIMAC GROUP LTD. (the "Appellant"), APPEALS to the Court of Appeal from the Endorsement of the Honourable Justice D. M. Brown, dated February 6, 2014, made at Toronto, Ontario.

THE APPELLANT ASKS THAT that a judgment be granted as follows:

1. The Endorsement of the Honourable Justice D. M. Brown, dated February 6, 2014, made at Toronto, Ontario (the "Endorsement"), granting priority to Peoples Trust Company ("Peoples") with respect to the subject units (the "Units") in the Rose of Sharon (Ontario) Retirement Community (the "Property"), over the Appellant, be set aside;
2. The Endorsement, awarding partial indemnity costs to Peoples, against the Appellant, in the amount of \$8,000.00, be set aside;
3. The Endorsement be stayed pending a final determination of the within appeal; and

4. Such other and further relief as counsel may advise and the Honourable Court may permit.

**THE GROUNDS OF APPEAL are as follows:**

1. The Honourable Justice D. M. Brown erred in law by misapprehending and/or disregarding the facts, evidence and law submitted by the parties in respect of the motion below by granting priority over the Units to Peoples, vis-à-vis the interest of other secured creditors, including the Appellant;
2. The Honourable Justice D. M. Brown erred in law by misapprehending and/or disregarding the facts, evidence and law submitted by the parties in respect of the motion below by finding that the combination the pledge of the Units in the Property, created by the Memorandum of Understanding and the Right to Occupy Agreements ("RTOAs"), in respect of the Units, entered into by the Appellant and Rose of Sharon (Ontario) Retirement Community ("Rose of Sharon"), created no interest in land;
3. The Honourable Justice D. M. Brown erred in law by misapprehending and/or disregarding the facts, evidence and law submitted by the parties in respect of the motion below by finding that the issue of priority of the construction liens, registered by the Appellant against the Property, could be determined separately and apart from the security interest that the Appellant held over the Units, granted to it by Rose of Sharon, when these issues formed part of the same series of events and transactions between the Appellant and Rose of Sharon;
4. The Honourable Justice D. M. Brown erred in law by misapprehending and/or disregarding the facts, evidence and law submitted by the parties in respect of the motion below by finding that the issue of priority of the construction liens in the within matter, shall be determined by a Judge on Commercial List, subsequent to the determination of priority with respect to the Units on the motion below;

5. The Appellant holds an equitable security interest in the Units of Rose of Sharon, which were pledged as security to the Appellant by Rose of Sharon, for payments due and owing to the Appellant for the construction of the Property, which formed part of the same series of events and transactions that gave rise to the Appellant's registration of its construction lien against the Property;
6. The Appellant's interest in the Units is comprised of both statutory construction lien and equitable interests, and in this regard, the priority issue, with respect to the Units, and the priority issue of the construction liens, cannot, therefore, be separated and argued, as they are part and parcel of the same series of events and transactions which took place on the Property;
7. Therefore, all priority issues, in respect of the liens and Units, should be argued together, rather than with the priority with respect to the Units being determined first, as was done on the motion below;
8. However, irrespective of and despite the foregoing, the Court below failed to provide the Appellant with sufficient opportunity to make its submissions with respect to its statutory and equitable interests in the Units, on the return of the motion below;
9. Furthermore, the Appellant was prohibited from filing further evidence on the motion below, and was, therefore, not provided with the opportunity to prove its case and its interest in the Units;
10. The Appellant was not provided with the foregoing opportunity, despite the fact that the administration of justice and the principles of fairness and due process require all relevant facts, evidence and law with respect to issues to be decided on a motion and/or proceeding to be provided to the Court, in order to render a just and informed decision thereon;



11. Accordingly, it is respectfully submitted that the Endorsement of the Honourable Justice D. M. Brown, dated February 6, 2014, has been rendered without all relevant facts, evidence and law before him, and contrary to the principles of fairness and due process;
12. There is good reason to doubt the correctness of the Endorsement of the Honourable Justice D. M. Brown, dated February 6, 2014;
13. The Endorsement of the Honourable Justice D. M. Brown, dated February 6, 2014, conflicts with other decisions in Ontario and elsewhere;
14. The proposed appeal involves matters of importance to the development of the law and to the administration of justice; and
15. Such further and other grounds as counsel for the Appellants may advise and the Honourable Court deems just.

