

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

B E T W E E N:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

- and -

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED;
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS
AMENDED**

**APPLICATION RECORD
(Returnable September 25, 2020)**

September 23, 2020

BORDEN LADNER GERVAIS LLP

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Toronto, ON M5H 4E3
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Lawyers for the Applicant

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AMENDED**

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 - Exhibit C: Emerald Holdings Inc. Corporation Profile Report dated September 9, 2020
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 - Exhibit E: Term Note dated October 15, 2019
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 - Exhibit H: General Security Agreement dated September 26, 2019
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 - Exhibit J: Authorization and Direction dated September 26, 2019
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Tab 1

**ONTARIO
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AMENDED**

**NOTICE OF APPLICATION
(Returnable September 25, 2020)**

TO THE RESPONDENTS

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

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on Friday, September 25, 2020 at 10:30 a.m. via videoconference due to the COVID-19 pandemic. Please refer to the videoconference details attached at Schedule "A" hereto in order to attend at the hearing of the application and advise if you intend to join the application by emailing Adriana Gasparini at agasparini@blg.com.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS - EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than two (2) days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date September 23, 2020

Issued by

Local Registrar

Address of court office:

330 University Avenue
9~~7~~th Floor
Toronto, ON M5G 1R7

TO: THE SERVICE LIST

Service List

TO:	BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto, ON M5H 4E3 Tel: (416) 367-6000 Fax: (416) 367-6749 Roger Jaipargas Tel: (416) 367-6266 rjaipargas@blg.com Doug Smith Tel: (416) 367-6015 dsmith@blg.com Lawyers for Alterna Savings and Credit Union Limited
AND TO:	BENNETT JONES LLP First Canadian Place 100 King Street West, Suite 3400 Toronto, ON M5X 1A4 Raj Sahani Tel: (416) 777-4804 sahnir@bennettjones.com Lawyers for Grant Thornton Limited, Proposed Receiver
AND TO:	GRANT THORNTON LIMITED 200 King Street West, 20th Floor Toronto, ON M5H 3T4 Jon Krieger Tel: (416) 360-5055 Jonathan.Krieger@ca.gt.com Bruce Bando Tel: (416) 369-6418 Bruce.Bando@ca.gt.com Proposed Receiver

AND TO:	MCMILLAN LLP Brookfield Place, Suite 4400 181 Bay Street Toronto, ON M5J 2T3 Jeffrey Levine Tel: (416) 865-7791 jeffrey.levine@mcmillan.ca Lawyers for Respondent, 1140402 Ontario Inc.
AND TO:	DEPARTMENT OF JUSTICE (CANADA) Ontario Regional Office 120 Adelaide Street West Suite 400 Toronto, ON M5H 1T1 Diane Winters Tel: 416-973-3172 Email: diane.winters@justice.gc.ca
AND TO:	MINISTRY OF FINANCE College Park 11th Floor 777 Bay Street Toronto, ON M5G 2C8 Fax: 416-325-1460 Kevin O'Hara Tel: 416-327-8463 Email: kevin.ohara@ontario.ca
	EMERAULD HOLDINGS INC. 307 King Street East, Suite A Hamilton, ON L8N 1C1 Attention Stefanie Martino Email: stefanie385@hotmail.ca ; Stefanie.martino14@gmail.com
	STEFANIE MARTINO 15 Stonegate Drive Ancaster, ON L9G 3P3 Email: stefanie385@hotmail.ca ; Stefanie.martino14@gmail.com
AND TO:	KLN HOLDINGS INC. 2554 Maid Marian Place Mississauga, ON L5K 2L9
AND TO:	RCAP LEASING INC. 5575 North Service Road, Suite 300 Burlington, ON L7L 6M1
AND TO:	RIVERVIEW PHARMACY INC. 303 King Street East Hamilton, ON L8N 1C1

APPLICATION

1. The Applicant, Alterna Savings and Credit Union Limited (“**Alterna**” or the “**Lender**”), makes an application for an Order substantially in the form filed herewith. The Order to be requested on September 25, 2020, the return date of this Application, seeks an Order, *inter alia*:

- (a) abridging the time for service of the Notice of Application and the Application Record and dispensing with further service thereof;
- (b) appointing Grant Thornton Limited (“**Grant Thornton**”) as receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties (the “**Property**”) of 1140402 Ontario Inc. o/a Emerald Lodge (the “**Debtor**” or “**Emerald Lodge**”) 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**”);
- (c) granting a charge over the Property in favour of the Receiver and the Receiver’s counsel to secure their fees and disbursements in respect of these proceedings on the terms as set out in the draft order filed (the “**Receiver’s Charge**”);
- (d) lifting the stay of proceedings pursuant to section 69.4 of the BIA in respect of a Notice of Intention to Make a Proposal filed by the Debtor, bearing Estate No. 32-2668241; and
- (e) such further and other relief as counsel may request and this Honourable Court may permit.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

- (a) The Debtor is currently indebted to Alterna with respect to certain credit facilities extended by Alterna;
- (b) The obligations of the Debtor to Alterna are secured by, among other things, a general security agreement and a Charge/Mortgage;

- (c) The Debtor has caused certain priority payables to be incurred in respect of the Property;
- (d) The Debtor has committed various events of default;
- (e) On August 18, 2020, the Lender issued a demand for payment and a Notice of Intention to Enforce Security (“**NITES**”) to the Debtor and pursuant to the BIA, and the 10 day notice period under the NITES has now expired;
- (f) the Lender seeks to appoint the Receiver to secure the Property and review the alternatives, with a view to maximizing value for all stakeholders;
- (g) Grant Thornton is a licensed trustee in bankruptcy;
- (h) the appointment of Grant Thornton as receiver is just and convenient in the circumstances;
- (i) sections 69.4 and 243(1) of the BIA;
- (j) section 101 of the CJA;
- (k) rules 1.04, 2.03, 3.02, 16 and 38 of the Rules of Civil Procedure, R.R.O. 1990. Reg. 194, as amended; and
- (l) such further and other grounds as counsel may advise and this Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the application:

- (a) the Affidavit of Umair Saleem sworn September 22, 2020 and the exhibits referred to therein; and
- (b) such further and documentary evidence as counsel may advise and this Court may permit.

September 23, 2020

BORDEN LADNER GERVAIS LLP

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dsmith@blg.com

Lawyers for the Applicant

SCHEDULE “A”

Conference Details to join Motion via Zoom

Join Zoom Meeting

<https://zoom.us/j/98424166997>

Meeting ID: 984 2416 6997

One tap mobile

+14388097799,,98424166997# Canada

+15873281099,,98424166997# Canada

Dial by your location

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

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Court File No.
CV-20-00648456-00CL

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

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Applicant

Respondent

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

PROCEEDINGS COMMENCED AT TORONTO

**NOTICE OF APPLICATION
(Returnable September 25, 2020)**

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
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Toronto, ON M5H 4E3

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DOUGLAS O. SMITH

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Email: dsmith@blg.com
LSO #36915R

Lawyers for the Applicant

Tab 2

Court File No.:

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

BETWEEN:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

- and -

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Respondent

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SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**AFFIDAVIT OF UMAIR SALEEM
(Sworn September 22, 2020)**

I, **UMAIR SALEEM**, of the City of Burlington, in the Province of Ontario, **MAKE OATH
AND SAY** as follows:

1. I am a Senior Commercial Account Manager with the Applicant, Alterna Savings and Credit Union Limited ("**Alterna**") and as such have knowledge of the matters hereinafter deposed to, or where I do not possess such personal knowledge, I have stated the source of my information and in all such cases do verily believe it to be true.
2. This Affidavit is sworn in support of an Application by Alterna to appoint Grant Thornton Ltd. ("**GTL**") as receiver (in such capacity, the "**Receiver**"), without security, over the assets, properties and undertaking (the "**Property**") of 1140402 Ontario Inc. o/a Emerald Lodge ("**Emerald Lodge**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and section 101 of the *Courts of Justice Act* (Ontario).

A. BACKGROUND

3. Emerald Lodge is incorporated pursuant to the laws of the Province of Ontario. Emerald Lodge owns and operates a residential home/facility that offers personal care and assisted living for adults, people with disabilities and those with limited incomes (the **"Home"**).
4. Emerald Lodge is the registered owner of certain real property located at 83-85 Emerald Street South, Hamilton, Ontario (the **"Property"**), on which the Home is situate. A true copy of the Parcel Register dated September 10, 2020 from ServiceOntario is attached hereto as Exhibit **"A"**.
5. The President of Emerald Lodge is Stefanie Laura Martino (**"Martino"**). Martino is also the sole Director and Officer of Emerald Lodge. Attached hereto and marked as Exhibit **"B"** is a Corporation Profile Report (the **"Corporate Search"**) for Emerald Lodge obtained from the Ontario Ministry of Government Services on July 16, 2020.
6. According to the Corporate Search for Emerald Lodge, the registered office is located at 307 King Street East, Suite B, Hamilton, Ontario.
7. Emerauld Holdings Inc. (**"Emerauld Holdings"**) is incorporated pursuant to the laws of the Province of Ontario. Attached hereto and marked as Exhibit **"C"** is a Corporation Profile Report (the **"Emerauld Holdings Corporate Search"**) for Emerauld Holdings obtained from the Ontario Ministry of Government Services on September 9, 2020.
8. According to the Emerauld Holdings Corporate Search, the registered office for Emerauld Holdings is 307 King Street East, Suite B, Hamilton, Ontario. The sole Director and Officer of Emerauld Holdings is Stefanie Martino.
9. Martino is the controlling mind of Emerald Lodge and Emerauld Holdings.

B. LOAN AND SECURITY DOCUMENTS

10. By way of a commitment letter dated September 10, 2019 and accepted by Emerald Lodge on September 13, 2019 (the **"Commitment Letter"**), and a Term Note dated October 15, 2019 (the **"Note"** and together with the Commitment Letter, the **"Loan**

Documents”), Alterna provided a mortgage loan to Emerald Lodge in the amount of \$2,190,000. A true copy of the Commitment Letter is attached hereto and marked as Exhibit “**D**”. A true copy of the Note is attached hereto and marked as Exhibit “**E**”.

11. As security for the repayment of all amounts owing by Emerald Lodge to Alterna, Emerald Lodge provided a Charge/Mortgage dated October 15, 2019 (the “**Mortgage**”) in favour of Alterna on the Property, which was registered on title to the Property as Instrument Number WE1387262. Attached hereto and marked as Exhibit “**F**” is a true copy of the Mortgage. Attached hereto and marked as Exhibit “**G**” is a true copy of a Postponement of Interest from Riverview Pharmacy Inc., which is registered as Instrument Number WE1387288.
12. Emerald Lodge also granted to Alterna a General Security Agreement dated September 26, 2019, pursuant to which Emerald Lodge pledged to Alterna a security interest in all of the present and after-acquired assets, property and undertaking of Emerald Lodge (the “**GSA**”). A true copy of the GSA is attached hereto and marked as Exhibit “**H**”.
13. Emerald Lodge also granted to Alterna a General Assignment of Rents dated September 26, 2019, pursuant to which Emerald Lodge pledged to Alterna a security interest in all rents and other monies due or payable in respect of the Home and in connection with the Home (the “**GAR**”). A true copy of the GAR is attached hereto and marked as Exhibit “**I**”. Attached hereto and marked as Exhibit “**J**” is a copy of the Authorization and Direction dated September 26, 2019, executed by Emerald Lodge in respect of the registration of the Mortgage and GAR by Alterna against the Property. Attached hereto and marked as Exhibit “**K**” is a copy of the Standard Charge Terms dated September 26, 2019.
14. By way of a Guarantee and Postponement of Claim dated September 26, 2019 (the “**Guarantee**”), Emerald Holdings and Martino (the “**Guarantors**”) jointly and severally guaranteed to Alterna the repayment of all amounts owing by Emerald Lodge to Alterna. Attached hereto and marked as Exhibit “**L**” is a copy of the Guarantee.

15. As further security for the obligations of Emerald Lodge to Alterna, Alterna obtained, *inter alia*, the following:
- (a) Assignment of Leases dated September 26, 2019, a true copy of which is attached hereto and marked as Exhibit “M”;
 - (b) Assignment of Insurance dated September 26, 2019, a true copy of which is attached hereto and marked as Exhibit “N”;
 - (c) An Environmental Indemnity dated September 26, 2019, a true copy of which is attached hereto and marked as Exhibit “O”;
 - (d) A Direction re Subsidies dated September 26, 2019, a true copy of which is attached hereto and marked as Exhibit “P”;
 - (e) A Direction to transfer licences dated September 26, 2019, a true copy of which is attached hereto and marked as Exhibit “Q”;
 - (f) A Statutory Declaration, Undertaking and Indemnity from all directors of Emerald Lodge with respect to potential prior claims dated September 26, 2019, a true copy of which is attached hereto and marked as Exhibit “R”; and
 - (g) An Indemnity Agreement re Government Remittances dated September 26, 2019, a true copy of which is attached hereto and marked as Exhibit “S”.
16. As of August 14, 2020, Emerald Lodge was indebted to Alterna in the amount of \$2,167,967.77, inclusive of interest to August 14, 2020, but excluding any costs and expenses incurred as at such date and after such date, as well as further interest after August 14, 2020 (the “Indebtedness”).

C. DEFAULT UNDER THE LOAN DOCUMENTS AND DEMAND FOR PAYMENT

17. The Loan Documents require Emerald Lodge to pay monthly payments to Alterna in the amount of \$14,952.01 (the “Monthly Payments”), reflecting blended principal and interest, payable on the 15th day of each and every month, commencing on the 15th day of November 2019.
18. The Note provided that in the event of default in the payment of any amount of principal or interest under the Note, the entire remaining balance, and all interest accrued thereon, would become immediately due and payable without notice or demand.

19. Emerald Lodge failed to make the Monthly Payment due to Alterna on June 15, 2020 and thereby committed an event of default under the Loan Documents. Alterna advised Emerald Lodge of this by way of a letter dated June 18, 2020 (the "**Alterna Default Letter**") and further advised that Alterna would take no action in respect of the default, so long as it was remedied on or before June 24, 2020. This payment default was not remedied by Emerald Lodge. A true copy of the Alterna Default Letter is attached hereto and marked as Exhibit "**T**".
20. While Alterna did receive the Monthly Payment for July, 2020, it did not receive same on July 15, 2020, as required under the Loan Documents. There were insufficient funds on July 15, 2020 in the Emerald Lodge account to make the Monthly Payment for July, 2020, pursuant to the pre-authorized debit ("**PAD**"). However, the PAD is set up such that if Alterna's attempt to take the Monthly Payment on the 15th day of each month is unsuccessful, the system attempts to take the payment again 5 days later. When an attempt was made to obtain the July, 2020 Monthly Payment on July 20, 2020, it was successful (the "**July Monthly Payment**").
21. However, Emerald Lodge has since defaulted on the August and September Monthly Payments.
22. In addition to the above noted payment defaults, which have occurred and are continuing, there are additional defaults that have occurred, which are detailed in the balance of this Affidavit.
23. The Commitment Letter provides at paragraph 31 that Emerald Lodge was not to further encumber the Property, or its personal property subject to the GSA, with additional debt, without first obtaining Alterna's consent in writing.
24. However, on or about June 12, 2020, Alterna discovered that Emerald Lodge had, without notice to Alterna, further encumbered the Property and had granted a Charge in the amount of \$450,000 (the "**Second Charge**") to KLN Holdings Inc. ("**KLN**"), which Charge had been registered on title to the Property as Instrument Number WE1416590. A true copy of Instrument Number WE1416590 is attached hereto as Exhibit "**U**".

25. As security for the Second Charge, Emerald Lodge pledged personal guarantees by the Guarantors and a second General Assignment of Rents in favour of KLN Holdings Inc.
26. Emerald Lodge did not seek the consent of Alterna to grant the Second Charge. As such, the granting of the Second Charge constitutes a further default under the Loan Documents.
27. Emerald Lodge has also failed to remit payment of their property taxes to the City of Hamilton. Attached hereto and marked as Exhibit "V" is a copy of the Certificate of Outstanding Realty Taxes (the "**Property Tax Certificate**"), certified by the City of Hamilton as at July 31, 2020. The Property Tax Certificate discloses that as of July 31, 2020, Emerald Lodge had overdue property taxes owing to the City of Hamilton in the amount of \$17,324.16.
28. Emerald Lodge has also failed to remit the deductions at source that are owing to the Canada Revenue Agency ("**CRA**"). On June 26, 2020, I received an email from Chris Mazur, a Partner at BDO Canada Limited ("**BDO**"), attaching certain information, including a spreadsheet detailing that as at June 15, 2020, Emerald Lodge had not remitted source deductions to CRA in the amount of approximately \$32,730.11. The concerns that Alterna has about the status of source deductions is further exacerbated by the fact that Emerald Lodge does not use a payroll provider.
29. Given the foregoing concerns, Alterna instructed its counsel, Borden Ladner Gervais, LLP ("**BLG**"), to issue a formal demand for payment dated August 18, 2020 and a Notice of Intention to Enforce Security ("**NITES**"), pursuant to the BIA, to Emerald Lodge. Attached hereto and marked as Exhibit "W" is a true copy of the demand letter and the NITES, which was delivered to Emerald Lodge.
30. Further, on August 18, 2020, demands for payment were also issued to each of the Guarantors, copies of which are attached hereto as Exhibit "X".
31. To date, Alterna has not received payment of the amounts owing.

32. Alterna registered its security interest in respect of all of Emerald Lodge's property under the Ontario *Personal Property Security Acts* (the "PPSA"). Attached hereto and marked as Exhibit "Y" is a true copy of the Enquiry Response Certificate for Emerald Lodge, with a file currency of July 27, 2020.

D. FURTHER LOSS OF CONFIDENCE IN EMERALD LODGE MANAGEMENT

33. On or about June 10, 2020, Alterna was advised by representatives of Emerald Lodge that it and a group of other companies, that I understand are related by way of common ownership, had retained BDO as their financial advisor.
34. Alterna understands that the group of companies include the following companies: Rosslyn Retirement Inc. ("**Rosslyn**"), Dundas Retirement Place Inc., 2428577 Ontario Inc., 1059244 Ontario Inc., Maple Retirement Homes Inc., 1583187 Ontario Inc., 1140402 Ontario Inc., 1612711 Ontario Inc., 1612712 Ontario Inc., 1612714 Ontario Inc. and 1242318 Ontario Inc. (collectively, the "**Companies**").
35. Recently, Alterna was advised by BDO that the Companies operate under the management of North American Living Centres Limited ("**NALC**"). Alterna was not made aware of the involvement, or for that matter the existence of NALC, at the time that the Loan Documents were executed. Attached hereto and marked as Exhibit "Z" is a Corporation Profile Report for NALC obtained from the Ontario Ministry of Government Services on September 9, 2020.
36. It is my understanding that NALC is not the parent company of Emerald Lodge or Emerauld Holdings. In fact, at the time that the Loan Documents were executed, Alterna obtained a Confirmation of Ownership Structure/Organizational Chart (the "**Org Chart**") dated September 26, 2019, that does not disclose the involvement of NALC with either Emerald Lodge or Emerauld Holdings. Attached hereto and marked as Exhibit "AA" is a true copy of the Org Chart.
37. BLG has made enquiries with BDO as to whether NALC has a management services agreement with Emerald Lodge and it is my understanding that no such agreement exists.

