

August 26, 2016

I am satisfied that the attached orders should issue. Attached is my endorsement as well as my summary of the AG's position.

There shall be a sealing order with respect to the recent Confidential Report.

Hainey J.

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD OF EMMANUEL VILLAGE RESIDENCE INC.

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Lawyers for Emmanuel Village Residence Inc.

Representative Counsel, Ed D'Agostino, attended this ^{on} motion and made submissions regarding both the impact on the EVH Residents of their ancillary rights and the impact of the transaction on the EVH Residents' own properties.

The ancillary rights are not a basis to ^{not approve} oppose the transaction. Any possible impact on the EVH Residents' own properties is also not a basis to not approve the transaction and is instead something that ^{is more properly} may be approved by pursued ~~against~~ the proceeds of the sale of the transaction, as contemplated by the Approval & Vesting Order.

I appreciate the opt-out provisions of the Representative Counsel Order, dated August 19, 2016, set a later deadline for the EVH Residents to opt-out of representation by Mr. D'Agostino. Given the necessity of making the approval and vesting order, and having heard submissions from representative counsel, I am ~~not~~ nevertheless satisfied that the order should be granted.

the AGO takes no position on this motion for approval of the proposed sales transaction for the following reasons:

- (1) Because EVR's Licence order lapses on Sept 2, 2010 if the proposed sales transaction is not approved ~~by~~ ~~or~~ before August 31st [2010], there is a very strong likelihood the proposed sales transaction will collapse ~~this will have a~~
- (2) the impact of this sale not occurring will have a negative effect on the residents of EVR, because without an operating licence, EVR cannot legally operate Emmanuel Village Residence Inc.
- (3) Attempting to sell EVR without an operating licence will very likely result in the significant~~ly~~ reduction of its value.
- (4) The Court appointed Receiver approves of this proposed sale transaction and the AG is not aware of any reason to challenge the Receiver's approval.

while the AGO does not oppose this motion for approval, it cannot consent to it for the following reasons:

(1) Given the timelines between when the AG was provided with the Receiver's third report (Aug 22, 2016) recommending the approval of the sale and the deadline of Sept 2, 2016, when EVR's licence to operate the retirement home will lapse the AG's ability to conduct an independent assessment of the value of EVR's assets and its operations has been rendered impossible.

(2) Further, compounding this problem, the AG has not been provided access to the confidential Supplement to the third report, which may have contained information that would allow the AG to formulate a more informed position on the sale ~~transaction~~ process and the sale transaction.