**THE BASIS FOR THE APPELLATE COURT'S JURISDICTION IS:**

1. The Endorsement of the Honourable Justice D. M. Brown is a final Order of the Superior Court of Justice in an action under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("BIA");
2. An appeal from a final Order of the Superior Court of Justice in an action under the BIA lies to the Court of Appeal, pursuant to Section 193 of the BIA;
3. Leave to appeal to the Court of Appeal is not required in the following cases, pursuant to Section 193 of the BIA:
  - (a) if the point at issue involves future rights;
  - (b) if the order or decision is likely to affect other cases of a similar nature in the bankruptcy proceedings;

(c) if the property involved in the appeal exceeds in value ten thousand dollars;

(d) from the grant of or refusal to grant a discharge if the aggregate unpaid claims of creditors exceed five hundred dollars;

4. The Endorsement of the Honourable Justice D. M. Brown falls within the above-noted, enumerated categories;
5. Rules 1.03, 1.04, 1.05, 2.01, 2.03, 3, 20, 31.08, 59, 61, 62 and 63 of the *Rules of Civil Procedure* RRO 1990, Reg 194;
6. Sections 6, 19, 131, 132, and 134 of the *Courts of Justice Act* RSO 1990, c C-43;
7. Sections 2, 14, 15, 34, 36, 75, 76, 77, 78 and 85 of the *Construction Lien Act* RSO 1990, c C-30; and
8. Sections 67, 193 and 247 of the *Bankruptcy and Insolvency Act* RSC 1985, c B-3.

February 18, 2014

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Unimac Group Ltd.*

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AND TO: **GOWLING LAFLEUR HENDERSON LLP**  
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& Touche Inc., in its capacity as Court-appointed  
Receiver of Rose of Sharon (Ontario) Retirement Community*

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

**COURT OF APPEAL FOR ONTARIO**

PROCEEDINGS COMMENCED AT TORONTO

**NOTICE OF APPEAL**

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Fax: 866-395-9140

*Lawyers for the Appellant,  
Unimac Group Ltd.*

# **APPENDIX I**

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2383431	2383431 ONTARIO INC.	2013/08/07
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Corporation Type	Corporation Status	
ONTARIO BUSINESS CORP.	ACTIVE	
Registered Office Address		Date Amalgamated
8 KECALA ROAD		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
8 KECALA ROAD		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced In Ontario
		NOT APPLICABLE
		Date Ceased In Ontario
		NOT APPLICABLE
		Number of Directors
		Minimum
		Maximum
		00001
		00015
Activity Classification		
NOT AVAILABLE		

Request ID: 015991737  
Transaction ID: 52903147  
Category ID: UNE

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

8 KECALA ROAD

CHEN

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.



# **APPENDIX J**



LAND  
REGISTRY  
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

10469-0554 (LT)

PAGE 1 OF 4  
PREPARED FOR GSarac01  
ON 2014/05/16 AT 12:30:34

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: LOTS 25, 26 AND PART OF LOT 24, BLOCK F, PLAN 875 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-22215, CITY OF TORONTO (FORMERLY CITY OF YORK), S/T A RIGHT OF WAY OVER PART 2 ON PL 66R-22215 AS IN TB374591 IN FAVOUR OF PT LTS 23 AND 24 BLOCK F PL 875, S/T A RIGHT AS IN CA439308 OVER PART 2 PL 66R-22215 IN FAVOUR OF PT LTS 23 AND 24 BLOCK F, PL 875.

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2005/12/30.

ESTATE/QUALIFIER: RECENTLY.  
FEE SIMPLE RE-ENTRY FROM 10469-0434  
LT ABSOLUTE PLUS

OWNERS' NAMES: ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY  
CAPACITY SHARE  
BENO

EIN CREATION DATE:  
2005/12/30

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHRD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2005/12/30 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
**		PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **				
**		TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **				
CA439307	1996/11/25	TRANSFER	\$135,000	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	C
CA439308	1996/11/25	TRANSFER	\$315,000	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	C
CA517084	1997/12/31	AGREEMENT		CITY OF YORK	CITY OF YORK	C
CA600752	1999/05/14	CHARGE	\$100,000	MIKAL CONSTRUCTION INC.	MIKAL CONSTRUCTION INC.	C
CORRECTIONS: 'CHARGE' CHANGED FROM 'MIKAL CONSTRUCTION INC.' TO 'MIKAL CONSTRUCTION INC.' ON 2006/01/19 BY TONY RAUFINO.						
E579089	2002/08/02	CHARGE	\$550,000	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	TURFPRO INVESTMENTS INC.	C
66R22215	2005/12/30	PLAN REFERENCE				C
AT1023194	2005/12/30	APL ABSOLUTE TITLE		ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	C
REMARKS: AT948243						
AT1040316	2006/01/19	APL (GENERAL)		MIKAL CONSTRUCTION INC.	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	C
REMARKS: CA600752						
AT1040360	2006/01/19	TRANSFER OF CHARGE		MIKAL CONSTRUCTION INC.	TURFPRO INVESTMENTS INC.	C
REMARKS: CA600752						
AT1040424	2006/01/19	CHARGE	\$150,000	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	MIJO HOLDINGS INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 4