38. In mid-July, 2020, Alterna was advised that NALC had signed a Letter of Intent ("**LOI**") with a third party in respect of a proposed transaction for the purchase of all of the assets of the Companies. On July 20, 2020, Emerald Lodge, through its advisors, BDO and McMillan LLP ("**McMillan**"), restructuring counsel for Emerald Lodge, provided Alterna and BLG with a copy of the LOI, subject to certain terms.
39. On August 13, 2020, Chris Mazur, a Partner with BDO, sent an email to myself and BLG advising that he had an update for Alterna and enquired as to whether Alterna and BLG were available for a call at 4:00PM on August 13, 2020. Attached hereto and marked as Exhibit "**BB**" is a true copy of the email from Mr. Mazur of August 13, 2020.
40. I attended the requested call on August 13, 2020 at 4:00PM with Roger Jaipargas, a Partner at BLG, which included Mr. Mazur and Jeffrey Levine, a Partner at McMillan. During the call, Mr. Mazur advised that the transaction contemplated by the LOI was no longer an option.
41. By way of an email dated August 18, 2020, BDO advised Alterna that in light of fact that the proposed transaction contemplated by the LOI was at an end, NALC was considering two options on a go forward basis. The first option would be to voluntarily list for sale by a realtor, with BDO oversight, the various properties, or NALC would consider having Emerald Lodge and the Companies seek protection pursuant to a filing under the *Companies' Creditors Arrangement Act* ("**CCAA**"). Attached hereto and marked as Exhibit "**CC**" is a true copy of the email from BDO dated August 18, 2020.
42. By email dated August 26, 2020, BLG advised BDO that Alterna did not support a CCAA filing and that Alterna would oppose same. Attached hereto and marked as Exhibit "**DD**" is a true copy of the email from BLG dated August 26, 2020.
43. On the afternoon of August 28, 2020, BLG received an email from Mr. Levine, attaching a Notice of Intention to Make a Proposal ("**NOI**") that was filed by Emerald Lodge on August 28, 2020, naming BDO as the proposal trustee therein. Attached hereto and marked as Exhibit "**EE**" is a true copy of the email from McMillan dated August 28,

2020, attaching a copy of the NOI. The NOI was filed on the tenth day following the delivery by BLG of the August 18, 2020 demand letter and NITES.

44. On the evening of August 28, 2020, BLG sent an email to McMillan requesting a copy of the cash flow statements (the "**Cash Flows**") within the 10 day period, as prescribed by sections 50.4(2) and section 50.4(3) of the BIA. Attached hereto and marked as Exhibit "**FF**" is a true copy of the BLG email dated August 28, 2020.
45. By email dated September 4, 2020, Mr. Levine sent to BLG the Cash Flows filed by Emerald Lodge with the Official Receiver. The Cash Flows provide at Note 4 that it is contemplated that property taxes and mortgage payments will not be paid in the 13 weeks following the filing of the NOI. Attached hereto and marked as Exhibit "**GG**" is a true copy of the email dated September 4, 2020 from Mr. Levine, attaching the Cash Flows.
46. Upon receiving instructions from Alterna, BLG proceeded to deliver an email dated September 1, 2020, (the "**BLG September 1st Email**") to BDO and McMillan, in response to the BDO email of August 18, 2020, advising that Alterna did not support either a voluntary listing of the Emerald Lodge Property, or a CCAA filing. Further, the BLG September 1st Email advised that Alterna would oppose the seeking of any Court-ordered charges that rank in priority to the Alterna security. Finally, the BLG September 1st Email advised BDO and McMillan that BLG had received instructions to : 1) bring an application for the appointment of GTL as receiver over the Emerald Lodge Property; and 2) bring a motion pursuant to section 50.4(11) of the BIA to terminate the time to file a proposal under the BIA. Attached hereto and marked as Exhibit "**HH**" is a true copy of the BLG September 1st Email.
47. Earlier in this Affidavit, I advised of the circumstances surrounding the July Monthly Payment that was received by Alterna. Shortly after Alterna received the July Monthly Payment, Mike Springstead of NALC wrote to me on July 21, 2020, advising that as a result of Alterna receiving the July Monthly Payment (which Alterna was entitled to), that, as Mr. Springstead stated : "As a result, it has left the account short of the required funds to cover employee pay cheques. Could you please arrange for the immediate return of the funds, in order that I can cover payroll."

48. I am advised by Mr. Jaipargas and do verily believe that on July 21, 2020, he had a discussion with Mr. Mazur, whereby Mr. Mazur advised him of this request from Emerald Lodge and forwarded to Mr. Jaipargas the email from Mr. Springstead to me dated July 21, 2020. Attached hereto and marked as Exhibit "II" is a true copy of the email of July 21, 2020 from Mr. Springstead, as forwarded by BDO to BLG on July 21, 2020.
49. On July 22, 2020, a conference call was convened with representatives from each of McMillan, BDO, Alterna and BLG. It was during this call that Mr. Springstead noted that payroll on July 20, 2020 was in fact met, through the transfer of funds from one of the other Companies to Emerald Lodge. This was a new development, as just the day before, Mr. Springstead was requesting the return of the funds in respect of the July Monthly Payment so that "I can cover payroll." Needless to say, Alterna did not return the funds that it received for the July Monthly Payment.
50. There is a further concern that Alterna has with respect to the current situation. Alterna, through GTL as its financial advisor, has made certain requests to BDO for information on the business and operations of Emerald Lodge. An email was sent by BLG on July 29, 2020 to McMillan and BDO requesting various information (the "**Informational Request**") from Emerald Lodge. In response to the Informational Request, only certain information was received by GTL on August 12, 2020. For instance, GTL requested that BDO provide a copy of the current subsidy agreement with the City of Hamilton, but same was not provided to GTL and Alterna.
51. In addition, Emerald Lodge has also failed to provide certain other information to Alterna, such as the financial statements, as required by paragraph 34 of the Commitment Letter.
52. Based upon certain information that Alterna has received from BDO, I am concerned about the transfer of funds involving Emerald Lodge. This is something that requires further investigation, which I understand that GTL as proposed receiver can undertake.

53. As Emerald Lodge was advised in the BLG September 1st Email, Alterna has lost confidence in management. The reasons for this are detailed in this Affidavit.

REQUEST FOR THE APPOINTMENT OF GRANT THORNTON LIMITED AS THE RECEIVER

54. Emerald Lodge is in default of its obligations to Alterna and is unable to repay the secured Indebtedness owing to Alterna.
55. Given these circumstances, Alterna seeks to appoint GTL as the Receiver, so that the Receiver can review all options on a go-forward basis and return to Court to seek the appropriate direction under the circumstances, with a view to maximizing the realizations for the benefit of all stakeholders involved.
56. The GSA granted by Emerald Lodge to Alterna provides Alterna with the right to appoint a receiver pursuant to Section 6.2(a) thereof.
57. If the relief sought is not granted, Alterna is of the view that significant value may irrevocably be destroyed. I am very concerned that assets of Emerald Lodge, as well as the security held by Alterna is at risk, unless a receiver is appointed by the Court.
58. The defaults of Emerald Lodge are continuing and have caused Alterna significant concerns, which support the appointment of a receiver.
59. As previously stated, Alterna has lost all confidence in management of Emerald Lodge and Alterna would like to be repaid all of the secured obligations that are outstanding. Alterna is not supportive of a debtor in possession process, whether that is the NOI proceedings or a CCAA proceeding.
60. Some of the other Companies have experienced certain challenges, such as Rosslyn, which has had a number of cases of COVID-19 with its residents and its licence has been revoked by the Retirement Homes Regulatory Authority.

61. Emerald Lodge is a separate company with its own Home. It should not be tied to the troubles occasioned by Rosslyn and perhaps the other Companies, as such a result would be detrimental to the stakeholders of Emerald Lodge.
62. GTL is a licensed trustee in bankruptcy.
63. GLT has consented to act as Receiver. Attached hereto and marked as Exhibit "JJ" is a copy of the consent of GTL to act as Receiver.
64. This Affidavit is sworn in support of an Order for the appointment of GTL as Receiver over the Property of Emerald Lodge and for no other or improper purpose.

SWORN BEFORE ME over video)
teleconference this 22nd of September, 2020, in)
accordance with Ontario Regulation 431/20.)
The affiant was located in Burlington, Ontario,)
while the commissioner, Mariela Adriana)
Gasparini was located in Toronto, Ontario.)



A Commissioner for taking affidavits

P14458



UMAIR SALEEM

THIS IS EXHIBIT "A" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read 'Abdullah Syed', is written over a horizontal line.

A Commissioner for taking affidavits



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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 10

PREPARED FOR tamila01
ON 2020/09/10 AT 16:49:11

17176-0014 (LT)

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

PROPERTY DESCRIPTION: LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360 ; HAMILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE

LT CONVERSION QUALIFIED

OWNERS' NAMES

1140402 ONTARIO INC.

RECENTLY:

FIRST CONVERSION FROM BOOK

CAPACITY SHARE

BENO

PIN CREATION DATE:

1996/07/22

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/07/22 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/07/22						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1996/07/19 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
AND ESCHENTS OR FORFEITURE TO THE CROWN.						
THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
CONVENTION.						
ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1996/07/22 **						
VM217532	1995/09/15	TRANS POWER SALE	\$700,000		1140402 ONTARIO INC.	C
VM217533	1995/09/15	DEBENTURE		*** COMPLETELY DELETED ***	THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA	
VM217534	1995/09/15	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***	THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA	
REMARKS: RENTS, VM217533						
LT432214	1996/12/20	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	THE EQUITABLE LIFE ASSURANCE COMPANY OF CANADA	
LT492013	1998/02/27	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	THE EQUITABLE LIFE ASSURANCE COMPANY OF CANADA	
LT492014	1998/02/27	NOTICE		*** COMPLETELY DELETED ***		

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REMARKS: LT492013-RENTS				1140402 ONTARIO INC.	THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA	
LT493412	1998/03/09	APL (GENERAL)		*** COMPLETELY DELETED *** THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA		
REMARKS: AMEND LT492013						
LT561933	1999/07/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE LIFE ASSURANCE COMPANY OF CANADA		
REMARKS: RE: LT492013						
LT561936	1999/07/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA		
REMARKS: RE: LT432214						
WE7108	2000/10/05	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	THE EQUITABLE TRUST COMPANY	
WE7109	2000/10/05	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	THE EQUITABLE TRUST COMPANY	
REMARKS: RENTS RE; CHARGE WE7108						
WE7110	2000/10/05	NO SEC INTEREST		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	THE EQUITABLE TRUST COMPANY	
REMARKS: CHARGE WE7108						
WE7423	2000/10/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA		
REMARKS: RE: VM217533						
WE60867	2001/10/15	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	LIFTAY, ROSE MARIE	
WE137975	2002/12/24	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** CONSTANCIA, JOHN - OPERATING AS "C. R. LANDSCAPE"		
WE145811	2003/02/13	CERTIFICATE		*** DELETED AGAINST THIS PROPERTY *** CONSTANCIA, JOHN		
REMARKS: WE137975						
WE212740	2004/01/28	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	B2B TRUST	

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WE212743	2004/01/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** LIPTAY, ROSE MARIE		
REMARKS: RE: WE60867						
WE212892	2004/01/29	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	CONSTANCIA, JOHN - OPERATING AS "C. R. LANDSCAPE"	
REMARKS: RE: WE137975						
WE252069	2004/08/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** B2B TRUST		
REMARKS: RE: WE212740						
WE259313	2004/09/01	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	2010860 ONTARIO LTD.	
WE259405	2004/09/02	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	2010860 ONTARIO LTD.	
REMARKS: RE: WE259313						
WE281434	2004/12/17	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	PARAGON CAPITAL CORPORATION LTD.	
WE282373	2004/12/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2010860 ONTARIO LTD.		
REMARKS: RE: WE259313						
WE297693	2005/03/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE TRUST COMPANY		
REMARKS: RE: WE7108						
WE297694	2005/03/21	DISCHARGE INTEREST		*** COMPLETELY DELETED ***	THE EQUITABLE TRUST COMPANY	
REMARKS: RE: WE7110						
WE322064	2005/07/11	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	ROZEN, CORNEL SINGAL, SAM COUPRIE FENTON INC. PASTERNAK, JOE	
WE322075	2005/07/11	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	ROZEN, CORNEL SINGAL, SAM	

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WE404983	REMARKS: RENTS WE322064 2006/07/13	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	COUPRIE FENTON INC. PASTERNAK, JOE	
WE404984	2006/07/13	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	MINTZ, IRWIN	
WE405016	2006/07/13	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	MINTZ, IRWIN	
WE405018	2006/07/13	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	ROZEN, CORNEL SINGAL, SAM PASTERNAK, JOE CHAPNICK, GERRY FELDMAN, LARRY SUGINA, LESLIE KINSMAN, RICHARD	
WE405097	REMARKS: WE405016 - RENTS 2006/07/13	DISCH OF CHARGE		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.	ROZEN, CORNEL SINGAL, SAM PASTERNAK, JOE CHAPNICK, GERRY FELDMAN, LARRY SUGINA, LESLIE KINSMAN, RICHARD	
WE405746	REMARKS: RE: WE281434 2006/07/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROZEN, CORNEL SINGAL, SAM COUPRIE FENTON INC. PASTERNAK, JOE		
WE412041	REMARKS: RE: WE322064 2006/08/10	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	SKYCO LTD.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
WE412045	2006/08/10	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** SKYCO LTD.	CARRON MARINE LTD.	
WE502310	2007/10/05	CHARGE		*** COMPLETELY DELETED *** 1059244 ONTARIO INC. 1140402 ONTARIO INC.	2079610 ONTARIO LTD.	
WE502542	2007/10/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROZEN, CORNEL SINGAL, SAM PASTERNAK, JOE CHAPNICK, GERRY FELDMAN, LARRY SGUIGNA, LESLIE KINSMAN, RICHARD		
WE569920	2008/08/21	NOTICE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	MINTZ, IRWIN	
WE722208	2010/10/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** CARRON MARINE LTD.	DUNBAR, MARK	
WE798254	2011/11/18	NOTICE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	DUNBAR, MARK	
WE802051	2011/12/06	CHARGE		*** COMPLETELY DELETED *** 1242318 ONTARIO INC. 1059244 ONTARIO INC. 1612712 ONTARIO INC. 1612711 ONTARIO INC. 1140402 ONTARIO INC.	1862302 ONTARIO LIMITED	
WE802052	2011/12/06	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1242318 ONTARIO INC. 1059244 ONTARIO INC. 1612712 ONTARIO INC. 1612711 ONTARIO INC. 1140402 ONTARIO INC.	1862302 ONTARIO LIMITED	

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WE802590	2011/12/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** DUNBAR, MARK		
WE831165	2012/05/16	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	
WE831166	2012/05/16	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	
WE831167	2012/05/16	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	8055742 ONTARIO INC.	
WE831168	2012/05/16	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	8055742 ONTARIO INC.	
WE831174	2012/05/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2079610 ONTARIO LTD.		
WE831175	2012/05/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1862302 ONTARIO LIMITED		
WE831176	2012/05/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** MINTZ, IRWIN		
WE875856	2012/12/21	NO OPTION PURCHASE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	2157720 ONTARIO INC.	
WE905577	2013/06/25	APL (GENERAL)		*** COMPLETELY DELETED *** 2157720 ONTARIO INC.		
WE908228	2013/07/05	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC. 1059244 ONTARIO INC.	1601775 ONTARIO INC.	

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* 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
WE917725	2013/08/21	NO OPTION PURCHASE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	2157720 ONTARIO INC.	
WE919260	2013/08/28	APL CH NAME INST		*** COMPLETELY DELETED *** 2157720 ONTARIO INC.	RIVERVIEW PHARMACY INC.	
WE939521	2013/12/09	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	SKYCO LTD.	
WE939523	2013/12/09	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140102 ONTARIO INC.	SKYCO LTD.	
WE940323	2013/12/12	TRANSFER OF CHARGE	2019 BY MIAMI PAYNE	*** COMPLETELY DELETED *** SKYCO LTD.	DUNBAR, MARK	
WE940630	2013/12/13	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1601775 ONTARIO INC.		
WE1081511	2015/11/19	APL (GENERAL)		*** COMPLETELY DELETED *** RIVERVIEW PHARMACY INC.	COMMUNICATION TECHNOLOGIES CREDIT UNION LIMITED	
WE1081592	2015/11/19	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	COMMUNICATION TECHNOLOGIES CREDIT UNION LIMITED	
WE1081593	2015/11/19	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	1583187 ONTARIO INC.	
WE1081609	2015/11/19	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.		
WE1081620	2015/11/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** DUNBAR, MARK		
WE1081631	2015/11/19	NOTICE		RIVERVIEW PHARMACY INC.		C

REMARKS: RIGHT OF FIRST REFUSAL
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17176-0014 (LT)

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
WE1081957	2015/11/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** 8055742 ONTARIO INC.		
	REMARKS: WE831167.					
WE1093856	2016/01/15	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	SKYCO LTD.	
WE1096282	2016/01/26	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** SKYCO LTD.	DUNBAR, MARK	
	REMARKS: WE1093856.					
WE1112177	2016/04/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** ALTRNA SAVINGS AND CREDIT UNION LIMITED		
	REMARKS: WE831165.					
WE1129986	2016/06/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1583187 ONTARIO INC.		
	REMARKS: WE1081609.					
WE1130831	2016/06/30	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	1584132 ONTARIO LTD. 1584133 ONTARIO LTD. 1584130 ONTARIO LTD.	
WE1130832	2016/06/30	POSTPONEMENT		*** COMPLETELY DELETED *** RIVERVIEW PHARMACY INC.	1584132 ONTARIO LTD. 1584130 ONTARIO LTD. 1584133 ONTARIO LTD.	
	REMARKS: WE1081631 POSTPONED TO WE1130831					
WE1131302	2016/07/05	POSTPONEMENT		*** COMPLETELY DELETED *** DUNBAR, MARK	1584132 ONTARIO LTD. 1584130 ONTARIO LTD. 1584133 ONTARIO LTD.	
	REMARKS: WE1093856, WE1096282 TO WE1130831					
WE1171457	2016/12/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1584132 ONTARIO LTD. 1584133 ONTARIO LTD. 1584130 ONTARIO LTD.		
	REMARKS: WE1130831.					