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ON 2014/05/16 AT 12:30:34

10468-0554 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
AT1341639	2006/12/22	CHARGE		*** COMPLETELY DELETED *** ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	UNIMAC GROUP LTD.	
AT1366344	2007/01/30	CHARGE		*** COMPLETELY DELETED *** ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	UNIMAC GROUP LTD.	
AT1450426	2007/05/18	CHARGE	\$17,300.162	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	PEOPLES TRUST COMPANY	C
AT1450427	2007/05/18	NO ASSIGN RENT GEN REMARKS: RENTS RE:AT1450426		ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	PEOPLES TRUST COMPANY	C
AT1450457	2007/05/18	POSTPONEMENT REMARKS: CAG600752, AT1040360 POSTPONED TO AT1450426		TURFPRO INVESTMENTS INC.	PEOPLES TRUST COMPANY	C
AT1450458	2007/05/18	POSTPONEMENT REMARKS: E579089 POSTPONED TO AT1450426		TURFPRO INVESTMENTS INC.	PEOPLES TRUST COMPANY	C
AT1450459	2007/05/18	POSTPONEMENT REMARKS: AT1040424 POSTPONED TO AT1450426		MLJO HOLDINGS INC.	PEOPLES TRUST COMPANY	C
AT1450608	2007/05/18	DISCH OF CHARGE REMARKS: RE: AT1341639		*** COMPLETELY DELETED *** UNIMAC GROUP LTD.		
AT1450655	2007/05/18	DISCH OF CHARGE REMARKS: RE: AT1366344		*** COMPLETELY DELETED *** UNIMAC GROUP LTD.		
AT1450745	2007/05/18	TRANSFER OF CHARGE REMARKS: AT1040424		MLJO HOLDINGS INC.	UNIMAC GROUP LTD.	C
66R23529	2008/01/24	PLAN REFERENCE				C
AT1949790	2008/11/14	CHARGE	\$700,000	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	IWOX CORPORATION	C
AT1949960	2008/11/14	POSTPONEMENT REMARKS: CAG600752, AT1040360 TO AT1949790		TURFPRO INVESTMENTS INC.	IWOX CORPORATION	C
AT1949961	2008/11/14	POSTPONEMENT REMARKS: E579089 TO AT1949790		TURFPRO INVESTMENTS INC.	IWOX CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 4

PREPARED FOR GSAREN01  
ON 2014/05/16 AT 12:30.34

10468-0554 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHGD
AT1950125	2008/11/14	POSTPONEMENT REMARKS: AT1040424, AT1450745, AT1949790		UNIMAC GROUP LTD.	INOK CORPORATION	C
AT2318865	2010/03/02	TRANSFER OF CHARGE REMARKS: AT1450745.		UNIMAC GROUP LTD. *** COMPLETELY DELETED *** ROYAL WINDSOR MECHANICAL INC.	INOK CORPORATION	C
AT2360896	2010/04/26	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ROYAL WINDSOR MECHANICAL INC.		
AT2369788	2010/05/26	CERTIFICATE		** COMPLETELY DELETED ** ROYAL WINDSOR MECHANICAL INC.	UNIMAC GROUP LTD. ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY PEOPLES TRUST COMPANY TURFPRO INVESTMENTS INC. INOK CORPORATION	C
				REMARKS: AT2360896		
AT2547993	2010/11/09	NOTICE OF LEASE		ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	YORK HEALTH CARE DEVELOPMENTS INC.	C
AT2556511	2010/11/19	CONSTRUCTION LIEN	\$4,166,659	MICAL-CALLADAN CONSTRUCTION INC.		C
AT2557379	2010/11/22	CONSTRUCTION LIEN	\$42,735	TREMONTA MANUFACTURING WELDING & IRONWORKS LIMITED		C
AT2579872	2010/12/16	NOTICE OF LEASE		ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	BERG, ROBERT	C
AT2589975	2010/12/31	CERTIFICATE		MICAL-CALLADAN CONSTRUCTION INC.	ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY PEOPLES TRUST COMPANY INOK CORPORATION	C
				REMARKS: RE. AT2556511		
AT2601817	2011/01/19	NOTICE OF LEASE		ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	YOON, ALBERT	C
AT2905656	2011/12/23	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	DELOITTE & TOUCHE INC., IN ITS CAPACITY AS RECEIVER AND MANAGER OF ROSE OF SHARON (ONTARIO) RETIREMENT COMMUNITY	C
AT2908311	2011/12/30	TRANSFER OF CHARGE REMARKS: AT1949790.		INOK CORPORATION	MORRISON FINANCIAL SERVICES LIMITED	C
AT2985873	2012/04/10	NOTICE REMARKS: AT2556511	\$10	TRISURA GUARANTEE INSURANCE COMPANY	MICAL-CALLADAN CONSTRUCTION INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