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
WE1172894	2016/12/15	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	1584132 ONTARIO LTD. 1584133 ONTARIO LTD. 1584130 ONTAIRO LTD.	
WE1173038	2016/12/15	POSTPONEMENT		*** COMPLETELY DELETED *** RIVERVIEW PHARMACY INC.	1584132 ONTARIO LTD. 1584133 ONTARIO LTD. 1584130 ONTARIO LTD.	
WE1173044	2016/12/15	POSTPONEMENT		*** COMPLETELY DELETED *** DUNBAR, MARK	1584132 ONTARIO LTD. 1584130 ONTARIO LTD.	
WE1387262	2019/10/15	CHARGE	\$2,190,000	1140402 ONTARIO INC.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	C
WE1387263	2019/10/15	NO ASSGN RENT GEN		1140402 ONTARIO INC.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	C
WE1387287	2019/10/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** DUNBAR, MARK		
WE1387288	2019/10/15	POSTPONEMENT		RIVERVIEW PHARMACY INC.		
WE1387399	2019/10/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1584132 ONTARIO LTD. 1584133 ONTARIO LTD. 1584130 ONTAIRO LTD.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	C
WE1415071	2020/02/25	APL CH NAME INST		*** COMPLETELY DELETED *** COMMUNICATION TECHNOLOGIES CREDIT UNION LIMITED	COMTECH FIRE CREDIT UNION LIMITED	
WE1415072	2020/02/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMTECH FIRE CREDIT UNION LIMITED		
WE1081592	2020/02/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMTECH FIRE CREDIT UNION LIMITED		

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 #62

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 10 OF 10

PREPARED FOR tamlla01

ON 2020/09/10 AT 16:49:11

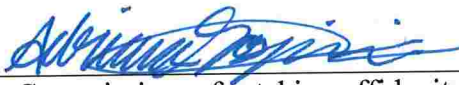
17176-0014 (LT)

* 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
WE1416590	2020/02/27	CHARGE	\$450,000	1140402 ONTARIO INC.	KLN HOLDINGS INC.	C
WE1416593	2020/02/27	NO ASSGN RENT GEN REMARKS: WE1416590.		1140402 ONTARIO INC.	KLN HOLDINGS INC.	C
WE1416699	2020/02/27	POSTPONEMENT REMARKS: WE1081631 TO WE1416590		RIVERVIEW PHARMACY INC.	KLN HOLDINGS INC.	C
WE1430135	2020/05/11	NOTICE REMARKS: WE1081631		RIVERVIEW PHARMACY 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.

THIS IS EXHIBIT "B" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read 'Adrian Lopez', is written over a horizontal line.

A Commissioner for taking affidavits

Request ID: 024769452
Transaction ID: 75989519
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/07/16
Time Report Produced: 10:54:30
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1140402	1140402 ONTARIO INC.	1995/08/28
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
		Amalgamation Ind.
		NOT APPLICABLE
307 KING ST E SUITE B		NOT APPLICABLE
		New Amal. Number
		Notice Date
		NOT APPLICABLE
HAMILTON		Letter Date
ONTARIO		NOT APPLICABLE
CANADA L8N 1C1		NOT APPLICABLE
Mailing Address		Revival Date
		Continuation Date
		NOT APPLICABLE
307 KING ST. E		NOT APPLICABLE
Suite # B		Transferred Out Date
HAMILTON		Cancel/Inactive Date
ONTARIO		NOT APPLICABLE
CANADA L8N 1C1		NOT APPLICABLE
		EP Licence Eff.Date
		EP Licence Term.Date
		NOT APPLICABLE
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum	Maximum
	00001	00005
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 024769452
Transaction ID: 75989519
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/07/16
Time Report Produced: 10:54:30
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1140402

Corporation Name

1140402 ONTARIO INC.

Corporate Name History

1140402 ONTARIO INC.

Effective Date

1995/08/28

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:
Name (Individual / Corporation)

STEFANIE

MARTINO

Address

15 STONEGATE DRIVE

ANCASTER
ONTARIO
CANADA L9C 3L4

Date Began

2015/11/12

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024769452
Transaction ID: 75989519
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/07/16
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CORPORATION PROFILE REPORT

Ontario Corp Number

1140402

Corporation Name

1140402 ONTARIO INC.

Administrator: Name (Individual / Corporation)

STEFANIE
MARTINO

Address

15 STONEGATE DRIVE

ANCASTER
ONTARIO
CANADA L9C 3L4

Date Began

2015/11/12

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Administrator: Name (Individual / Corporation)

STEFANIE
MARTINO

Address

15 STONEGATE DRIVE

ANCASTER
ONTARIO
CANADA L9C 3L4

Date Began

2015/11/12

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Request ID: 024769452
Transaction ID: 75989519
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/07/16
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Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1140402

Corporation Name

1140402 ONTARIO INC.

Administrator:
Name (Individual / Corporation)

STEFANIE
MARTINO

Address

15 STONEGATE DRIVE

ANCASTER
ONTARIO
CANADA L9C 3L4

Date Began

2015/11/12

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Request ID: 024769452
Transaction ID: 75989519
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/07/16
Time Report Produced: 10:54:30
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1140402

Corporation Name

1140402 ONTARIO INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA ANNUAL RETURN 2018

1C

2019/06/30 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

THIS IS EXHIBIT "C" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Adrian J. Gypsi", is written over a horizontal line.

A Commissioner for taking affidavits

Request ID: 024984062
Transaction ID: 76514000
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
Time Report Produced: 15:48:04
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2475881	EMERALD HOLDINGS INC.	2015/07/21
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
307 KING STREET EAST SUITE B	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
HAMILTON	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA L8M 1C1		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
307 KING STREET EAST	NOT APPLICABLE	NOT APPLICABLE
Suite # A	Transferred Out Date	Cancel/Inactive Date
HAMILTON	NOT APPLICABLE	NOT APPLICABLE
ONTARIO	EP Licence Eff.Date	EP Licence Term.Date
CANADA L8N 1C1	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00010	

Request ID: 024984062
Transaction ID: 76514000
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
Time Report Produced: 15:48:04
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2475881

Corporation Name

EMERAULD HOLDINGS INC.

Corporate Name History

EMERAULD HOLDINGS INC.

Effective Date

2015/07/21

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator: Name (Individual / Corporation)

STEFANIE
MARTINO

Address

307 KING STREET EAST
Suite # A
HAMILTON
ONTARIO
CANADA L8N 1C1

Date Began

2015/07/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024984062
Transaction ID: 76514000
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Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
Time Report Produced: 15:48:04
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2475881

Corporation Name

EMERALD HOLDINGS INC.

Administrator:
Name (Individual / Corporation)

STEFANIE
MARTINO

Address

307 KING STREET EAST

Suite # A
HAMILTON
ONTARIO
CANADA L8N 1C1

Date Began

2015/07/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:
Name (Individual / Corporation)

STEFANIE
MARTINO

Address

307 KING STREET EAST

Suite # A
HAMILTON
ONTARIO
CANADA L8N 1C1

Date Began

2015/07/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 024984062
Transaction ID: 76514000
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
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Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2475881

Corporation Name

EMERAULD HOLDINGS INC.

Administrator:
Name (Individual / Corporation)

STEFANIE

MARTINO

Address

307 KING STREET EAST

Suite # A
HAMILTON
ONTARIO
CANADA L8N 1C1

Date Began

2015/07/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 024984062
Transaction ID: 76514000
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
Time Report Produced: 15:48:04
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2475881

Corporation Name

EMERALD HOLDINGS INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA ANNUAL RETURN 2018

1C

2019/06/23 (ELECTRONIC FILING)

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

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THIS IS EXHIBIT "D" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read 'A. M. Khan', is written over a horizontal line.

A Commissioner for taking affidavits



COMMERCIAL MORTGAGE COMMITMENT

DATE: September 10, 2019
TO: 1140402 Ontario Inc. (o/a Emerald Lodge)
Attention: Stefanie Martino; c/o Mitch Wolfe
By Email: regentstreetcap@gmail.com

We are pleased to advise that subject to your acceptance (as herein provided), Alterna Savings and Credit Union Limited (the "Lender") offers to make the following mortgage loan (the "Loan") available to you subject to the following terms and conditions contained in this letter (the "Commitment"):

1. **BORROWER:** 1140402 Ontario Inc.
2. **GUARANTOR:** Joint and Several by Emerauld Holdings Inc. & Stefanie Martino of 100% loan amount.
3. **LEGAL DESCRIPTION:** LTS 9, 10, 11 & 12, Registrar's Compiled Plan 1360; Hamilton
CIVIC ADDRESS: 83-85 Emerald Street South, Hamilton, ON
the "Real Property"
4. **DESCRIPTION OF PROPERTY:** Two 3-storey semi-detached solid brick constructed circa 1870, converted into a lodging facility containing 40 beds (23 rooms) circa 1985, located on a rectangular shaped lot on approx. 13,735 sf.
5. **TYPE OF LOAN:** First freehold mortgage (Standard Form).
6. **LOAN AMOUNT:** \$2,190,000
7. **PURPOSE:** To repay existing loan(s) charged on the Real Property.
8. **INTEREST RATE:** To be established at a spread equivalent to 400 Basis Points over the bid side yield on the applicable Benchmark Government of Canada Bond for the commensurate term, as determined by the Lender with a minimum rate of 5.47%. The interest rate will be locked in, upon issuance of an interest rate lock confirmation letter by the Lender (the "Rate Fix Confirmation"), not sooner than 5 days prior to the Funding Date (as defined in Section 53). If the Loan is not advanced within 5 days of the rate having been fixed, the Lender may, at its option, re-set the rate. Interest on the loan shall be calculated semi-annually, not in advance, both before and after maturity, default and judgment.
9. **TERM OF MORTGAGE:** 3 years from the Interest Adjustment Date.



10. **AMORTIZATION:** 20 years.

11. **REPAYABLE:** Consecutive monthly instalments of principal and interest determined pursuant to the interest rate when fixed, based upon the above noted amortization period. The Borrower will be invoiced for accrued interest for the days up to and including the last day of the month immediately following the initial advance of funds (or such other date as established by the Lender) (the "Interest Adjustment Date"), and thereafter regular monthly payments will be due on the last day of each month (or such other date as established by the Lender), until maturity of the mortgage. On the maturity date of the mortgage the then outstanding principal balance, together with any outstanding interest and charges, will be due and payable.

12. **MORTGAGEE:** The mortgagee will be shown as:

Alterna Savings and Credit Union Limited

For all legal notices, the address of record for the Lender shall be its Head Office at 319 McRae Avenue, Ottawa, Ontario K1Z 0B9 with Attention: Commercial Services also noted. All routine informal communications, and all payments in connection with this mortgage loan, shall be directed as determined between the Lender's and Borrower's representative(s) and as modified from time to time thereafter.

13. **STANDARD CHARGE TERMS:** The charge shall incorporate Standard Charge Terms filed as number 200625 as modified as required by the Lender.

14. **CONDITIONS PRECEDENT TO FUNDING:** The Lender's obligation to advance the Loan is subject to the following conditions precedent being received, approved, satisfied and/or waived, all in form and substance satisfactory to the Lender and its legal counsel:

- (a) **Membership:** The Borrower must be eligible for, become and remain a member/customer of the Lender.
- (b) **Ownership Structure:** Confirmation that the ownership structure is as represented to the Lender and the Borrower providing to the Lender with particulars of all shareholders, including percentage ownership held. In the case where the borrower is structured as a partnership or joint venture, particulars of all partners and/or participants are to be provided, including percentages held. Such information is to be supported by satisfactory documentation as determined by the Lender's legal counsel including, without limitation, copies of any partnership/joint venture/co-tenancy/trust agreements, together with any amendments, all in form satisfactory to the Lender's legal counsel.
- (c) **Appraisal Reliance Letter:** Delivery to the Lender a satisfactory reliance letter for the Appraisal Report dated September 26, 2018 by Bruggess Appraisal Serviced, addressed to Alterna Savings.



- (d) **BCA Report:** Delivery to the Lender by the Borrower of a Building Condition Report for the Real Property addressed to the Lender prepared by a structural engineer acceptable to the Lender confirming the structural integrity of the building(s) situated on the Real Property, and the adequacy/condition of the major building systems, including the roof, sprinkler, HVAC and fire control systems in form satisfactory to the Lender.

Should the review of the building condition report recommend either a hold back of mortgage funds or the establishment of a reserve account for capital expenditures required to maintain or improve the Real Property, a reserve account is to be established by the Borrower with the Lender with the Borrower depositing an agreed upon sum of monies to this account on a monthly basis.

- (e) **Other Financial Institution Statements:** Delivery to the Lender by the Borrower of an up-to-date statement from Comtech providing particulars of the credit facilities advanced and/or available to the Borrower, security held, current balance due and repayment obligations (to include confirmation that the credit facilities are in good standing and that the total debt will not exceed \$2,190,000).
- (f) **KYC/AML:** The Lender receiving identification verification for the Borrower, any Guarantor and any other interested party in form satisfactory to the Lender and the Lender's satisfactory review of all "know your client" documentation to ensure compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) legislation.
- (g) **Statutory Declaration Re: Residential Tenancies Act:** If applicable, a statutory declaration from an officer of the Borrower confirming compliance with the *Residential Tenancies Act, 2006* and any amendments thereto.
- (h) **Property Insurance:** Receipt of a satisfactory report from the Lender's insurance consultant.
- (i) **Title:** Satisfactory review and approval by the Lender's counsel of title and or the title insurance policy for the Real Property and other related matters.
- (j) **Solicitor's Opinion:** Satisfactory review and approval by the Lender's counsel of an opinion(s) from the Borrower's (and/or Guarantor's/other party's, as applicable) counsel confirming that the Borrower (and/or Guarantor/other party, as applicable) has the corporate power and capacity to own the Real Property, enter into the transactions contemplated herein and that the Commitment Letter and Security Documents have been duly authorized, executed and delivered by the Borrower (and Guarantor/other party, as applicable) and are legal, valid and binding on the Borrower (and Guarantor/other party as applicable) and enforceable and such other matters as the Lender or its solicitors may require



- (k) **MISC:** Such further conditions and documentation as deemed necessary by the Lender through the due diligence process.

15. SECURITY: Prior to funding, the following security shall be provided, shall be registered or filed (where and as applicable) in first position, and shall be on the Lender's standard form, supported by resolutions and Borrower's counsel's opinion(s), all acceptable to the Lender (the "Security Documents"):

- (a) **MORTGAGE:** Continuing Collateral Mortgage/Charge of Land, representing a first charge over the Real Property, in the principal amount of CAD \$2,190,000 (the "Mortgage");
- (b) **GSA:** General Security Agreement having first priority and to be registered under the Personal Property Security Act charging all the present and after acquired chattels, fixtures and personal property of the Borrower [if applicable add: located on, related to or used or acquired in connection with, or arising from or out of, the Real Property];
- (c) **General Assignment of Rents,** having a first priority, of all rents, income and profits arising from or in connection with the Real Property;
- (d) **General Assignment of Leases,** having a first priority, of all leases arising from or in connection with the Real Property;

PPSA Expiry Date: September 30, 2022

- (e) **Guarantee:** Joint and Several in 100% loan amount executed by Stefanie Martino and Emerald Holdings Inc.;
- (f) **Insurance Assignment:** Assignment of Insurance;
- (g) **Statutory Declaration, Undertaking and Indemnity** from all directors of the Borrower with respect to potential prior ranking claims;
- (h) **Statutory Declaration** from an officer of the borrower attaching an up to date rent roll with respect to the Real Property;
- (i) **Environmental Indemnity Agreement** from the Borrower and each guarantor;
- (j) **Authorization, Acknowledgement and Direction** from the any partners/joint venture participants/co-tenants/beneficiaries, as applicable, in their capacity as participants in the partnership/joint venture/co-tenancy/trust authorizing the Loan and authorizing the Borrower to execute and deliver the security documents required by the Lender.



- (k) **Postponement of Notice on Title:** Postponement of the Notice for the Right of First Refusal by Riverview Pharmacy Inc. to Alterna Savings' mortgage charge interest.
- (l) **MISC:** The Borrower will execute, and will cause any beneficial owners (if applicable) to execute, such other documents, authorizations, certificates, agreements or security required by the Lender or Lender's counsel.

16. **FINANCIAL COVENANTS:** During the Term of the Loan, the Borrower shall:

- (a) Maintain a Debt Service Coverage Ratio of not less than **135%**, calculated as follows:

Net Operating Income of the Property
Total Annual Principal and Interest Payments on all debt obligations of the Property

Net Operating Income (NOI) is defined as Base Rental Revenue plus any additional income and recoveries, less operating expenses associated with the encumbered property. Financial information is to be provided by Review Engagement financial statements.

- (b) Maintain a valid Residential Care Facility License authorizing no less than 40 beds issued by City of Hamilton, and Subsidy Agreement between Borrower and City of Hamilton.
- (c) Upon request from the Lender, to provide interim, internally prepared operating statements and balance sheets for the Real Property.
- (d) Upon request, the Borrower will provide the Lender with satisfactory evidence that all priority payables are current. Priority payables include all statutory remittances, including, but not limited to, source deductions for income tax, CPP, Employment Insurance Premiums and Harmonized Sales Tax ("HST").

17. **EXPENSES:** Unless otherwise expressly provided in this Commitment, the Borrower shall be liable for all expenses, charges or fees incidental to the negotiation, closing or acquisition of this Loan. These expenses include, but are not necessarily limited to, legal fees and disbursements, architects' fees, engineers' fees, appraisal fees and insurer's fees, and administrative fees where applicable.

18. **MORTGAGE RATE AND TERM:** For registration purposes only, the mortgage will be repayable on demand and provide for an interest rate of 18% per annum. Notwithstanding the forgoing or any other provisions of this Commitment or the Security, the actual interest rate and payment terms applicable to the Loan during the term will be in accordance with the sections 8, 9 and 11 of this Commitment titled "Interest Rate", "Term of Mortgage" and "Repayable".



19. **EVENTS OF DEFAULT:** Upon the occurrence of an event of default under the Mortgage and/or the other Security Documents, the Lender may exercise all rights and remedies available at law and under the Mortgage and other Security Documents.

20. **CROSS DEFAULT:** In the event any default occurs under any other credit, loan or security agreement to which any Borrower or Guarantor is a party, such default shall constitute a default under the Commitment, the Mortgage and the Security Documents.

21. **NO PREPAYMENT:** The Borrower shall have no right to prepay all or any part of the principal amount secured by the Mortgage prior to the maturity date as set out in the Mortgage. [save and except in a sale/change of control situation as set out in Schedule "B" attached hereto.]