Ontario ServiceOntario

LAND  
REGISTRY  
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 4 OF 4  
PREPARED FOR G5aran01  
ON 2014/05/16 AT 12:30:34

10468-0554 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3018344	2012/05/16	DIS CONSTRUCT LIEN REMARKS: AT2360996. AT2399788		*** COMPLETELY DELETED *** ROYAL WINDSOR MECHANICAL INC.		
AT3416400	2013/09/26	TRANSFER OF CHARGE REMARKS: AT2908311. AT1949790		MORRISON FINANCIAL SERVICES LIMITED	2393431 ONTARIO INC	C
AT3461665	2013/11/25	TRANSFER OF CHARGE REMARKS: AT2318865.		INCK CORPORATION	2391682 ONTARIO INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# **APPENDIX K**

**PRIORITY OF MORTGAGE REGISTRATIONS**

15 & 17 Maplewood Avenue, Toronto, Ontario

Mortgagee	Instrument No.	Registration Date	Principal Amount	Priority as at Date of Registration	Current Priority (as at December 31, 2012)	Reason for Change of Priority	Other Comments
Peoples Trust Company	AT1450426	May 18, 2007	\$17,300,162.50	Fourth	First	Postponements of Interest registered as Instrument Nos. AT1450457 (re: CA600572), AT1450458 (re: E579089) and AT1450459 (re: AT1040424) on May 18, 2007	
2383431 Ontario Inc.	AT1949790	November 14, 2008	\$700,000.00	Fifth	Second	Postponements of Interest registered as Instrument Nos. AT1949960 (re: CA600572), AT1949961 (re: E579089) and AT1950125 (re: AT1040424) on November 14, 2008	IWOK Corporation transferred to Morrison Financial Services Limited by Transfer of Charge registered as Instrument No. AT2908311 on December 30,

									2011 Morrison Financial transferred to 2383431 Ontario Inc. by Transfer of Charge registered as Instrument No. AT3416400 on September 26, 2013
Turfpro Investments Inc.	CA600752	May 14, 1999	\$100,000.00	First	Third				Mikal Construction Inc. transferred to Turfpro Investments Inc. by Transfer of Charge registered as Instrument No. AT1040360 on January 19, 2006
Turfpro Investments Inc.	E579089	August 2, 2002	\$590,000.00	Second	Fourth				



2381682 Ontario Inc.	AT1040424	January 19, 2006	\$150,000.00	Third	<b>Fifth</b>	Mijo Holdings Inc. transferred to Unimac Group Ltd. by Transfer of Charge registered as Instrument No. AT1450745 on May 18, 2007. Unimac transferred to IWOK by Transfer of Charge registered as Instrument No. AT2318865 on March 2, 2010 IWOK transferred to 2381682 Ontario Inc. by Transfer of Charge registered as Instrument No. AT3461665 on Nov. 25, 2013
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# APPENDIX L

**Properties**

**PIN** 10468 -- 0554 LT  
**Description** LOTS 25, 26 AND PART OF LOT 24, BLOCK F, PLAN 875 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-22215. CITY OF TORONTO (FORMERLY CITY OF YORK). S/T A RIGHT OF WAY OVER PART 2 ON PL 66R-22215 AS IN TB374581 IN FAVOUR OF PT LTS 23 AND 24 BLOCK F PL 875. S/T A RIGHT AS IN CA439308 OVER PART 2 PL 66R-22215 IN FAVOUR OF PT LTS 23 AND 24 BLOCK F, PL 875.  
**Address** 165 VAUGHAN ROAD  
TORONTO

**Source Instruments**

Registration No.	Date	Type of Instrument
AT1949790	2008 11 14	Charge/Mortgage

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

**Name** IWOK CORPORATION  
**Address for Service** 8 Wilmont Court  
Markham, Ontario  
L6C 1A9

I, Leon Hui, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

**Transferee(s)****Capacity****Share**

**Name** MORRISON FINANCIAL SERVICES LIMITED  
**Address for Service** 8 Sampson Mews  
Suite 202  
Toronto, Ontario  
M3C 0H5

**Statements**

The chargee transfers the selected charge for \$2.00

This document relates to registration no.(s) AT1949790, AT1949960, AT1949961 and AT1950125

**Signed By**

Gabriela Maria Henriquez 900-5075 Yonge St. acting for Signed 2011 12 30  
Toronto Transferor(s)  
M2N 6C6

Tel 4162220344

Fax 4162223091

I have the authority to sign and register the document on behalf of all parties to the document.

Gabriela Maria Henriquez 900-5075 Yonge St. acting for Signed 2011 12 30  
Toronto Transferee(s)  
M2N 6C6

Tel 4162220344

Fax 4162223091

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

SHERMAN BROWN DRYER KAROL GOLD LEBOW 900-5075 Yonge St. 2011 12 30  
Toronto  
M2N 6C6

Tel 4162220344

Fax 4162223091

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Transferor Client File Number :	IWOK CORPORATION - AT1949790
Transferee Client File Number :	11-4108 MORRISON FINANCIAL - AT1949790



**Properties**

**PIN** 10468 - 0554 LT  
**Description** LOTS 25, 26 AND PART OF LOT 24, BLOCK F, PLAN 875 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-22215, CITY OF TORONTO (FORMERLY CITY OF YORK). S/T A RIGHT OF WAY OVER PART 2 ON PL 66R-22215 AS IN TB374581 IN FAVOUR OF PT LTS 23 AND 24 BLOCK F PL 875. S/T A RIGHT AS IN CA439308 OVER PART 2 PL 66R-22215 IN FAVOUR OF PT LTS 23 AND 24 BLOCK F, PL 875.  
**Address** 15 - 17 MAPLEWOOD AVENUE  
 TORONTO

**Source Instruments**

Registration No.	Date	Type of Instrument
AT2908311	2011 12 30	Transfer Of Charge

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

**Name** MORRISON FINANCIAL SERVICES LIMITED  
**Address for Service** 8 Sampson Avenue  
 Suite 202  
 Toronto, Ontario  
 M3C 0H5

I, David Morrison, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

**Transferee(s)****Capacity****Share**

**Name** 2383431 ONTARIO INC  
**Address for Service** 8 Kecalá Road  
 Toronto, Ontario  
 Canada M1P 1K4

**Statements**

The chargee transfers the selected charge for \$150,000.00

This document relates to registration no.(s)AT1949790

**Signed By**

Shelly Goldenberg 8 Sampson Mews, Suite 202 acting for Signed 2013 09 26  
 Toronto Transferor(s)  
 M3C 0H5

Tel 4163913535

Fax 4163914843

I have the authority to sign and register the document on behalf of the Transferor(s).

Adeyinka Olanrewaju Oyenubi 3-71 Glen Cameron Rd. acting for Signed 2013 08 30  
 Thornhill Transferee(s)  
 L3T 1T5

Tel 905-771-8543

Fax 9057713808

I have the authority to sign and register the document on behalf of the Transferee(s).

**Submitted By**

ADE OYENUBI LAW OFFICE 3-71 Glen Cameron Rd. 2013 09 26  
 Thornhill  
 L3T 1T5

Tel 905-771-8543

Fax 9057713808

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Transferee Client File Number : 0922

# **APPENDIX M**



**Eric Golden**

---

**From:** Law Office of Adeyinka Oyenubi <lawoffice@rogers.com>  
**Sent:** September 24, 2013 5:25 PM  
**To:** Bricks, Hartley (CA - Toronto)  
**Subject:** Re: Rose of Sharon (Ontario) Retirement Community - Property Insurance  
**Attachments:** Letter to Gowlings.August 30. 2013.pdf; Signed Assignment of Insurance.pdf

Dear Mr. Bricks:

I act as solicitor for 2383431 Ontario Inc. As a follow up to our request and telephone conversation today, please find attached herewith copy of letter/Notice sent to Gowlings on August 30, 2013 as well as the signed assignment of insurance.

We have scheduled to complete registration of the Transfer of Charge on September 26, 2013 and would appreciate if you could provide us with an insurance binder wherein 2383134 Ontario Inc., is named as 2nd loss payee.

Thank you for your attention and we look forward to hearing from you.

Yours truly,

**A. O. Oyenubi** Esq.  
Tel: 905 - 771-8543  
Fax: 905 - 771-3808  
[www.oyenubilaw.ca](http://www.oyenubilaw.ca)

Please consider the environment prior to printing this e-mail.

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# LAW OFFICE OF ADEYINKA OYENUBI

Barrister & Solicitor  
Notary Public



71 Glen Cameron Road, Suite 3 Thornhill, Ontario L3T 1P5

Email: [adeyinka@oyenubilaw.ca](mailto:adeyinka@oyenubilaw.ca)

Phone (905) 771-8543 · Fax (905) 771-3808

[www.oyenubilaw.ca](http://www.oyenubilaw.ca)

A. O. Oyenubi B.A. Hons, LL.B., B.L.  
Negar Alborzi B.A. Hons, J.D.

**Facsimile Transmission**  
**No. of Pages:2**

August 30, 2013

Deloitte & Touche Inc., In its capacity as  
Receiver and Manager of Rose of Sharon (Ontario)  
Retirement Community

c/o Gowling Lafleur Henderson LLP  
1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto, ON M5X 1G5

Fax: 416-862-7661

Dear Sir:

**Re: Transfer of second mortgage from Morrison Financial Services  
Limited to 2383431 Ontario Inc.  
15 - 17 Maple Wood Avenue, Toronto, Ontario  
Closing Date: September 3, 2013  
My File No.: 0918**

I, Adeyinka Oyenubi, am the solicitor acting on behalf of 2383431 Ontario Inc. This is to notify you that my client is having the above mentioned mortgage on the above-noted property assigned to it from the existing transferee/2<sup>nd</sup> Mortgagee with a closing date scheduled for September 3, 2013.