22. **INSURANCE:** Certified copies of insurance binders confirming that insurance policies pertaining to the Real Property in compliance with the attached Schedule "A" are to be delivered to the below listed Lender's insurance consultant.

Proincon Limited, c/o 570 Portage Avenue, Suite 300, Winnipeg, Manitoba R3C 0G4
Attention: Wayne Fast; or by Fax to (204) 953-6220 or wfast@proincon.ca
Telephone (204) 953-6222

Please give a copy of Schedule "A" to your insurance agent/broker immediately and instruct them to follow these requirements without omission or change. These policies will be reviewed by the Lender's insurance consultant. It is further understood and agreed that it is the responsibility of the Borrower and/or its Insurance Broker to notify the Lender's insurance consultant of any changes in coverage from the actual binder or certificates issued at the time of closing and release of funds. The Borrower is responsible for the cost of the review by the Lender's insurance consultant and the cost of reviewing any proposed changes to coverage. Full certified copies of the final policies are to be delivered within 30 days of closing. Please ensure that the address of record used for Alterna in the Policy is exactly as follows:

Alterna Savings and Credit Union Limited
Commercial Services
319 McRae Avenue
Ottawa, Ontario
K1Z 0B9

23. **SOLICITOR:** Dale & Lessmann LLP will be instructed to act on our behalf. Prior to any disbursement of funds, subject to section 24, they will deliver an opinion in form, scope and substance satisfactory to us as to title and concerning the legality, validity and binding effect of all documents required in connection with this transaction. Please contact them for a legal fee estimate prior to acceptance of this Commitment Letter. The Borrower will also need to retain a legal counsel.



24. **TITLE INSURANCE:** Title insurance from a title insurance company acceptable to the Lender will be required. The Borrower will be responsible for the cost of the title insurance policy.
25. **SURVEY:** A survey, acceptable to the Lender, prepared by a duly licensed surveyor shall be furnished to us. This survey shall show the dimensions of the Real Property, as well as the dimensions and location of all improvements, parking areas and easements (if any). Title insurance with endorsements satisfactory to the Lender is acceptable in lieu of a survey.
26. **FIRE, WORK ORDERS AND LEGALITY OF OPERATION:** Prior to advancing any funds we require confirmation that the Real Property including the building on it, and its present operation complies with all governmental and regulatory requirements (i.e. fire, health, safety, zoning, etc.). Title insurance is acceptable in lieu of receiving these confirmations from the relevant authorities provided endorsements satisfactory to the Lender cover these matters.
27. **TAX DEPOSITS:** We require (or reserve the right to require) monthly tax deposits be paid concurrently with each instalment of principal and interest and in such amounts which in our discretion will enable us to pay, when due, all taxes, assessments and similar charges affecting the Real Property.
28. **FORBEARANCE OF TAX INSTALLMENTS:** Notwithstanding anything contained herein, at some future date, temporary forbearance of property tax instalments may be granted, provided we receive each year, within sixty (60) days of their due date, evidence that all taxes, assessments and other charges affecting the Real Property are paid.
29. **DOCUMENTATION:** The Borrower agrees and acknowledges that the documentation described in this Commitment required to finalize this transaction is not all inclusive and therefore agrees to provide, execute, etc. such other reasonable documentation as the Lender may require and/or our solicitors deem advisable.
30. **DISBURSEMENT:** Prior to the disbursement of the Loan, the Mortgage shall be registered, the Real Property shall be free and clear of all liens and encumbrances (except for those which we have, in our sole discretion, approved), and all other terms and conditions of this Commitment shall have been satisfied.
31. **FURTHER ENCUMBRANCES:** You shall not further encumber the Real Property or the personal property subject to the General Security Agreement with additional debt without first obtaining our consent in writing (such consent not to unreasonably withheld), failing which, at our option, the entire principle balance, along with accrued and unpaid interest, shall immediately become due and payable.
32. **SALE OF PROPERTY/CHANGE OF CONTROL:** The Borrower shall not directly or indirectly sell, convey, transfer or assign the Real Property (including any change in the effective voting control of the Borrower) without first obtaining our consent in writing, such consent may be unreasonably withheld in our sole and absolute discretion. If you proceed without obtaining our consent, at our option, the outstanding loan balance shall become due and payable in accordance with Schedule "B" attached hereto.



33. **PROPERTY MANAGEMENT:** At all times, the Borrower is to provide professional management of the Real Property satisfactory to the Lender. Any change in the management of the Real Property shall require the prior written approval of the Lender, both as to the manager and the terms and conditions of the management agreement. The Lender acknowledges that the current management is an acceptable manager.

34. **FINANCIAL INFORMATION:** Until the repayment of the Loan, the Borrower shall provide the Lender, within 120 days after the end of each fiscal year of the Borrower, or within 120 days after the end of each calendar year if applicable or if the Borrower is an individual, or more often if requested by the Lender, a detailed **Review Engagement financial statements** of the Borrower including a separate income and expense statement for the Real Property, an **operating statement**, **updated property tax bills**, **effective insurance**, and an **updated rent roll** containing relevant lease terms for the Real Property, all satisfactory to the Lender in form and content.

The Borrower shall further cause each Guarantor to provide, in the case of corporate Guarantors, an **un-audited financial statement** within 120 days after the end of each fiscal year of each corporate Guarantor, or more often if requested by the Lender, and, in the case of each **individual Guarantor**, a **personal net worth and income statement** within 120 days after the end of each calendar year, or more often, if requested by the Lender, such statements to be in form and content satisfactory to the Lender. The Borrower authorizes, and shall cause each Guarantor to authorize the Lender to obtain such financial information as the Lender may require.

35. **HAZARDOUS SUBSTANCES:** The Borrower warrants that any activities or operations on the Real Property will be operated in accordance with applicable laws, regulations, by-laws and other lawful requirements, whether municipal, provincial, federal or otherwise, including the compliance with any legislation and regulations in respect of environmental protection. Prior to any advance under the Mortgage and any renewal thereof, the Borrower will provide to the Lender satisfactory evidence and satisfactory representations and warranties that such conditions exist along with copies of all current permits and licenses necessary for the lawful operation of the Real Property for its current or proposed use. The Security Documents shall provide that and the Borrower hereby represents, warrants, covenants and agrees with the lender (which covenants, representations, warranties and agreements shall survive satisfaction or release of the mortgage debt or extinguishment of the mortgage debt in the event the lender or its nominee becomes owner of the property upon default of the borrower) that:

- To the best of the knowledge of the Borrower after due and diligent inquiry, no part of the Real Property or any adjoining land has ever been used, to manufacture, refine, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all statutes, regulation, by-laws and orders as amended.



- Any hazardous substance brought onto the Real Property or used by any person on the property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements.
- The property will not be used for the principal purpose of storing or using any hazardous substance and no use of the Real Property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any hazardous substance on, from or under the property or permit any policy of insurance in respect to the property to be cancelled.

36. DEFAULT OR ABANDONMENT: An event of default shall occur if the Real Property or any construction on it is abandoned for a period exceeding fifteen consecutive days. The Lender shall be entitled (after giving the Borrower ten days written notice of abandonment and if the Borrower fails to rectify the abandonment within fifteen days after notice has been given) to immediately cancel its obligations, decline to advance further funds and declare monies already advanced to be due and payable plus interest, all at the Lender's option.

37. NOTICE: Any notice shall be considered given if served personally, or if mailed, by prepaid registered post addressed to us at the address shown on the face of this Commitment, and in the case of the Borrower, at the address indicated in this letter and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed, upon the second postal date after it was mailed. Either of the parties may designate in writing, a substitute address from that set forth above, and thereafter any notice shall be directed to such substituted address. In the event of a postal strike, or in the event of the interruption of mail service, then all notices must be delivered to the address set out, or such other address as may have been designated.

38. BORROWER'S REPRESENTATIONS: If at any time before the final advance of funds there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made to us by you or on your behalf, concerning the Real Property or yours or the Guarantor's financial condition and responsibility, then we shall, if the material discrepancy or inaccuracy cannot be rectified or nullified by you within seven days of written notification from us, be entitled to immediately withdraw and cancel our obligations or decline to advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be immediately due and payable.

39. MATERIAL CHANGE: It is a condition for disbursement of funds that in the Lender's opinion the financial position of the Borrower and/or the Guarantors, and the Real Property, and the Borrower's representations and warranties, shall not have suffered any material adverse change; nor shall there be any action, suits, or pending proceedings with respect to the Borrower or the Real Property; and that no event shall have occurred, which materially and adversely affects the whole or part of the value of the Real Property or the financial position of any of the Guarantors.

40. NON-MERGER: It is understood and agreed that the execution, delivery and registration of the Mortgage and other Security Documents shall in no way extinguish this Commitment or the terms and



conditions hereof which shall survive and continue in full force and effect. In the case of any inconsistency or conflict with any of the provisions of the Mortgage or other security, the Lender shall determine which prevails. Silence in either the Commitment or the Security Documents but addressed in the other shall not be deemed an inconsistency.

41. **WAIVER:** The Lender's failure to insist upon strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower of any and all of the terms of this Commitment and the Security Documents.

42. **MORTGAGE REGISTRATION:** Neither preparation nor registration of any of the documents contemplated herein shall bind the Lender to advance funds until all conditions of this Commitment have been satisfied by the Borrower.

43. **INTERPRETATION OF CONTRACT:** This agreement shall be interpreted in accordance with the laws of the Province of Ontario.

44. **ASSIGNMENT OF COMMITMENT BY BORROWER:** The Borrower shall not assign, transfer or otherwise deal or dispose of its rights hereunder without the prior written consent of the Lender, which consent may be withheld at the Lender's sole discretion.

45. **CONDITIONS:** All conditions of the obligation of the Lender to make advances are imposed solely for the benefit of the Lender and its assigns and any or all of such conditions of the obligation of the Lender to make advances, may be waived in whole or in part at any time in its discretion it deems it advisable to do so.

46. **SUCCESSORS AND ASSIGNS:** This Commitment shall, subject to the provisions herein, enure to the benefit of and be binding upon our respective successors, administrators, benefactors, heirs and permitted assigns.

47. **ASSIGNMENT BY LENDER:** It is hereby acknowledged by the Borrower that the Lender (and its successors and assigns) may, at its sole discretion and without notice to or the consent of the Borrower (or any Guarantor and/or other party), assign, sell or transfer the Loan, this Commitment and the Security Documents, in whole or in part.

48. **PRIVACY:** In the course of providing you with this Commitment and the resulting Loan, we will collect personal information about you and the Real Property. This personal information may be used and disclosed by us to parties connected with the proposed or actual financing, securitization, insuring, sale, assignment or other disposal of all or part of this Loan, or for the purposes of evaluating and/or performing the proposed transaction. Our assignees or successors may use and disclose your personal information



for similar purposes as described in our Privacy Policy (which is available on our website at the following link: <https://www.alterna.ca/OnlinePolicies/SecurityAndPrivacy/>).

49. ASSIGNMENT AND PARTICIPATION: The Lender shall have the right to syndicate, sell, assign or transfer all or any portion of the Loan in its sole discretion, whether directly or by way of securitization (each person to whom the Loan is so syndicated, sold, assigned or transferred, a "Participant") without notice to or consent of the Borrower. The Borrower (and Guarantor and/or other party) hereby authorize the Lender to: (i) release any information in the Lender's file regarding the Borrower (and Guarantor and/or other party) to a potential Participant, and (ii) shall enter into such agreement with the Lender and each such Participant as the Lender may request at any time and from time to time in connection with any such syndication, sale or assignment.

50. TIME OF ESSENCE: Time shall be of the essence in all respects in this agreement.

51. CASH FEES AND DEPOSITS: Upon your acceptance of this Commitment, we will require your cheque in the total sum of \$10,000 to be applied as follows:

- (a) **Application/Processing Fee:** The Lender requires an application/processing fee of \$15,000. The fee is payable by the Borrower upon application. The fee is non-refundable and deemed fully earned upon issuance of this Commitment letter evidencing approval of the loan application. We hereby acknowledge receipt of your cheque in the amount of \$15,000 representing 100% of the application/processing fee. [RECEIVED]
- (b) **Good Faith Deposit/Fee.** To accept this Commitment, the Lender requires the payment of a Good Faith Deposit in the amount of \$10,000. This fee will be held by the Lender (without interest thereon) as a deposit guaranteeing the performance by the Borrower of the Borrower's obligations under this Commitment. This Good Faith Deposit will be refunded to the Borrower in full, without allowance for interest thereon, immediately after or concurrent with the advance of the loan proceeds, in accordance with this Commitment, provided however that if the advance of funds is not made on or before the expiry date as a result of default by the Borrower, including if the Borrower is unable or unwilling for any reason whatsoever, to fulfill or comply with any of the terms and conditions set forth in this Commitment, then the fee shall be retained by the Lender as liquidated damages and not as penalty.
- (c) **Annual Review Fee.** A non-refundable fee in the amount of \$1,000 will be required on an annual basis.
- (d) **Administration Fee.** Throughout the term of the Loan, the Lender reserves the right to charge the Borrower a non-refundable minimum administration fee of \$250.00 for any administration which is deemed out of the ordinary. Examples include but are not limited to: the collection and or payment of property tax arrears, collection of mortgage payment



arrears, follow-up for any late financial reporting, execution of any non-standard legal agreements during the term of the Loan (for example, Non-Disturbance Agreements etc.) The administration fee will be due and payable on account of the Lender's cost for administering the subject loan and not as penalty.

(e) **Discharge Fee.** \$500 discharge fee for each discharge provided.

52. COUNTERPARTS: This Commitment may be executed in any number of separate counterparts (including by facsimile or other electronic means) and all such signed counterparts will together constitute one and the same agreement. To evidence its execution of an original counterpart of this agreement, a party may send a copy of its original signature on the execution page hereof to the other parties by facsimile or other means of recorded electronic transmission and such transmission (including in PDF form) shall constitute delivery of an executed copy of this agreement to the receiving party.

53. FUNDING DATE AND CANCELLATION: The Borrower and Lender currently anticipate funding of the Loan will be on or before **October 4, 2019** (the "Funding Date"). It is acknowledged that this date may change during the closing process. A written request for funding must be given to the Lender's counsel by the Borrower or its counsel, at least five (5) business days prior to the Funding Date, at which time all legal work must be completed and all fully executed documentation must be in the hands of the Lender's counsel. At the option of the Lender, this Commitment may be considered null and void and we shall have no obligations hereunder if the Loan is not fully disbursed before **October 11, 2019**.

NOTE: This date may be extended by us by notice in writing. Any notice of cancellation will be by letter addressed to you in accordance with section 37 "NOTICE" or sent to you by E-mail at your E-mail address.

This Commitment is based upon and is subject to the accuracy of all material provided and representations made in (and in connection with) your application for this loan, and shall become effective from the date of your written acceptance provided such acceptance is received by this office together with any payment required hereunder by no later than **September 16, 2019** and will remain in force until the expiration date unless otherwise terminated or cancelled by application of any of the conditions or limitations herein stipulated. If satisfactory, please indicate your acceptance by signing and returning all pages of this Commitment.

Date: September 10, 2019

Alterna Savings and Credit Union Limited

Umair Saleem
Senior Account Manager
Commercial Services

David Jun
Commercial Credit Officer



The terms and conditions of this Commitment are hereby accepted this 13 day of September.

Borrower: 1140402 Ontario Inc. o/a Emerald Lodge

Please print Personal Name below here:

STEFANIE L. MARTINO

I have the authority to bind the Corporation

Witness: Print name below.

MIKE SPRINGSTEAD

Guarantor 1: Emerald Holdings Inc.

Please print Personal Name below here:

STEFANIE L. MARTINO

I have the authority to bind the Corporation

Witness: Print name below.

MIKE SPRINGSTEAD

Guarantor 2: Stefanie Martino

Please print Personal Name below here:

Stefanie Martino

STEFANIE L. MARTINO

Witness: Print name below.

MIKE SPRINGSTEAD

alterna savings

TO EXPEDITE THE PROCESSING OF YOUR MORTGAGE

PLEASE NOW PROVIDE US WITH THE FOLLOWING INFORMATION

Name, Address, Telephone & Fax Numbers and E-Mail Address for Your Legal Counsel

ROBERT BROWN

BROWN LAW

730 - 120 KING ST W. HAMILTON ONT L8P 4V2

PH - 905-528-3003 FAX 289-385-9899

EMAIL RSB@RSBLAW.CA

Name, Address, Telephone & Fax Numbers and E-Mail Address for Your Insurance Agent/Broker

ANGELA TAUBE - PH 905-544-8748 FAX 905-545-8119

MACMILLAN & LAWSON INSURANCE BROKERS

371 QUEENSTOWN RD, HAMILTON ONT L8K 1G9

EMAIL - ANGELA@TRUPARTNERS.CA

PLEASE NOTE

After funding, if on-going correspondence with respect to this mortgage should then be directed to someone or somewhere other than as shown on Page 1 of this Commitment, please provide below the correct name, address or contact information to be used.

Name: MIKE SPRINGSTEAD

Address:

2ND FLOOR - 307 KING ST E

HAMILTON, ONTARIO L8N 1C1

Telephone:

905-522-3996

Fax:

905-522-9282

email:

NALC@COHECO.NET



SCHEDULE "A" - INSURANCE REQUIREMENTS

It is clearly understood and agreed that the insurance requirements contained herein are a minimum guide and, although they must be adhered to throughout the life of the Mortgage, they in no way represent the Lender's opinion or advice as to the full scope of insurance coverage a prudent Borrower would arrange to adequately protect its interest. If the Borrower fails to take out or to keep in force or provide the Lender with evidence of such minimum insurance as is required hereunder, then the Lender may, but shall not be obligated to, take out and keep in force such insurance for the benefit of the Lender, then at the sole cost and expense of the Borrower.

A - GENERAL CONDITIONS:

1. All insurance policies shall be in a form and with insurers reasonably acceptable to the Lender. Where used, deductibles will be allowed only as reasonably acceptable to the Lender.
2. The Mortgagor will provide the Lender with satisfactory evidence that the required insurances are in place. The Lender retains the right to update and change the requirements at any time during the term of the mortgage agreement.
3. The Mortgagor shall be a Named Insured on all policies. All losses will be payable to the Lender as First Mortgagee and the policies will include an Insurance Bureau of Canada Standard Mortgage Clause. Please ensure that the address of record used for Alterna in the policy is exactly as follows:
Alterna Savings and Credit Union Limited
Commercial Services
319 McRae Avenue
Ottawa, Ontario
K1Z 0B9
4. If there is currently a First Mortgagee on the property, then the Lender will show as Mortgagee and Loss Payee as their interest may appear, until the insurer has received a release of interest from the prior lender at which time the policies will be endorsed to show the Lender as First Mortgagee and Loss payee.
5. The policy shall contain a clause that the Insurer will neither terminate nor alter the policy to the prejudice of the Lender except by registered letter to the Lender giving notification of at least thirty (30) days. The Mortgagor will replace any terminated policy providing similar coverage with no cessation in coverage.