Would you therefore kindly provide my office with a signed authorization to transfer interest in the existing property insurance policy to my client as second loss payee. A draft copy of the authorization is enclosed for your convenience.

Kindly provide the statement to my office as soon as possible.

Yours truly,

  
A. O. Oyenubi

Cc: **Morrison Financial Services Limited; via fax: 416-391-4843**

**Note:** The documentation transmitted in this teletype may contain confidential or privileged information. It is intended for the exclusive use of the person to whom it is addressed and may not otherwise be read, distributed, copied or disclosed. If you have received this teletype in error, please notify our office immediately and return the original transmission to us. Thank you for your co-operation.

Tel: (905) 771-8543

Fax: (905) 771-3808

**AUTHORIZATION TO TRANSFER INTEREST IN INSURANCE**

**TO:**  
**COMPANY:**

**RE POLICY:**  
**PROPERTY:** 15 - 17 Maplewood Avenue, Toronto  
**OWNER:** Rose of Sharon (Ontario) Retirement Community

---

The undersigned, being the owner of the subject property, hereby authorizes and instructs you to, as of the date hereof, amend the above-described insurance policy, including all substitutions and renewals thereof, to note the interest of:

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

as second mortgagee in the loss payee section, and to forward a certified copy of the policy, as amended, to such second mortgagee and to forward an amended copy of the policy or endorsement directly to the undersigned and for so doing, this shall be your good and irrevocable authority.

DATED at \_\_\_\_\_ this \_\_\_ day of \_\_\_\_\_, 2013.

Deloitte & Touche Inc., In its capacity as Receiver  
Manager of Rose of Sharon (Ontario) Retirement  
Community

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

# **APPENDIX N**

**Eric Golden**

---

**From:** nalborzi@oyenubilaw.ca  
**Sent:** October 17, 2013 5:36 PM  
**To:** Bricks, Hartley (CA - Toronto)  
**Subject:** Rose of Sharon (Ontario) Retirement Community - Property Insurance  
**Attachments:** 13.10.17.ltr.notice.own.pdf; Transfer of Insurance.pdf

Dear Mr. Bricks,

Please find attached herewith a copy of the letter/Notice sent to Gowlings today, as well as the Authorization to Transfer Insurance.

We have scheduled to complete registration of the Transfer of Charge on October 18, 2013 and would appreciate if you could kindly provide us with an insurance binder wherein 2381682 Ontario Inc., is named as 5th loss payee as soon as possible.

Thank you in advance for your co-operation.

Yours very truly,  
Negar Alborzi  
Barrister and Solicitor  
Law Office of Mr. Oyenubi  
T: (905) 771-8543  
F: (905) 771-3808  
Website: [www.oyenubilaw.ca](http://www.oyenubilaw.ca)

--- SOLICITOR-CLIENT PRIVILEGED COMMUNICATION ---

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# LAW OFFICE OF ADEYINKA OYENUBI

Barrister & Solicitor

Notary Public



71 Glen Cameron Road, Suite 3 Thornhill, Ontario L3T 1P5

Email: [adeyinka@oyenubilaw.ca](mailto:adeyinka@oyenubilaw.ca)

Phone (905) 7718543 · Fax (905) 7713808

[www.oyenubilaw.ca](http://www.oyenubilaw.ca)

A. O. Oyenubi B.A. Hons, LL.B., B.L.

Negar Alborzi B.A. Hons, J.D

October 17, 2013

Deloitte & Touche Inc., In its capacity as  
Receiver and Manager of Rose of Sharon (Ontario)  
Retirement Community

Email: [hbricks@deloitte.ca](mailto:hbricks@deloitte.ca)

c/o Gowling Lafleur Henderson LLP  
1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto, ON M5X 1G5

Fax: 416-862-7661

Dear Sir:

**Re: Transfer of fifth mortgage from Iwok Corporation to 2381682  
Ontario Inc.  
15 – 17 Maple Wood Avenue, Toronto, Ontario  
Closing Date: October 18, 2013  
My File No.: 0925**

I, Adeyinka Oyenubi, am the solicitor acting on behalf of 2381682 Ontario Inc. This is to notify you that my client is having the above mentioned mortgage on the above-noted property assigned to it from the existing transferee/5<sup>th</sup> Mortgagee with a closing date scheduled for September 3, 2013.

Would you therefore kindly provide my office with a signed authorization to transfer interest in the existing property insurance policy to my client as second loss payee. A draft copy of the authorization is enclosed for your convenience.

Kindly provide the statement to my office as soon as possible.

Yours truly,

A.O. Oyenubi

AO: na

Encls.

Cc: IWOK Corporation; c/o Henry Hui, Solicitor Email: [henryhui@hotmail.com](mailto:henryhui@hotmail.com)

**AUTHORIZATION TO TRANSFER INTEREST IN INSURANCE**

**TO:**  
**COMPANY:**

**RE POLICY:**  
**PROPERTY:** 15 - 17 Maplewood Avenue, Toronto  
**OWNER:** Rose of Sharon (Ontario) Retirement Community

---

The undersigned, being the owner of the subject property, hereby authorizes and instructs you to, as of the date hereof, amend the above-described insurance policy, including all substitutions and renewals thereof, to note the interest of:

2381682 Ontario Inc.  
39 Galleria Parkway, Suite 1002  
Markham, Ontario  
L3T 0A6

as fifth mortgagee in the loss payee section, and to forward a certified copy of the policy, as amended, to such fifth mortgagee and to forward an amended copy of the policy or endorsement directly to the undersigned and for so doing, this shall be your good and irrevocable authority.

**DATED** at \_\_\_\_\_ this \_\_\_ day of \_\_\_\_\_, 2013.

Deloitte & Touche Inc., In its capacity as Receiver  
Manager of Rose of Sharon (Ontario) Retirement  
Community

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

# APPENDIX O



**Subject to Settlement Agreement approved by Order of Justice  
Mesbur dated September 23, 2013\***

Units	Name of Unit Holder	Settlement Price
304	Mary Chon	33,044.40
306	Mary Chon	45,506.40
308	Youngsook Cha	165,838.40
706	Sung-Sun Yoon/Mi-Kyung Yoon	38,222.50
707	Soon Sup Lee / Hyung Good Lee	29,624.40
708	Kyung Yuri Lee/Jung Ja Lee	23,520.00
709	Young Jeon	67,527.57
711	Young Jeon	58,363.89
803	Bog Shim Shin	109,060.00
805	Han Hyeong Lee/Hae Jeong Kang	58,500.00
806	Eunkyung Yim	162,726.22
807	Jong Ran Kim	38,610.00
810	Sun Hwa Lee	30,000.00
812	Sun Hwa Lee	59,100.00
906	Woo Sam Park	107,030.00
907	Myung Hee Kim/Jun Do Sung	192,270.00
908	Han Hyeong Lee/Hae Jeong Kang	32,280.00
909	Mansoo Chun	148,100.00
911	Hyang Ok Hong/John Bai	158,598.00
912	Chang Joon Kim/Soon Ja Kim/Sang t	23,718.20
1002	Brenda (Chun Ja) Ha	137,019.69
1005	Young Sohn	282,392.00
1008	Mai Hwa Kim/Ellen Kim	152,000.00
1009	Morgiana Lee	99,300.00
1010	Gye-Soon Kim/Joon Kie Kim	49,230.00
1108	Jae Won Byun	100,376.70
1112	Hee Jun Park/Na Rae Choi	197,024.00
PH6	Jong Rye Lee/Chang Hun Shin	432,280.00

Units = 28

\*Subject to Motion to Vary by 2383431 Ontario Inc.

**Subject to Settlement Agreement Approved by Order of Justice  
Mesbur dated December 13, 2013\***

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

Units: 14

\* Subject to Appeal by 2383431 Ontario Inc.

**Priority Granted by Order of Justice Mesbur  
Dated December 13, 2014**

Units	Name of Unit Holder
902	Soon Ki Chang
201	Anne Marie Heinrichs (Vace)
204	Mike Ridley (Vace)
206	Aaron & Helen Klassen (Vace)
208	Tim Schaner (Vace)
209	Mike Ridley (Vace)
210	Mike Ridley (Vace)
211	Mike Ridley (Vace)
212	Hans Goetze (Vace)
213	Hans Goetze (Vace)
214	Tim Schaner (Vace)
311	John Chon (Vace)
701	Choo-Kook Chang (Vace)*
901	Yun Ok Lee (Vace)
910	Anne Marie Heinrichs (Vace)
1103	Anne Marie Heinrichs (Vace)
703	Jang Hoon Lee/Vivian Rhee (Lee)