B - PROPERTY INSURANCE: The Mortgagor will insure and keep insured the improvements and all insurable property forming part of the mortgaged property, in an amount not less than the Replacement Cost thereof on:

1. A Broad Form/All Risk basis, including Flood, Earthquake, Sewer Backup, Blanket Building By-Laws.
2. Subject to a Stated Amount Co-insurance Clause, or No Co-insurance requirement.
3. Coverage is to be subject to a Replacement Cost Endorsement with no requirement to replace on the same or an adjacent site.



C - EQUIPMENT BREAKDOWN INSURANCE (BOILER AND MACHINERY): The Mortgagor will also maintain Equipment Breakdown insurance with a Limit of Loss equal to that insured under Section B, to cover all building equipment and machinery (and production machinery, if applicable) for explosion, electrical loss or damage and mechanical breakdown and including Repair & Replacement and By-Laws.

D - BUSINESS INTERRUPTION INSURANCE: The Mortgagor will effect and maintain Business Interruption Insurance for 100% of the annual gross rents, plus any additional rent/recoveries and or gross income of any Borrower related occupied spaces, for a minimum period of twelve months or such greater period as the lender may require. This insurance is to apply to both the Property and Boiler coverages. The limit of insurance on business interruption insurance shall not be less than \$770,000.

E - LIABILITY INSURANCE: The Mortgagor will effect and maintain Public Liability Insurance in an amount of not less than \$5 million on either a Comprehensive General Liability or Commercial General Liability form or such greater amount as the lender may reasonably require.

If there are any questions regarding the insurance requirements, please contact the Lender's insurance consultant.



SCHEDULE "B" - DUE ON SALE

Sale/Change of Control

The Borrower covenants and agrees with the Lender that in the event of any change of the ownership or de facto control (beneficial or otherwise) of the Borrower or any beneficial owner of the Real Property including change of partners or change of control of an incorporated Borrower, transfer or sale of the Real Property, or part thereof ("Transfer") without the Lender's prior written consent which may be unreasonably withheld in its sole and absolute discretion, at the Lender's option, all or part of the outstanding Loan with interest thereon together with an amount equal to the greater of:

- a) three month's interest payable pursuant to the Loan; and
- b) the Yield Maintenance Amount,

shall forthwith become due and payable at the sole discretion of the Lender.

Yield Maintenance Amount means (a) with respect to the acceleration or prepayment of the whole of the principal amount of the Loan and outstanding, an amount equal to the positive difference, if any, between (x) the present value on the date of such acceleration or prepayment of all future monthly payments that the Borrower would otherwise be required to pay under the Loan during the remainder of the term of the Loan absent such acceleration or prepayment, including the unpaid principal amount that would otherwise be due upon the Maturity Date absent such acceleration or prepayment, with such present value being determined by the use of a discount rate equal to the yield to maturity of Government of Canada bonds (the "Bond(s)") having the term to maturity closest to what otherwise would have been the remainder of the term of the Loan absent such acceleration or prepayment, and (y) the principal amount of such prepayment. If there is more than one (1) Bond with a maturity equally close to what otherwise would have been the remaining term of the Loan absent the repayment by reason of such acceleration or prepayment, as the case may be, the selection of the applicable Bond shall be made by the Lender, acting reasonably.

UH (PJ)

THIS IS EXHIBIT "E" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read 'Abdullah Gajjar', is written over a horizontal line.

A Commissioner for taking affidavits

TERM NOTE
(Blended Monthly Payments)

Principal Amount: \$2,190,000.00

Date: October 15, 2019

FOR VALUE RECEIVED the undersigned (the "Borrower") promises to pay to or to the order of:

Alterna Savings and Credit Union Limited (the "Lender")
319 McRae Avenue, 1st Floor
Ottawa, ON K1Z 0B9

the principal amount of **Two Million One Hundred Ninety Thousand Dollars (\$2,190,000.00)** in lawful money of Canada together with interest, at the rate of **5.47%** percent per annum, calculated semi-annually, not in advance. The principal amount and the interest thereon shall be payable in equal blended monthly instalments of principal and interest in the amount of **Fourteen Thousand Nine Hundred Fifty Two Dollars and Once Cent (\$14,952.01)**, payable on the 15th day of each and every month commencing on the 15th day of November, 2019 up to and including the 15th day of October, 2022 (the "Balance Due Date").

In the event of default in the payment of any amount of principal or interest under this promissory note, or a default under the Security (as defined below) or under a mortgage commitment letter issued by the Lender to the Borrower and dated September 10, 2019, as amended from time to time, (the "Commitment Letter"), the entire remaining balance, and all interest accrued thereon, shall become immediately due and payable without notice or demand.

The Borrower shall have no right of prepaying the whole or any part of the principal amount prior to the Balance Due Date.

As security for the payment of all amounts owing hereunder, the Borrower shall grant in favour of the Lender the following (the "Security"): (i) a collateral charge to be registered against title to the properties municipally known as 83 – 85 Emerald Street South, Hamilton, Ontario (collectively, the "Property"); (ii) a general assignment of rents to be registered against title to the Property; (iii) a general security agreement over all present and after acquired chattels, fixtures and personal property of the Borrower; (iv) an assignment of the insurance policy placed by the Borrower in respect to the Property; (v) an indemnity from the Borrower and its directors relating to the payment or remittance of federal or provincial taxes, pension benefits, Workplace Safety and Insurance Board Premiums, Canada Pension Plan contributions, Employer Health Tax and Employment Insurance Commission premiums and any other payments to governmental authorities that could result in claims against the Borrower ranking in priority to the Security; and (vii) an environmental indemnity agreement.

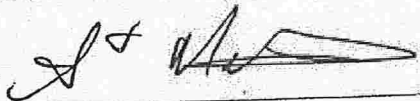
The terms and provisions contained in the Commitment Letter shall not merge upon the execution and delivery of this promissory note and the advance of funds by the Lender to the Borrower and shall continue in full force and effect.

The covenant to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

THE BORROWER hereby waives presentment, notice of dishonour, protest and notice of protest of this promissory note.

DATED this 24 day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

THIS IS EXHIBIT "F" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Adnan Gopri", is written over a horizontal line.

A Commissioner for taking affidavits

AUTHORIZATION & DIRECTION

TO: DALE & LESSMANN LLP

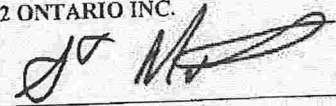
RE: Alterna Savings and Credit Union Limited (the "Lender") First Mortgage
Loan to 1140402 Ontario Inc. (the "Borrower") of 83 - 85 Emerald Street
South, Hamilton (collectively, the "Property")

This will confirm that:

1. The Borrower has reviewed the information contained in the following documents attached hereto (the "Documents"):
 - (a) Charge/Mortgage; and
 - (b) Notice of Assignment of Rents - General.
2. The Borrower confirms that the information contained in the Documents is accurate and complete.
3. Any solicitor at the law firm of Dale & Lessmann LLP is hereby authorized and directed to electronically sign the Documents and to electronically register the Documents on behalf of the Borrower as well as any other documents or instruments required to complete the transaction described above.
4. The effect of the Documents described in this Authorization & Direction has been fully explained to the Borrower by the solicitor acting for the Borrower and the Borrower understands that the Borrower is bound by the terms and provisions contained in the Documents to the same extent as if the Documents had been signed by the Borrower.
5. The Borrower is in fact the party named in the Documents and the Borrower has not misrepresented its identity to the Lender, the Borrower's solicitor or to you.
6. Any solicitor at the law firm of Dale & Lessmann LLP is hereby irrevocably authorized to insert, complete, or amend any omitted or incorrect particulars contained in the Documents which may be required by the Land Registry Office and to insert, complete or amend any omitted or incorrect dates or other data in the Documents which are inconsistent with the Commitment Letter issued by the Lender to the Borrower and dated September 10, 2019, as amended.
7. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the Registry Act (the "Director") regarding suspected fraudulent or unlawful activity or registration in connection with the document attached to this Authorization & Direction, we hereby irrevocably consent to you releasing to the Director a true copy of this Authorization & Direction upon request by the Director.
8. A photocopy or facsimile or emailed copy of this executed Authorization & Direction may be relied upon to the same extent as if it were an original executed version.

DATED at Hamilton this 26 day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

LRO # 62 Charge/Mortgage

In preparation on 2019 09 19 at 14:17

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 1

Properties

PIN 17176 - 0014 LT Interest/Estate Fee Simple
Description LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360; HAMILTON
Address 83 TO 85 EMERALD ST S
HAMILTON

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 1140402 ONTARIO INC.
Acting as a company
Address for Service 307 King Street East, 1st Floor, Hamilton, Ontario L8N 1C1
I, Stefanie Martino - President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name ALTERNA SAVINGS AND CREDIT UNION LIMITED
Acting as a company
Address for Service 319 McRae Avenue, 1st Floor, Ottawa, Ontario K1Z 0B9

Statements

Schedule:

Provisions

Principal \$2,190,000.00 Currency CDN
Calculation Period
Balance Due Date On Demand
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200625
Insurance Amount Full insurable value
Guarantor

THIS IS EXHIBIT "G" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020



A Commissioner for taking affidavits

Properties

PIN 17176 - 0014 LT
Description LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1380 : HAMILTON
Address 85 EMERALD ST S
HAMILTON

Source Instruments

Registration No.	Date	Type of Instrument
WE1081631	2015 11 19	Notice

Party From(s)

Name RIVERVIEW PHARMACY INC.
Address for Service 303 King Street East
Hamilton, Ontario
L8N 1C1

I, Rafik Lotfi, A.S.O., have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Party To(s)**Capacity****Share**

Name ALTERNA SAVINGS AND CREDIT UNION LIMITED
Address for Service 319 McRae Avenue
Ottawa, Ontario
K1Z 0B9

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number WE1387262 registered on 2019/10/15

Schedule: The applicant postpones the rights under the selected instrument to the rights under an instrument registered as Number WE1387263.

This document relates to registration number(s) WE1387262, WE1387263

Signed By

Robert Scott Brown	730-120 King Street West Hamilton L8P 4V2	acting for Party From(s)	Signed	2019 10 15
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Tel 905-528-3003

Fax 289-389-9899

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

Submitted By

ROBERT S. BROWN PROFESSIONAL CORPORATION 730-120 King Street West
Hamilton
L8P 4V2

2019 10 15

Tel 905-528-3003

Fax 289-389-9899

Fees/Taxes/Payment

Statutory Registration Fee	\$64.40
Total Paid	\$64.40

File Number

Party From Client File Number : 19-C517
Party To Client File Number : 137914-242

THIS IS EXHIBIT "H" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020



A Commissioner for taking affidavits

TO: Alterna Savings and Credit Union Limited (hereinafter referred to as "Alterna Savings")
FROM: 1140402 Ontario Inc. (the "Member")

ARTICLE 1 - SECURITY INTEREST

1.1 SECURITY INTEREST

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Member hereby assigns, charges, pledges, mortgages and grants a security interest (collectively, the "Security Interest") to Alterna Savings in all of the undertaking, property, assets, rights, benefits and privileges of the Member, both real and personal, immovable and moveable, tangible and intangible, legal and equitable, of whatsoever nature and kind and wheresoever situate, now owned or hereafter acquired by or on behalf of the Member or in respect of which the Member now or hereafter has any right, title or interest (all of which is hereinafter called the "Collateral") and that are used in relation to the properties municipally known as 83 - 85 Emerald Street South, Hamilton, Ontario, including without limitation the following and that specifically described in Schedule A hereto:

- a. Inventory: all of the Member's tangible personal property whatever kind and wherever located, held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession (collectively, the "Inventory");
- b. Equipment: all of the Member's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property other than Inventory, wherever situate (collectively, the "Equipment");
- c. Accounts and Book Debts: all debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Member, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Member in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Member now has or may hereafter have in respect of the foregoing;
- d. Chattel Paper and Documents of Title: All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- e. Deposits and Credit Balances: All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Member with Alterna Savings or any other bank, financial institution or other person;
- f. Books and Records: All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral and all contracts, securities, instruments and other rights and benefits in respect thereof;
- g. Instruments: All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- h. Securities: All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- i. Real Property: All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;
- j. Intangibles: all of the Member's intangible property including without limitation all contractual rights and insurance claims, licenses, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Member;
- k. Other Property: the Member's undertaking and all of the Member's other property and assets including without limitation uncalled capital, judgments, rights, franchises, goods, instruments, money and securities (as those terms are defined in the Personal Property Security Act governing this Security Agreement);
- l. Parts: with respect to the Collateral, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- m. Proceeds: All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Member is a party or of which the Member has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more persons has been obtained and until such consent has been obtained, which the Member agrees it will use commercially reasonable efforts to obtain if requested by Alterna Savings, the Member agrees to hold its interest therein in trust for Alterna Savings, and notwithstanding the

foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Member will hold such last day in trust for the Alterna Savings and, upon the enforcement by Alterna Savings of its Security Interest, will assign such last day as directed by Alterna Savings.

1.2 ATTACHMENT

The security interest created by this Security Agreement attaches immediately upon execution of this Security Agreement. The security interest granted hereby has not been postponed and shall attach to any particular Collateral intended to be subject to it as soon as the Member has rights in the Collateral.

ARTICLE 2 -- OBLIGATIONS SECURED

The security interest granted hereby secures payment and performance of all present and future indebtedness, liabilities and obligations of the Member to Alterna Savings, whether direct or indirect, absolute or contingent, matured or not, whether incurred before, at the time of, or after the execution of this Security Agreement including all interest, commissions, legal and other costs, charges and expenses, liquidated or not, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Member and Alterna Savings or agreements or dealings between the Member and others by which Alterna Savings may be or become in any manner whatsoever a creditor of the Member including without limitation obligations under (i) any and all letter agreements and offers to finance entered into by the Member and Alterna Savings from time to time or any other agreement between the Member and Alterna Savings all as now in effect or as hereafter entered into or amended, (ii) any promissory notes, guarantees or indemnities executed by the Member in favour of Alterna Savings, and (iii) this Security Agreement (all such indebtedness, liabilities, obligations, expenditures, costs and expenses are hereinafter collectively referred to as the "Obligations").

ARTICLE 3 -- MEMBER'S REPRESENTATIONS AND WARRANTIES

The Member represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- a. Incorporation, Licenses and Qualifications: The Member (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located;
- b. Authority and Power: The Member has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Security Agreement. The making of this Security Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Member pursuant to any agreement, indenture or other instrument to which the Member is a party or by which the Member or any of its property may be bound or affected;
- c. No other Names: the Member does not now and shall not, without first informing Alterna Savings in writing, carry on business under or use any name other than the name(s) specified in this Security Agreement;
- d. No Actions or Material Adverse Changes: there is no action or proceeding pending or threatened against the Member; there are no facts known to the Member and not disclosed to Alterna Savings which might involve any material adverse change in the properties, business, prospects or condition of the Member, or question the validity of this or any other agreement with Alterna Savings to which the Member is a party; there are no outstanding judgments, writs of execution, work orders, injunctions, against the Member or its property;
- e. Non-Conflict: neither the execution nor the performance of this Security Agreement requires the approval of any regulatory agency having jurisdiction over the Member nor is this Security Agreement in contravention of or in conflict with any agreement, law or judgment to which the Member is a party or by which any of its property may be bound;
- f. Ownership and Collateral Free of Charges: the Member is the owner of or has rights in the Collateral free and clear of all encumbrances;
- g. Account Debtor: each of the accounts, chattel paper and instruments constituting Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay thereunder; the amount represented by the Member from time to time as owing by each account debtor shall be the correct amount actually and unconditionally owing by such account debtor;
- h. No default: the Member is not in breach of any agreement with Alterna Savings to which it is a party;
- i. Enforceability: this Security Agreement constitutes a valid and legally binding obligation of the Member enforceable against the Member in accordance with its terms, subject to bankruptcy, insolvency or other statutes or judicial decisions affecting the enforcement of creditors' rights in general;
- j. Financial Information: in all information and financial statements supplied for the benefit of Alterna Savings, the Member has made no untrue statement of any fact, and has revealed all facts the omission of which would make such information and statements misleading; all financial statements supplied for the

- benefit of Alterna Savings have been prepared in accordance with generally accepted accounting principles; and
- k. Reliance: all representations and warranties of the Member for the benefit of Alterna Savings are material and Alterna Savings shall be deemed to have relied upon such representation and warranties notwithstanding any investigation made by Alterna Savings.

ARTICLE 4 – MEMBER'S GENERAL COVENANTS

- 4.1 As long as this Security Agreement remains in effect, the Member covenants and agrees that it shall:

- a. Keep Collateral in good repair: care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of Alterna Savings. The Member shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Member will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by the Member in its business in good standing, unless otherwise agreed to in writing by Alterna Savings. The Member shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Member shall defend title to the Collateral against all claims and demands of all other persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every person who infringes upon the Member's rights in intellectual property;
- b. Compliance with agreements and laws: not use the Collateral in violation of this or any other agreement, any insurance policy or any applicable statute, law, by-law, rule, regulation or ordinance;
- c. Documents: do, execute and deliver such financing statements and further assignments, transfers, documents, acts, matters and things as may be reasonably required or requested by Alterna Savings and to pay all costs for searches and filings;
- d. Insurance: from time to time forthwith, at the expense of the Member, duly authorize, execute and deliver such further instruments and documents, and take such further action, as Alterna Savings may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Security Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Security Agreement;
- e. Notification to Alterna Savings: promptly notify Alterna Savings of:
- any changes in the information contained herein or in the schedules;
 - the details of any significant acquisition of Collateral;
 - the details of any claims or litigation affecting the Member or the Collateral and will furnish Alterna Savings with copies of the details of such claims or litigation;
 - any loss or damage to the Collateral or any material adverse change in the value of Collateral;
 - any default by any account debtor in payment or other performance of obligations towards the Member; and
 - the return or repossession of Collateral;
- f. No Accessions or Fixtures: prevent the Collateral from becoming an accession or fixture to property not covered by this Security Agreement;
- g. Marking the Collateral: at the request of Alterna Savings, mark the Collateral;
- h. Disposition of Collateral: not transfer, assign, sell, lease or otherwise dispose of the Collateral or any interest therein except for inventory in the ordinary course of business on customary trade terms and Equipment which has become worn out, obsolete or damaged on condition that the Member substitutes for such Equipment property of equal value;
- i. Encumbrances: not create, assume or suffer to exist any encumbrance on any of the Collateral; the Member shall defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein;
- j. Changes: keep its business operations, its records relating to the Collateral and the location of the Collateral at the locations specified in Schedule B hereto and will not change the location of its place(s) of business, its records or of the Collateral without giving to Alterna Savings 20 days prior written notice of the change;
- k. Servicing of Payables: pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Member or Collateral as and when the same become due and payable;
- l. Conduct of Business: carry on and conduct business in a proper and efficient manner so as to protect and preserve the Collateral;
- m. Inspection of Records and Collateral: permit Alterna Savings to have access to all premises occupied by the Member or any place where the Collateral may be found to inspect the Collateral and to examine records of the Member; in the event that the use of a computer system is required to access any information and data which Alterna Savings is entitled to access and examine hereunder, the Member shall allow Alterna Savings the use of its computer system for such purpose and shall provide assistance;
- n. Proceeds in Trust: be deemed to hold all Proceeds in trust for the benefit of Alterna Savings
- o. No Material Change: shall not do any act or thing that would materially adversely affect its business, property, prospects or financial condition;
- p. No Distributions: not, without the prior written consent of Alterna Savings, pay any dividends on account of the Member's capital nor reduce its capital;
- q. Payment of Fees and Expenses: pay Alterna Savings on demand all costs, fees and expenses (including

legal fees on a solicitor and his own client basis) incurred by Alterna Savings in the preparation, execution, registration and perfection of this Security Agreement and the carrying out of any of the provisions of this Security Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Member to Alterna Savings shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;

4.2 SECURITIES

If the Collateral at any time includes securities, the Member authorizes Alterna Savings to transfer the same into its own name so that Alterna Savings may appear of record as the sole owner.