Units: 17

\*Not reached

**Priority granted by Order of Justice Mesbur  
dated November 14, 2013**

Units	Name of Unitholder
305	William Campbell
PH5	Turfpro Investments
PH7	Turfpro Investments
808	Vacant
1110	Vacant
202	Chang Yong An (Vace)
302	Meerai Cho (Vace)
307	Kim Hong Yang (Vace)
310	Myunghee Yu (Vace)
312	Tae-Young Kim (Vace)
313	Esther Yoon
314	Richard Yoon (Vace)
702	Sang-Hoon Lee (Vace)
704	Sang-Hoon Lee (Vace)
705	Eun Y. Lee/Hee K. Lee (Vace)
904	Kyung Hwan Lee (Vace)
905	Jang Hoon Lee (Vace)
1006	Jin Sook Park (Vace)
1008	Mi Kyung Lee (Vace)
1101	Byung Cho (Vace)
1102	John Cho (Vace)
710	Hyun Sook Hwang/Moon A. Yoon
712	Daniel Yoon/Moon Yoon
1011	John Yoon

PH3 Turfpro Investments

Units: 25

**Priority Granted by Order of Justice Brown  
dated February 6, 2014\***

<b>Units</b>	<b>Name of Unit Holder</b>
1105	Leon Hui
207	Unimac Group Ltd./Mugungwha Homes
301	Unimac Group Ltd.
303	Unimac Group Ltd.
309	Unimac Group Ltd.
PH1	Unimac Group Ltd.
PH8	Unimac Group Ltd.

Units = 7

\*Subject to appeal by Unimac Group Ltd.

\*\*This unit is subject to a settlement agreement not yet approved by the Court

# **APPENDIX P**

Brown

Commercial List File Number: 11-9399-00CL	YR/CL#####
Civil File Number:	YR/CV#####

Date: April 14, 2014

**SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST**  
9:30 A.M. HEARING REQUEST FORM

May 15/14  
9:30

A	PLEASE NOTE: The 9:30 hearing procedure is only for "ex parte, urgent, scheduling and consent matters which take no longer than 10 minutes" (Practice Direction, (2002), 57 O.R. (3 <sup>rd</sup> ) 97; paragraph 25). This restriction will be enforced. This matter is (tick one or more); <input type="checkbox"/> ex parte <input type="checkbox"/> urgent <input checked="" type="checkbox"/> scheduling <input type="checkbox"/> consent <input type="checkbox"/> other (explain)
B	Short Title of Proceeding: Peoples Trust Company v. Rose of Sharon (Ontario) Retirement Community
C	Date(s) Requested: May 1, 2014
D	The following is a brief description of the matter to be considered at the 9:30 appointment: For scheduling purposes and to set a timetable for a motion for the setting aside and varying the Orders of Justice Mesbur dated April 11, 2013, September 10, 2013 and November 22, 2013.
E	The following materials will be necessary for the matter to be considered. (it is the responsibility of counsel to confirm that the proper materials are available for the Court.) <ul style="list-style-type: none"><li>Motion Record of 2383431 Ontario Inc. filed with the court on April 8, 2014</li></ul>
F	Is any Judge seized of these matters or any judicial conflicts? <input type="checkbox"/> No <input checked="" type="checkbox"/> The Honourable Justice Brown

COUNSEL FOR APPLICANT/MOVING PARTY		COUNSEL FOR OTHER PARTY	
Party	2383431 Ontario Inc. (Defendant)	Party	Peoples Trust Company (Plaintiff)
Counsel	Justin Baichoo <i>per Justin Baichoo</i>	Counsel	Clifton Prophet <i>per Clifton Prophet</i>
Address	1 West Pearce Street, Suite 505 Richmond Hill, ON L4B 3K3	Address	100 King Street West, Suite 1600 Toronto, ON M5X 1G5
Phone	(416) 512-2529	Phone	(416) 862-3509
Fax	(866) 395-9140	Fax	(416) 863-3609
E-Mail	justin@bprillgation.com	E-Mail	clifton.prophet@gowlings.com

(IF MORE THAN 2 PARTIES INVOLVED, ADD ADDITIONAL SIGNATURES AND PARTICULARS ON REVERSE OR SEPARATE PAGE)

To be submitted to: Commercial List Office, 330 University Avenue, 7<sup>th</sup> Floor, Toronto Ontario Fax to: (416) 327-6228  
You may also convert to PDF and email to [Toronto.CommercialList@jus.gov.on.ca](mailto:Toronto.CommercialList@jus.gov.on.ca)

Endorsement/Disposition <input type="checkbox"/> See attached Yellow Endorsement Form. May 1/14 ① July 14 - 3 hrs - my last - motion to set aside by 2383431 Ontario ② Service of MR on all persons who may be affected by TC
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Confidential  
via email  
April 15/15

Commercial Form A

③ order sought - May 23, May 12 - 03

④ Service of responding materials - May 20/16 - 18.

⑤ CX - w/o May 26 - limit 2 hours per affidavit

⑥ Factors by July 9

⑦ Any other issues arising to be dealt with on a further 9:30

*Justin Baichoo*

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COUNSEL FOR OTHER PARTY	
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