ARTICLE 5 - DEFAULT

5.1 EVENTS OF DEFAULT

The Member shall be in default upon the occurrence of any of the following events (herein individually called an "Event of Default" and collectively "Events of Default"):

- a. Performance of Obligations: the Member does not pay any of the Obligations when due, whether by acceleration or otherwise;
- b. Breach of Agreement: the Member defaults in performance or observance of any term, condition, provision, warranty, representation or covenant contained in this Security Agreement or any other agreement between the Member and Alterna Savings, all as in effect or as hereafter entered into or amended;
- c. Misrepresentation: if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Member pursuant to or in connection with this Agreement, or as an inducement to Alterna Savings to extend any credit to or to enter into this or any other agreement with the Member, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to Alterna Savings at or prior to the time of such execution;
- d. Guarantor Default: any guarantor of the Obligations (herein called the "Guarantor"), commits a breach of, or fails to observe or perform, any covenant, representation or warranty in favour of Alterna Savings;
- e. Cease to Carry on Business: the Member or the Guarantor ceases or threatens to cease to carry on business; the death or a declaration of incompetence of the Member or the Guarantor;
- f. Bankruptcy, Insolvency: the Member or any Guarantor commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Member or any Guarantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere;
- g. Receiver: a receiver, trustee, custodian or other similar official is appointed in respect of the Member or any Guarantor or any of the Member's property or any Guarantor's property;
- h. Dissolution, Winding up: any formal or informal proceeding is commenced for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Member or the Guarantor;
- i. Death: if the Member or any Guarantor is a partnership, the death of a partner;
- j. Sale in Bulk: the Member or the Guarantor makes or proposes to make any sale of its assets in bulk;
- k. Charge against Collateral: if an encumbrancer takes possession of any of the Collateral or if any right of distress is levied or is threatened to be levied against the Collateral or if any encumbrance affecting the Collateral becomes enforceable against the Collateral;
- l. Destruction of Collateral: any material portion of the Collateral is damaged or destroyed;
- m. Legal procedure: if any execution or other court process becomes enforceable against the Member, the Guarantor or their respective assets;
- n. Other Default: the Member or any Guarantor defaults under any agreement with respect to any indebtedness or obligation; or
- o. Performance Impaired: Alterna Savings in good faith believes the prospect of payment or performance of the Obligations is impaired, or any other event which causes Alterna Savings, in good faith to deem itself insecure.

5.2 WAIVER

Alterna Savings may remedy any default by the Member without waiving the default remedied. Alterna Savings may waive default or any breach by the Member of any of the provisions contained in this Security Agreement. No waiver shall extend to a subsequent breach or default, and no act or omission of Alterna Savings shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default of the Member or the rights of Alterna Savings resulting therefrom. Any such waiver must be in writing and signed by Alterna Savings to be effective.

5.3 ACCELERATION

Alterna Savings may, in its sole discretion, declare all or any part of the Obligations to be immediately due and payable, without demand or notice of any kind, upon the occurrence of any Event of Default, or, in the event Alterna Savings considers or deems itself insecure at any time.

ARTICLE 6 - REMEDIES ON DEFAULT

6.1 ATTORNEY

Effective upon the occurrence of an Event of Default, the Member hereby irrevocably constitutes and appoints Alterna Savings the true and lawful attorney of the Member. The Member declares that the irrevocable power of attorney herein granted is given for valuable consideration.

6.2 INDEBTEDNESS DUE AND RIGHTS AND REMEDIES

Upon the occurrence of an Event of Default, all of the Obligations shall become immediately due and payable without notice to the Member, and Alterna Savings may, at its option, proceed to enforce payment and performance of same and to exercise any or all of the rights and remedies contained herein, or otherwise afforded by law, in equity or otherwise. Alterna Savings may upon the occurrence of an Event of Default:

- a. Appoint a Receiver: appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of Alterna Savings or not, to be a receiver or receivers or a receiver and manager of the Collateral, or any portion of it, and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver") and that Receiver shall be vested with all rights of Alterna Savings hereunder; any such Receiver appointed by Alterna Savings, with respect to responsibility for its acts, shall, to the extent permitted by applicable law, be deemed the agent of the Member and not of Alterna Savings and Alterna Savings shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver; the Receiver may exercise any and all of the powers and rights given to Alterna Savings;
- b. Enter and Repossess: immediately and without notice enter the Member's premises and repossess, disable or remove the Collateral;
- c. Retain the Collateral: retain and administer the Collateral in Alterna Savings's sole and unfettered discretion;
- d. Dispose of the Collateral: sell, lease, licence or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral in such manner as Alterna Savings may determine;
- e. Acceptance: foreclose upon the Collateral;
- f. Carry on Business: carry on all or any part of the business of the Member and may enter upon, occupy and use all premises of or occupied or used by the Member and use any of the property of the Member for such time and such purposes as Alterna Savings sees fit; Alterna Savings may borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Member's business or as security for loans or advances to enable it to carry on the Member's business, as deemed appropriate. Alterna Savings shall not be liable to the Member for any neglect in so doing or in respect of any rent, costs, charges, depreciation or damages in connection therewith;
- g. Payment of Encumbrance: pay any encumbrance against the Collateral; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations; and
- h. Dealing with Collateral: seize, collect, realize, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner as Alterna Savings may deem advisable and without notice to the Member; Alterna Savings may charge on its own behalf or to pay others for expenses incurred or for services rendered and may add such sums to the Obligations.

6.3 PAYMENT OF DEFICIENCY

If the proceeds of realization are insufficient to pay all monetary Obligations, the Member shall forthwith pay to Alterna Savings any deficiency and Alterna Savings may sue the Member to collect the amount of such deficiency.

6.4 ASSEMBLE THE COLLATERAL

To assist Alterna Savings in the implementation of such rights and remedies, the Member will, at its own risk and expense, assemble and prepare for removal, selected items of the Collateral.

6.5 NOT LIABLE FOR FAILURE TO EXERCISE REMEDIES

Alterna Savings shall not be liable or accountable for any failure to exercise its remedies, take possession of, seize, collect, realize, sell, lease or otherwise dispose of or obtain payment for the Collateral and shall not be bound to institute proceedings for such purposes.

6.6 ALLOCATION OF PROCEEDS

All monies received by Alterna Savings in respect of the Collateral may be applied on account of such parts of the Obligations as Alterna Savings may in its sole discretion determine.

6.7 EXTENSION OF TIME, ETC.

Alterna Savings may grant extensions of time and other indulgences, take and give up securities, grant releases and discharges, release the Collateral to third parties and otherwise deal with any Guarantor and with the Collateral as Alterna Savings may see fit without prejudice to the liability of the Member to Alterna Savings, or Alterna Savings' rights, remedies and powers under this Security Agreement.

6.8 EFFECT OF APPOINTMENT OF RECEIVER

As soon as Alterna Savings takes possession of any Collateral or appoints a Receiver, all powers, functions, rights and privileges of the Member with respect to the Collateral shall cease, unless specifically continued by the written consent of Alterna Savings or the Receiver.

6.9 LIMITATION OF LIABILITY

The Member hereby releases and discharges Alterna Savings from every present or future claim of every nature, unless the result of dishonesty or gross neglect on the part of Alterna Savings.

6.10 COLLECTION OF ACCOUNTS

Alterna Savings shall have the right to notify and direct any account debtor to make all payments to Alterna Savings. Any payments received by the Member from an account debtor shall be held by the Member in trust for Alterna Savings and shall, at the request of Alterna Savings, be turned over to Alterna Savings on demand.

ARTICLE 7 - MISCELLANEOUS

7.1 FILING OF DOCUMENTS

The Member authorizes Alterna Savings to file such financing statements and other documents and do such acts as Alterna Savings may deem appropriate to perfect and continue the security interest herein constituted. Upon the Member's failure to perform any of its duties, Alterna Savings may, but shall not be obligated to, perform any or all of such duties, and any costs, charges and expenses incurred shall be added to the Obligations.

7.2 COSTS

The Member shall reimburse Alterna Savings on demand for all interest, commissions, costs of realization and other costs and expenses incurred by Alterna Savings in connection with the realization of any Collateral and protection or enforcement of the rights, remedies and powers of Alterna Savings and those incurred for registration of any financing statement in connection with the security interest. All such amounts for which the Member is required hereunder to reimburse Alterna Savings shall be added to the Obligations.

7.3 SEVERABILITY

Any provision of this Security Agreement prohibited by law or otherwise ineffective shall be ineffective only to the extent of such prohibition or ineffectiveness and shall be severable without invalidating or otherwise affecting the remaining provisions hereof.

7.4 NO OBLIGATION TO MAKE ADVANCES

Nothing herein shall obligate Alterna Savings to make any advance or loan or further advance or extend credit to the Member.

7.5 SECURITY IN ADDITION AND NOT IN SUBSTITUTION, REMEDIES CUMULATIVE

The rights, remedies and powers conferred by this Security Agreement are cumulative and are in addition to, and not in substitution for, any other rights, remedies or powers Alterna Savings may have. Alterna Savings may proceed by way of any action, suit or other proceeding at law, in equity or by contract, and no right, remedy or power of Alterna Savings shall be exclusive of or dependent on any other. Alterna Savings may exercise any of its rights, remedies or powers separately or in combination and at any time.

7.6 AMALGAMATION

The Member acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Member" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to Alterna Savings at the time of amalgamation and any "Obligations" of the amalgamated company to Alterna Savings thereafter arising.

7.7 INFORMATION

Alterna Savings may provide any financial and other information it has about the Member, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from Alterna Savings or anyone acting on behalf of Alterna Savings.

7.8 ASSIGNMENT

Alterna Savings may assign or transfer any of its rights under this Agreement without the consent of the Member. The Member may not assign its obligations under this Agreement without the prior written consent of Alterna Savings.

7.9 JOINT AND SEVERAL LIABILITY

If more than one person executes this Security Agreement as Member, their obligations hereunder shall be joint and several.

7.10 STATUTORY WAIVERS

To the fullest extent permitted by law, the Member waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of Alterna Savings or upon the methods for realization of security.

7.11 PROVISIONS REASONABLE

The Member acknowledges that the provisions of this Security Agreement and, in particular, those respecting rights, remedies and powers of Alterna Savings against the Member, its business and any Collateral upon the occurrence of an Event of Default, are commercially reasonable and not manifestly unreasonable.

7.12 NOTICES

Every communication in connection with this Security Agreement and all legal process in regard hereto shall be validly made if in writing and delivered to the intended recipient at its last known address.

7.13 DISCHARGE

Upon payment and performance by the Member of the Obligations, Alterna Savings shall discharge the security interest and execute such documents as shall be requisite to discharge the security interest hereby constituted.

7.14 HEADINGS

All headings and titles in this Security Agreement are for reference only and are not to be used in the interpretation of the terms hereof.

7.15 BINDING EFFECT

This Security Agreement shall be binding on the Member, and its successors, heirs, administrators and executors and enure to the benefit of Alterna Savings and the successors and assigns of Alterna Savings.

7.16 APPLICABLE LAW

This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may from time to time be in effect, including the Personal Property Security Act.

7.17 DELIVERY OF COPY

The Member hereby acknowledges receiving a copy of this Security Agreement.

Signed at Hamilton, Ontario this 26 day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

SCHEDULE A
(Description of Collateral)

Without in any way restricting the generality of the description of the Collateral set out in Section 1.1 of this Security Agreement, it is expressly agreed that the following are included in such Collateral:

SCHEDULE B

(Location of Operations, Records and Collateral)

1. Location of Member's business operations

307 King Street East, 1st Floor
Hamilton, Ontario L8N 1C1

2. Location of records relating to Collateral

307 King Street East, 1st Floor
Hamilton, Ontario L8N 1C1

3. Location of Collateral

83 - 85 Emerald Street South
Hamilton, Ontario L8N 2V4

THIS IS EXHIBIT "I" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits

GENERAL ASSIGNMENT OF RENTS

BETWEEN:

1140402 ONTARIO INC.

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

ALTERNA SAVINGS AND CREDIT UNION LIMITED

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS the Assignee is advancing and/or may in the future advance funds (the "Advances") to the Assignor upon the security of a mortgage to be contemporaneously registered in the Land Titles Division of Wentworth Registry Office (#62) securing the principal amount of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000.00) (the "Mortgage") made by the Assignor in favour of the Assignee and covering the lands and premises described in the document to which this schedule is attached (which lands and buildings at any time situate thereon during the existence of the Mortgage are hereinafter referred to as the "Mortgaged Premises");

AND WHEREAS as a condition precedent to the making of the Advances, the parties hereto agreed that the Assignor would assign to the Assignee by way of additional security all rents now due or accruing due or at any time hereafter to become due under all leases, present and future, at any time made during the existence of the Mortgage in respect of the Mortgaged Premises or any part hereof;

NOW THEREFORE in consideration of the Advances and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. The Assignor assigns to the Assignee, its successors and assigns, as security for all indebtedness secured by the Mortgage, and until the indebtedness secured by the Mortgage has been fully paid and satisfied, all rents and other monies now due and payable or hereafter to become due and payable to the Assignor in connection with the Mortgaged Premises and the benefit of all covenants of tenants and assignees (the "Rent") under every existing and future lease, agreement to lease, tenancy, agreement as to use or occupation and licence in respect of the Mortgaged Premises or any part thereof (the "Leases").
2. The Assignee shall have full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rent and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Mortgaged Premises.
3. The Assignee shall not be responsible for the collection of the Rent or any part thereof, or the performance of any of the obligations of the Assignor contained in any Lease, and the Assignee shall not by virtue of this assignment be deemed a Mortgagee in possession of the Mortgaged Premises. The Assignee shall be liable to account only for such monies as may actually come into its hands by virtue of this assignment, less all costs, expenses and other proper deductions and any monies so received by it may be applied on account of any indebtedness of the Assignor to it.
4. Payment of Rent pursuant to any Lease may continue to be made to the Assignor until such time as the Assignee notifies the lessee in writing that default has occurred under the Mortgage and requires the lessee to pay the Rent to the Assignee. The Assignor will not, without the written consent of the Assignee, collect or accept Rent from any lessee other than at the time and in the manner required by that lessee's Lease.
5. The Assignor will not lease or agree to lease any part of the Mortgaged Premises except at a rent, on terms and conditions and to tenants which are at least as favourable or desirable to

the Assignor as those which a prudent landlord would accept for the part of the Mortgaged Premises to be leased.

6. The Assignor shall not at any time during the existence of the Mortgage assign, pledge or hypothecate any Lease or the Rent or due or to become due thereunder, or any part thereof, other than to the Assignee.

7. This Assignment shall no way lessen, prejudice or hinder the rights or remedies of the Assignee under the Mortgage or any other security held by the Assignee.

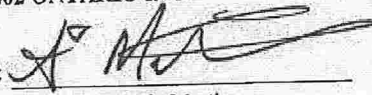
8. The Assignor shall execute such further assurances as the Assignee may reasonably require.

9. This Assignment shall be binding upon and enure to the benefit of the respective successors and assigns of the parties hereto and shall be in full force and effect upon execution and delivery of this Assignment by the Assignor to the Assignee and without execution and delivery by the Assignee to the Assignor.

10. The Assignor and Assignee agree that registration of a discharge of the Mortgage in favour of the Assignee shall operate as a re-assignment of the General Assignment of Rents hereunder back to the Assignor.

Executed by the Assignor at Hamilton this 26 day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

Properties

PIN 17176 - 0014 LT Interest/Estate Fee Simple
Description LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360 ; HAMILTON
Address 83 TO 85 EMERALD ST S
HAMILTON

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 1140402 ONTARIO INC.
Address for Service 307 King Street East, 1st Floor,
Hamilton, Ontario L8N 1C1
I, Stefanie Martino - President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name ALTERNA SAVINGS AND CREDIT UNION LIMITED
Address for Service 319 McRae Avenue, 1st Floor, Ottawa, Ontario K1Z 0B9

Statements

Schedule: See Schedules

Provisions

Principal \$2,190,000.00 Currency CDN
Calculation Period
Balance Due Date On Demand
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200625
Insurance Amount Full insurable value
Guarantor

Signed By

George Thaddeus Wisniewski

181 University Ave., Suite 2100
Toronto
M5H 3M7acting for
Chargor(s)

Signed 2019 10 15

Tel 416-863-1010

Fax 416-863-1009

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

Submitted By

DALE & LESSMANN LLP

181 University Ave., Suite 2100
Toronto
M5H 3M7

2019 10 15

Tel 416-863-1010

Fax 416-863-1009

Fees/Taxes/Payment

Statutory Registration Fee \$64.40
Total Paid \$64.40

SCHEDULE "A"

Payment Provisions

This Charge, as defined in Schedule "B" hereto, is given as continuing security for payment to the Chargee of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Chargor to the Chargee under all commitment letters, all promissory notes, bills of exchange, line of credit agreements, guarantees and any other instruments whatsoever from time to time entered into or granted by the Chargee in favour of the Chargor (such debts and liabilities being hereinafter collectively called the "Obligations").

The Chargor covenants to pay all Obligations to the Chargee punctually as same fall due; provided that this Charge will be void upon payment on demand of the ultimate balance of the Obligations, not exceeding the Principal Amount contained in Page 1 of this Charge together with interest thereon at the rate of 18.00% per annum as well after as before maturity or demand and both before and after default and all other amounts payable by the Chargor hereunder and all other amounts that can be added to the Principal Amount pursuant to the provisions contained in this Charge and Standard Charge Terms 200625.

SCHEDULE "B"

Additional Provisions

1. The registration of this Charge/Mortgage (the "Charge") is pursuant to the terms of a commitment letter issued by the Chargee dated September 10, 2019, as amended, (the "Commitment") and the advance of any monies under this Charge contemplated by such Commitment shall not cause the Commitment to merge but rather the Commitment shall survive and all the terms therein shall be binding upon the Chargor as if fully incorporated herein both before and after all advances have been made and all of the requirements of the Commitment shall continue in full force and effect notwithstanding the registration of this Charge or the completion of the funding of all advances contemplated hereby. It is acknowledged by the Chargor that all of the Chargee's rights under this Charge shall in no way merge or be affected by any proceedings that the Chargee may commence under any other security document or agreement granted pursuant to the Commitment (the "Security Documents") and no proceedings commenced by the Chargee under this Charge shall in any way affect the rights of the Chargee under the Security Documents. A default under any of the Commitment or the Security Documents shall constitute a default under this Charge, and shall permit the Chargee to immediately enforce all of its remedies. In the event of any inconstancy, conflict or discrepancy between the Commitment, this Charge or the Security Documents, then the Chargee, at its discretion, shall determine which document shall prevail.
2. The Chargor covenants with the Chargee that it will keep the Property in good condition and repair according to the nature and description thereof. If the Chargor neglects to keep the Property in good condition and repair, or commits or permits any act of waste on the Property, the powers of entering upon and leasing or selling the Property contained in the Charge may be exercised forthwith and the Chargee may make such repairs as it deems necessary and the cost thereof with interest thereon shall be a charge upon the Property prior to all claims thereon subsequent to these presents.
3. (a) The Chargor hereby covenants and agrees to comply with the provisions of the *Residential Tenancies Act, 2006*, during the entire term of this Charge and that it shall:
 - (i) provide notice to the Chargee of any applications commenced by the tenants at the Property for an order to prohibit rent increases (the "Order"), together with copies of all documents filed with the Landlord and Tenant Board (the "Board") in support of such application;
 - (ii) contest any applications for an Order;
 - (iii) provide a complete copy to the Chargee of any Order issued by the Board, together with any reasons provided by the Board in relation to the Order;
 - (iv) forthwith following the issuance of the Order retain a consultant, architect or contractor acceptable to the Chargee, acting reasonably, to conduct an investigation of the matters described in the Order; provide the Chargee with a copy of any contracts entered into by the Chargor with respect to the work required to be performed and to forthwith thereafter carry out all work necessary to remedy the matters which has caused the Order to be issued. Forthwith following the completion of the work, the Chargor shall provide to the Chargee a certificate from its architect, engineer or construction manager confirming that the work has been performed and the date upon which the last of the work required under the Order was completed;
 - (v) maintain all records and documents as are necessary to evidence rectification of the matters set out in any Order, the amount of any rent increases relating to capital expenditures, including any rebates that will be owing to tenants following the expiry of the rent increase that was ordered by the Board, the costs of utilities consumed at the Property and any notices delivered to tenants in respect of utility expenses, notices given to tenants in relation to the installation of sub-metering of utilities and the direct billing for such utilities to the tenants and any other documentation that is reasonably required by the Chargee to ensure

compliance with the provisions of the *Residential Tenancies Act, 2006*. The Chargor shall forthwith, following a request, provide to the Chargee complete copies of such records and documents;

- (vi) provide notice to the tenants as required under section 8 of Ontario Regulation 516/06 prior to commencing any work at the Property;
- (vii) permit the Chargee to conduct inspections of the Property by the Chargee's representatives, consultants or agents, at the expense of the Chargor, to review the state of repair of the Property;
- (viii) retain copies of all notices given to or received from tenants and make copies of such notices available to the Chargee; and
- (ix) provide all information and documentation required by the Chargee to confirm that the rents at the Property have been established in accordance with the *Residential Tenancies Act, 2006*.

(b) the Chargor represents and warrants as follows:

- (i) that to the best of the Chargor's knowledge there has been compliance in all respects with the *Residential Tenancies Act, 2006*, the *Tenant Protection Act, 1997* and all predecessor and successor rent control legislation;
- (ii) that the present rents are legal and there are no discrepancies between the legal rents disclosed and the rents currently charged which could result in the issuance of an order to rebate rents;
- (iii) that there will be no reduction in services or facilities from the level of same as has existed during the past one year;
- (iv) that, except as disclosed in writing to the Chargee, the rents at the Property have not been increased as a result of above-guideline increases for capital expenditures, utility costs or realty taxes which might result in the maximum lawful rents being lowered at a future date;
- (v) that to the best of the Chargor's knowledge there have been no allegations by tenants of inadequate maintenance or of withdrawal of services or facilities;
- (vi) that no tenant application or investigation or proceedings by the Board is pending or threatened which could result in a reduction of the maximum lawful rent and/or rent rebates;
- (vii) that no orders exist prohibiting rent increases; and
- (viii) that no work orders exist which could result in the issuance of an order prohibiting rent increases.

The issuance of a work order by the Board or an Order or any breach of the provisions of the *Residential Tenancies Act, 2006* or *Tenant Protection Act, 1997* or any other statute regulating the rentals that may be charged to tenants shall constitute a default under this Charge.

4. The Chargor covenants and agrees to maintain books and records relating to the operation and management of the Property separate and apart from any other properties owned by the Chargor. In the event of default, the Chargor further covenants to establish and maintain a separate bank account relating solely to the Property into which all revenue arising from the operation thereof shall be deposited and from which all operating expenses relating thereto, but not to any other property, shall be paid.

5. As further security for this Charge, the Chargor covenants and agrees to grant to the Chargee, upon thirty (30) days prior notice in writing, a specific assignment of any or all leases of premises in the building on the Property comprising the security of this Charge.

6. In the event that the whole or any material part of the Property is expropriated, the Chargor agrees that all proceeds received from any such expropriation shall be paid directly to the Chargee, provided that upon repayment of all amounts secured by this Charge, the Chargee shall have no further claim to any such proceeds.

7. Provided also that if the Chargor files in any court a petition in bankruptcy or insolvency or for any reorganization resulting from insolvency or for the appointment of a receiver or trustee of all or a portion of its Property or where any proposal is made to creditors of the Chargor pursuant to the *Bankruptcy and Insolvency Act* or if there is filed against it a petition in bankruptcy or insolvency or for reorganization resulting from insolvency or for the appointment of a receiver or trustee of all or a portion of its Property and it is not proceeding in good faith to contest any such petition until such petition has been finally dismissed, or if it makes an assignment or proposal for the benefit of creditors, then and in any such event the moneys hereby secured shall forthwith become due and payable, at the option of the Chargee, and all powers in and by this Charge conferred shall become exercisable, and the powers of sale herein contained may be exercised forthwith without any notice except as may be required by the *Bankruptcy and Insolvency Act*.

8. The Chargor covenants and agrees that all payments for instalments of principal and interest and taxes, if applicable, shall be made by way of "direct debit" and to execute any authorization reasonably required by the Chargee to effect such means of payment.

9. The Chargor covenants and agrees that the building or buildings to be constructed or existing on the Property will not be converted to a condominium corporation and no application for draft plan approval or registration as a condominium corporation will be made without the Chargee's prior written consent.

10. An event of default shall occur if the Property, or any construction on it, is abandoned for a period exceeding fifteen (15) consecutive days. The Chargee shall be entitled (after giving the Chargor ten (10) days written notice of abandonment and if the Chargor fails to rectify the abandonment within fifteen (15) days after notice is given) to immediately cancel its obligations, decline to advance further funds and declare monies already advanced to be due and payable plus interest, all at the Chargee's option.

11. The Chargor covenants and agrees that during the term of this Charge and any renewal and extension thereof, that the Property will be subject to management by a professional property manager acceptable to the Chargee, acting reasonably, and that in the event that the Chargor at any time desires to change the property management either with respect to amending the terms of the property management agreement or by appointing a new property manager, that it shall not do so without the express consent of the Chargee which consent shall not be unreasonably withheld. It is acknowledged that the management by the current manager is acceptable.

12. It is understood and agreed that an Assignment of Rents, an Assignment of Leases, and a General Security Agreement (collectively "Additional Security") are being given as further security to this Charge which Additional Security is granted by the Chargor herein to the Chargee herein and any default under the Additional Security shall constitute default hereunder, and any default under this Charge shall constitute default under the said Additional Security and at the option of the Chargee, the principal amount shall forthwith become due and payable and all other moneys secured hereunder including accrued interest to the date of payment and the power of entering upon and leasing or selling the Property, and all other remedies hereunder shall be exercisable, subject to any relief afforded to the Chargor at law. Payments under the Additional Security shall constitute payments hereunder and payments on account of this Charge shall constitute payments under the Additional Security.

It is agreed that the Chargee's rights hereunder shall in no way merge or be affected by any proceedings which the Chargee may take under the Additional Security and the Chargee shall not be required to take proceedings under such Additional Security or any part thereof before proceeding under this Charge, and conversely, no proceedings under this Charge shall in any way affect the rights of the Chargee under such Additional Security and the Chargee shall not be required to take proceedings under this Charge before proceeding under the Additional Security or any part thereof.

Upon request from the Chargee, the Chargor agrees that forthwith upon delivery from time to time of any chattels in which it has an ownership interest (including replacements

thereof) to the Property, it shall promptly notify the Chargee, and its solicitors, of such delivery and shall forthwith supply the Chargee with all serial numbers and a description of such chattels for the purposes of the afore noted General Security Agreement which description shall include make and model. The Chargor further agrees to provide written evidence of proof of purchase of the chattels free of encumbrance, and of insurance of same, both in the form and content satisfactory to the Chargee.

13. In the event that the Chargor defaults with respect to any of the terms of any undertakings delivered to the Chargee in consideration of the advance of funds under this Charge or with respect to any covenant contained in these additional provisions, such default will be an event of default under this Charge and entitle the Chargee to all of its remedies hereunder including the acceleration of the principal without further notice to the Chargor.

14. The Chargor will at all times during the term of the loan maintain insurance in accordance with the Chargor's obligations contained in the Commitment.

15. The Chargor will at all times during the term of the loan comply with the financial covenants and the financial/annual reporting requirements contained in the Commitment.

16. In the event any default occurs under any other credit, loan or security agreement to which the Chargor, such default shall constitute a default under the Commitment, the Charge and the Security Documents.

17. The Chargor covenants and agrees with the Chargee that in the event of any change of the ownership or de facto control (beneficial or otherwise) of the Chargor or any beneficial owner of the Property including change of partners or change of control of an incorporated Chargor, transfer or sale of the Property, or part thereof ("Transfer") without the Chargee's prior written consent, which may be unreasonably withheld in its sole and absolute discretion, at the Chargee's option, all or part of the outstanding principal amount under this Charge with interest thereon together with an amount equal to the greater of:

- (a) three month's interest payable pursuant to this Charge; and
- (b) the Yield Maintenance Amount,

shall forthwith become due and payable at the sole discretion of the Chargee.

"Yield Maintenance Amount" means (a) with respect to the acceleration or prepayment of the whole of the principal amount of this Charge and outstanding, an amount equal to the positive difference, if any, between (i) the present value on the date of such acceleration or prepayment of all future monthly payments that the Chargor would otherwise be required to pay under this Charge during the remainder of the term of this Charge absent such acceleration or prepayment, including the unpaid principal amount that would otherwise be due upon the Maturity Date absent such acceleration or prepayment, with such present value being determined by the use of a discount rate equal to the yield to maturity of Government of Canada bonds (the "Bond(s)") having the term to maturity closest to what otherwise would have been the remainder of the term of this Charge absent such acceleration or prepayment, and (ii) the principal amount of such prepayment. If there is more than one (1) Bond with a maturity equally close to what otherwise would have been the remaining term of this Charge absent the repayment by reason of such acceleration or prepayment, as the case may be, the selection of the applicable Bond shall be made by the Chargee, acting reasonably.

Properties

PIN 17176 - 0014 LT
Description LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360 ; HAMILTON
Address 83 TO 85 EMERALD ST S
HAMILTON

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 1140402 ONTARIO INC.
Address for Service 307 King Street East, 1st Floor,
Hamilton, Ontario L8N 1C1
I, Stefanie Martino - President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Party To(s)

Capacity

Share

Name ALTERNA SAVINGS AND CREDIT UNION LIMITED
Address for Service 319 McRae Avenue, 1st Floor, Ottawa, Ontario K1Z 0B9

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, WE1387262 registered on 2019/10/15 to which this notice relates is deleted

Schedule: See Schedules

Signed By

George Thaddeus Wisniewski	181 University Ave., Suite 2100 Toronto M5H 3M7	acting for Applicant(s)	Signed	2019 10 15
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Tel 416-863-1010

Fax 416-863-1009

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

George Thaddeus Wisniewski	181 University Ave., Suite 2100 Toronto M5H 3M7	acting for Party To(s)	Signed	2019 10 15
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Tel 416-863-1010

Fax 416-863-1009

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

Submitted By

DALE & LESSMANN LLP	181 University Ave., Suite 2100 Toronto M5H 3M7	2019 10 15
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Tel 416-863-1010

Fax 416-863-1009

Fees/Taxes/Payment

Statutory Registration Fee	\$64.40
Total Paid	\$64.40

GENERAL ASSIGNMENT OF RENTS

BETWEEN:

1140402 ONTARIO INC.

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

ALTERNA SAVINGS AND CREDIT UNION LIMITED

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS the Assignee is advancing and/or may in the future advance funds (the "Advances") to the Assignor upon the security of a mortgage to be contemporaneously registered in the Land Titles Division of Wentworth Registry Office (#62) securing the principal amount of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000.00) (the "Mortgage") made by the Assignor in favour of the Assignee and covering the lands and premises described in the document to which this schedule is attached (which lands and buildings at any time situate thereon during the existence of the Mortgage are hereinafter referred to as the "Mortgaged Premises");

AND WHEREAS as a condition precedent to the making of the Advances, the parties hereto agreed that the Assignor would assign to the Assignee by way of additional security all rents now due or accruing due or at any time hereafter to become due under all leases, present and future, at any time made during the existence of the Mortgage in respect of the Mortgaged Premises or any part hereof;

NOW THEREFORE in consideration of the Advances and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. The Assignor assigns to the Assignee, its successors and assigns, as security for all indebtedness secured by the Mortgage, and until the indebtedness secured by the Mortgage has been fully paid and satisfied, all rents and other monies now due and payable or hereafter to become due and payable to the Assignor in connection with the Mortgaged Premises and the benefit of all covenants of tenants and assignees (the "Rent") under every existing and future lease, agreement to lease, tenancy, agreement as to use or occupation and licence in respect of the Mortgaged Premises or any part thereof (the "Leases").
2. The Assignee shall have full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rent and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Mortgaged Premises.
3. The Assignee shall not be responsible for the collection of the Rent or any part thereof, or the performance of any of the obligations of the Assignor contained in any Lease, and the Assignee shall not by virtue of this assignment be deemed a Mortgagee in possession of the Mortgaged Premises. The Assignee shall be liable to account only for such monies as may actually come into its hands by virtue of this assignment, less all costs, expenses and other proper deductions and any monies so received by it may be applied on account of any indebtedness of the Assignor to it.
4. Payment of Rent pursuant to any Lease may continue to be made to the Assignor until such time as the Assignee notifies the lessee in writing that default has occurred under the Mortgage and requires the lessee to pay the Rent to the Assignee. The Assignor will not, without the written consent of the Assignee, collect or accept Rent from any lessee other than at the time and in the manner required by that lessee's Lease.
5. The Assignor will not lease or agree to lease any part of the Mortgaged Premises except at a rent, on terms and conditions and to tenants which are at least as favourable or desirable to

the Assignor as those which a prudent landlord would accept for the part of the Mortgaged Premises to be leased.

6. The Assignor shall not at any time during the existence of the Mortgage assign, pledge or hypothecate any Lease or the Rent or due or to become due thereunder, or any part thereof, other than to the Assignee.

7. This Assignment shall in no way lessen, prejudice or hinder the rights or remedies of the Assignee under the Mortgage or any other security held by the Assignee.

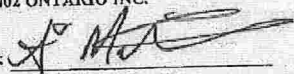
8. The Assignor shall execute such further assurances as the Assignee may reasonably require.

9. This Assignment shall be binding upon and enure to the benefit of the respective successors and assigns of the parties hereto and shall be in full force and effect upon execution and delivery of this Assignment by the Assignor to the Assignee and without execution and delivery by the Assignee to the Assignor.

10. The Assignor and Assignee agree that registration of a discharge of the Mortgage in favour of the Assignee shall operate as a re-assignment of the General Assignment of Rents hereunder back to the Assignor.

Executed by the Assignor at Hamilton this 26 day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

THIS IS EXHIBIT "J" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Abdullah Saleem", is written over a horizontal line.

A Commissioner for taking affidavits

AUTHORIZATION & DIRECTION

TO: DALE & LESSMANN LLP

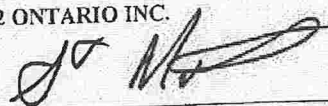
RE: Alterna Savings and Credit Union Limited (the "Lender") First Mortgage
Loan to 1140402 Ontario Inc. (the "Borrower") of 83 - 85 Emerald Street
South, Hamilton (collectively, the "Property")

This will confirm that:

1. The Borrower has reviewed the information contained in the following documents attached hereto (the "Documents"):
 - (a) Charge/Mortgage; and
 - (b) Notice of Assignment of Rents - General.
2. The Borrower confirms that the information contained in the Documents is accurate and complete.
3. Any solicitor at the law firm of Dale & Lessmann LLP is hereby authorized and directed to electronically sign the Documents and to electronically register the Documents on behalf of the Borrower as well as any other documents or instruments required to complete the transaction described above.
4. The effect of the Documents described in this Authorization & Direction has been fully explained to the Borrower by the solicitor acting for the Borrower and the Borrower understands that the Borrower is bound by the terms and provisions contained in the Documents to the same extent as if the Documents had been signed by the Borrower.
5. The Borrower is in fact the party named in the Documents and the Borrower has not misrepresented its identity to the Lender, the Borrower's solicitor or to you.
6. Any solicitor at the law firm of Dale & Lessmann LLP is hereby irrevocably authorized to insert, complete, or amend any omitted or incorrect particulars contained in the Documents which may be required by the Land Registry Office and to insert, complete or amend any omitted or incorrect dates or other data in the Documents which are inconsistent with the Commitment Letter issued by the Lender to the Borrower and dated September 10, 2019, as amended.
7. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the Registry Act (the "Director") regarding suspected fraudulent or unlawful activity or registration in connection with the document attached to this Authorization & Direction, we hereby irrevocably consent to you releasing to the Director a true copy of this Authorization & Direction upon request by the Director.
8. A photocopy or facsimile or emailed copy of this executed Authorization & Direction may be relied upon to the same extent as if it were an original executed version.

DATED at Hamilton this 26 day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

THIS IS EXHIBIT "K" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits



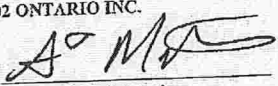
ALTERNA SAVINGS AND CREDIT UNION LIMITED

Standard Charge Terms No. 200625

ELECTRONIC DOCUMENT AGREEMENT

1. **Meanings.** In this agreement, You are each person who has signed below. We are Alterna Savings and Credit Union Limited. Direction is an Acknowledgement and Direction, or form of it, attached to this agreement. Property means a property referred to in a direction. Electronic document means any electronic document affecting a property. Without limiting this, you agree that this will be so even if any of the following apply. The terms of the document differ from those set out in a direction or copy received by you provided you have agreed to the change if the change is material. This document includes part of a property or other property. Or no direction for the document is attached to this agreement.
 2. **Direction.** You agree that you have reviewed the information set out in each direction and that all information set out in the direction is accurate.
 3. **Terms.** You agree to the terms set out in each electronic document and in any standard charge terms referenced in the document.
 4. **Copy.** You acknowledge receipt of a print copy of each electronic document (or proposed electronic document), and a copy of standard charge terms 200625 or 8616 as referenced in the document.
 5. **Obligations.** You agree that the effect of each electronic document has been fully explained to you by your solicitor. You agree that, when the electronic document is registered, you will be a party to and be bound by the terms of the electronic document. You agree that, when the electronic document is registered, it has the same effect for all purposes as a document that is in writing and is signed by you. You also agree to be bound by each electronic document as if it were part of this agreement.
 6. **Blank fields.** You agree that each electronic document will be complete even if it contains blank fields (these may be covered by standard charge terms). Nor does it imply that we do not have a right under another agreement (for example, a blank field for guarantor does not mean that we do not have a guarantee).
 7. **Authority.** You and the persons signing this agreement authorize every person referred to below to complete any electronic document. You and those persons ratify every electronic document that has been completed. You agree as follows:
 - 1) The persons referred to above are a person to whom a direction is addressed, a member of a firm to which a direction is addressed, and a solicitor or law firm that has represented you in dealings with us in this mortgage transaction and the person to whom any of those persons has given any authority. Everything done through an account with the land registry system and used by any of those persons will be conclusively deemed to be done by the person.
 - 2) Completion of an electronic document described in this authority is conclusive evidence that the document is authorized by this agreement.
 8. **Consideration.** You are entering this agreement for other consideration and in consideration of one dollar paid by us to you (the receipt of which you acknowledge).
- Dated this 26 day of September, 2019.

1140402 ONTARIO INC.

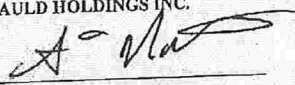
Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

EMERALD HOLDINGS INC.

Per: 

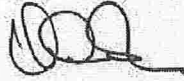
Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.



STEFANIE MARTINO



Witness:

Attachments: Authorization and Direction together with Charge/Mortgage and Notice of Assignment of Rents - General.

THIS IS EXHIBIT "L" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Abdullah Saleem", is written over a horizontal line.

A Commissioner for taking affidavits

GUARANTEE AND POSTPONEMENT OF CLAIM

For valuable consideration, the undersigned (hereinafter called the "Guarantor") unconditionally and irrevocably guarantees payment of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by 1140402 Ontario Inc. (hereinafter referred to as the "Member") to Alterna Savings and Credit Union Limited (hereinafter called "Alterna Savings") whatsoever and howsoever incurred, whether arising from dealings between Alterna Savings and the Member or from other dealings or proceedings by which Alterna Savings may be or become in any manner whatsoever a creditor of the Member, in any currency, and whether incurred by the Member alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Member for fees, costs and expenses (hereinafter collectively called the "Member's Liabilities") and agrees to the following terms and conditions:

1. The liability of the Guarantor hereunder shall be unlimited and shall bear interest from the date of demand for payment as hereinafter provided.
2. If more than one Guarantor executes this instrument the provisions hereof shall be read with all necessary grammatical changes, each reference to the Guarantor shall include each and every one of the undersigned severally and this Guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
3. If the guarantee herein is not enforceable for any reason, the Guarantor as a separate and distinct obligation, shall indemnify and save harmless Alterna Savings from and against all losses resulting from the failure of the Member to pay such Member's Liabilities.
4. If any Member's Liabilities are not duly paid by the Member and the guarantee herein is not enforceable for any reason, or Alterna Savings is not indemnified under paragraph 3 herein for any reason, such Member's Liabilities will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.
5. The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Member's Liabilities, including:
 - (a) the unenforceability of any of the Member's Liabilities for any reason, including as a result of the act of any governmental authority;
 - (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Member's Liabilities, notwithstanding any inquiry that may or may not have been made by Alterna Savings;
 - (c) failure of Alterna Savings to comply with or perform any agreements relating to the Member's Liabilities;
 - (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Member by Alterna Savings or guaranteed by the Member to Alterna Savings or any other change to any of the terms or conditions of any of the Member's Liabilities (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by Alterna Savings respecting any of the Member's Liabilities;
 - (e) the taking of or the failure by Alterna Savings to take a guarantee from any other person;
 - (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
 - (g) the reorganization of the Member or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Member's Liabilities of the resulting or continuing entity and the term "Member" shall include such resulting or continuing entity;
 - (h) the current financial condition of the Member and any change in the Member's financial condition;
 - (i) any change in control or ownership of the Member, or if the Member is a general or limited partnership, any change in the membership of that partnership or other entity;
 - (j) any change in the name, articles or other constituting documents of the Member, or its objects, business or capital structure;
 - (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Member or any proceedings being taken by or against the Member with respect thereto, and any stay of or moratorium on proceedings by Alterna Savings against the Member as a result thereof;
 - (l) a breach of any duty of Alterna Savings (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Member or any other person;

- (m) any lack or limitation of power, capacity or legal status of the Member, or, if the Member is an individual, the death of the Member;
 - (n) the Member's account being closed or Alterna Savings ceasing to deal with the Member;
 - (o) any taking or failure to take any security by Alterna Savings, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security;
 - (p) any failure or delay by Alterna Savings in exercising any right or remedy respecting the Member's Liabilities or under any security or guarantee; or
 - (q) the failure of Alterna Savings to take any security that the parties hereto contemplated it would take nor the failure of Alterna Savings to perfect any security taken shall prejudice, or in any way limit or lessen the liability of the Guarantor under this Guarantee.
6. Alterna Savings may grant extensions of time or other indulgences, take and give up securities, (which term as used herein includes other guarantees) accept compositions, grant releases and discharges and otherwise deal with the Member, with other parties and with securities as Alterna Savings may see fit. Alterna Savings may apply all moneys received from the Member or others, or from securities, upon such part of the Member's Liabilities as it deems best, without prejudice to and without in any way limiting or lessening the liability of the Guarantor under this Guarantee.
7. The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to Alterna Savings and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to Alterna Savings. This Guarantee will continue to be effective even if at any time any payment of any of the Member's Liabilities is rendered unenforceable or is rescinded or must otherwise be returned by Alterna Savings as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Member or the Guarantor, all as though such payment had not been made.
8. All moneys, advances, renewals and credits in fact borrowed or obtained from Alterna Savings shall be deemed to form part of the Member Liabilities hereby guaranteed notwithstanding any incapacity, disability or lack or limitation of status or of power of the Member or of the directors, partners or agents thereof, notwithstanding that the Member may not be a legal entity, and notwithstanding any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits.
9. Any account settled or stated by or between Alterna Savings and the Member shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Member to Alterna Savings is so due.
10. Should Alterna Savings receive from the Guarantor any payment or payments, either in full or on account of the liability under this Guarantee, the Guarantor shall not be entitled to claim repayment against the Member or the Member's estate until Alterna Savings's claims against the Member have been paid in full. In case of any liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member's assets within the bulk transfer provisions of any applicable legislation, or in the case of any composition with creditors or scheme of arrangement, Alterna Savings shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to Alterna Savings by the Member. In the event of the valuation by Alterna Savings of any of its securities and/or the retention thereof by Alterna Savings, such valuation and/or retention shall not, as between Alterna Savings and the Guarantor, be considered as a purchase of such securities, or as payment, satisfaction or reduction of the Member's Liabilities or any part thereof.
11. The Guarantor shall make payment to Alterna Savings under this Guarantee immediately upon receipt of a written demand for payment from Alterna Savings. If any Member's Liabilities is not paid by the Member when due, Alterna Savings may treat all Member's Liabilities as due and payable by the Member and may demand immediate payment under this Guarantee of all or some of the Member's Liabilities whether such other Member's Liabilities would otherwise be due and payable by the Member at such time or whether or not any demands, steps or proceedings have been made or taken by Alterna Savings against the Member or any other person respecting all or any of the Member's Liabilities. If any stay of or moratorium on proceedings by Alterna Savings against the Member is imposed in respect of any Member's Liabilities, Alterna Savings may nevertheless demand immediate payment of such Member's Liabilities from the Guarantor as if such Member's Liabilities was due and payable by the Member.
12. If the Guarantor does not make immediate payment in full of the Member's Liabilities when demand for payment has been made by Alterna Savings, the Guarantor shall pay interest on any unpaid amount to Alterna Savings at the highest rate of interest per annum that is charged on any Member's Liabilities for which payment has been demanded hereunder and which remain unpaid.
13. For the further security of Alterna Savings the Guarantor agrees that:
- (a) any debts and claims against the Member now or at any time hereafter held by the Guarantor are and shall be held by the Guarantor for the further security of Alterna Savings, and as between the

Guarantor and Alterna Savings are hereby postponed to the debts and claims against the Member now or at any time hereafter held by Alterna Savings. Any such debts and claims of the Guarantor shall be held in trust for Alterna Savings, shall be collected, enforced or proved subject to and for the purposes of this agreement and any moneys received by the Guarantor in respect thereof shall be paid over to Alterna Savings on account of Alterna Savings's debts and claims. No such debt or claim of the Guarantor against the Member shall be released or withdrawn by the Guarantor unless Alterna Savings's written consent to such release or withdrawal is first obtained. The Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations, assign any such debt or claim to any person other than Alterna Savings, or ask for or obtain any security, negotiable paper or other evidence of any such debt or claim except for the purpose of delivering the same to Alterna Savings. Alterna Savings may at any time give notice to the Member requiring the Member to pay to Alterna Savings all or any of such debts or claims of the Guarantor against the Member, and in such event such debts and claims are hereby assigned and transferred to Alterna Savings. In the event of the liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member's assets within the bulk transfer provisions of any applicable legislation, or in the event of any composition with creditors or scheme of arrangement, any and all dividends or other moneys which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Member are hereby assigned and transferred to and shall be due and be paid to Alterna Savings, and for such payment to Alterna Savings this shall be a sufficient warrant and authority to any person making the same. The Guarantor shall, at any time and from time to time at the request of and as required by Alterna Savings, make, execute and deliver all statements of claims, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of Alterna Savings under and by virtue of this instrument.

- (b) The provisions of this section are independent of and severable from the provisions of sections 1 to 12 of this Guarantee and shall remain in force whether or not the Guarantor is liable for any amount under sections 1 to 12.

14. Alterna Savings may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Member or any other person (including arising from any security that Alterna Savings may from time to time hold) or any balance in any account of the Guarantor held at Alterna Savings or any of Alterna Savings's affiliates, to such part of the Member's Liabilities, whether due or to become due, as Alterna Savings in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. Alterna Savings may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Member's Liabilities to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by Alterna Savings or its agents and Alterna Savings or its agent may earn revenue on such conversion.

15. Alterna Savings is not required to take any proceedings, exhaust its recourse against the Member or any other Guarantor or person or under any security Alterna Savings may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

16. The liability of the Guarantor under any other guarantee or guarantees given to Alterna Savings in connection with the Member's Liabilities shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Member, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall Alterna Savings be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that Alterna Savings may be entitled to receive or may have a claim upon.

17. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. Alterna Savings will not be bound by any representations or promises made by the Member to the Guarantor and possession of this Guarantee by Alterna Savings will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

18. The terms and conditions set out in this Guarantee shall not merge with any judgment which may be obtained against the Guarantor or the Member.

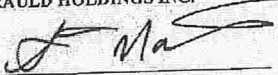
19. The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Member or Alterna Savings, all of which rights the Guarantor waives.

20. This instrument shall be construed in accordance with the laws of the Province of Ontario. The Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of Ontario, and the Guarantor hereby agrees to accept and submit to the jurisdiction of the said courts, to acknowledge their competence, and to be bound by any judgment thereof. Nothing herein shall limit Alterna Savings's right to bring proceedings against the Guarantor elsewhere.

21. To the extent that any limitation period applies to any claim for payment hereunder of the Member's Liabilities or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.
22. Any notice or demand which Alterra Savings may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.
23. If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.
24. This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of Alterra Savings.
25. Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.
26. Subject to Section 16, this Guarantee constitutes the entire agreement between the Guarantor and Alterra Savings with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.
27. Each of the undersigned acknowledges receipt of a copy of this Guarantee.

Signed at Hamilton, Ontario this 28 day of September, 2019.

EMERAULD HOLDINGS INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.



STEFANIE MARTINO



Witness:

THIS IS EXHIBIT "M" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits

ASSIGNMENT OF LEASES

BETWEEN:

1140402 ONTARIO INC.
(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

ALTERNA SAVINGS AND CREDIT UNION LIMITED
(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS the Assignee is advancing and/or may in the future advance funds (the "Advances") to the Assignor upon the security of a mortgage to be registered in the Land Titles Division of Wentworth (#62) securing the principal amount of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000.00) (the "Mortgage") made by the Assignor in favour of the Assignee and covering the lands and premises described in Schedule "A" attached hereto (which lands and buildings at any time situate thereon during the existence of the Mortgage are hereinafter referred to as the "Mortgaged Premises");

AND WHEREAS as a condition precedent of the making of the Advance, the parties hereto agreed that the Assignor would assign to the Assignee by way of additional security the benefit of all leases, both present and future, for space in the Mortgaged Premises;

NOW THEREFORE in consideration of the Advances and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. The Assignor assigned to the Assignee, its successors and assigns as security for all indebtedness secured by Mortgage, and until the indebtedness secured by the Mortgage has been fully paid and satisfied the full benefit of every present and future lease, agreement to lease, tenancy, agreement as to use or occupation and licence in respect of the Mortgage Premises (the "Leases").
2. The Assignor covenants that each and every one of the Leases is a good and subsisting Lease at the date hereof, and that there are no breaches of any of the covenants, terms and conditions or any default under any of those Leases and that there has been no prepayment of rent under any of those Leases.
3. The Assignor also covenants and agrees that the Assignor will not, without the written consent of the Assignee:
 - (a) Cancel any Lease or accept a surrender thereof unless the Assignor and Lessee of the Lease execute a new Lease which shall go into effect prior to or simultaneously with the cancellation or surrender of the former Lease. The new Lease shall provide for rent payments no less than the rent payable under the cancelled or surrendered Lease, shall not diminish the Tenant's obligation to pay taxes and insurance, and shall run to a date not prior to the expiration of the cancelled or surrendered Lease;
 - (b) Modify any Lease, either orally or in writing, so as to decrease the term, reduce the rent, diminish the Tenant's obligations to pay taxes and insurance or increase the Assignor's obligation to make repairs in connection with the Lease;
 - (c) Consent to the assignment of any Tenant's interest in any Lease which will relieve the Tenant of liability for payment of rent or the performance of the terms and conditions of the Lease;
 - (d) Lease or agree to lease any part of the Mortgaged Premises except at a rent, on terms and conditions and to Tenants at least as favourable or desirable to the Assignor as those which a prudent landlord would accept for the part of the Mortgaged Premises to be leased;
 - (e) Assign, pledge or hypothecate any Lease or the rents or revenues due or to become due thereunder, or any part thereof, other than to the Assignee; and
 - (f) More generally and without limiting the foregoing provisions; diminish the obligations of any Tenant under any Lease or increase the obligations of the Assignor under any Lease.

Any of the above acts, if done without the written consent of the Assignee, shall be null and void. The Assignor shall have the right, regardless of this assignment to modify the Leases and to take any other action with respect thereto which does not violate the specific provisions of sub-paragraphs (a) to (f), above.

4. The Assignee shall have full power and authority to demand, collect, sue for, recover, receive and give receipts for rent and to enforce payment thereof in the name of Assignor or the owner from time to time of the Mortgaged Premises.

5. The Assignee shall not be responsible for the collection of rent or any part thereof, or the performance of any of the obligations of the Assignor contained in any Lease, and the Assignee shall not be virtue of this assignment be deemed a Mortgagee in possession of the Mortgaged Premises. The Assignee shall be liable to account only for such monies as may actually come into its hands by virtue of this assignment, less all costs, expenses and other proper deductions, and such monies when so received by it may be applied on account of any indebtedness of the Assignor to it.

6. Payments of rent pursuant to any Lease may continue to be made to the Assignor until such time as the Assignee notifies the Lessee in writing that default has occurred under the Mortgage and requires the Lessee to pay the rent to the Assignee. The Assignor will not, without the written consent of the Assignee, collect or accept rent from any Lessee other than at the time and the manner required by the Lessee's Lease.

7. The Assignor will, at the request of the Assignee, specifically assign any Lease to the Assignee.

8. This assignment shall in no way lessen, prejudice or hinder the rights or remedies of the Assignee under the Mortgage or any other security held by the Assignee.

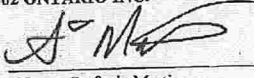
9. The Assignor shall execute such further assurances as the Assignee may reasonably require.

10. This assignment shall be binding upon and enure to the benefit of the respective successors and assigns of the parties hereto and shall be in full force and effect upon execution and delivery of this agreement by the Assignor to the Assignee and without execution and delivery by the Assignee to the Assignor.

11. The Assignor and Assignee agree that registration of a discharge of the mortgage in favour of the Assignee shall operate as a re-assignment of the Assignment of Leases back to the Assignor.

Executed by the Assignor at Hamilton, this 26 day of September, 2019.

1140402 ONTARIO INC.

Per: 
Name: Stefanie Martino
Title: President

I have the authority to bind the Corporation.

SCHEDULE "A"
LEGAL DESCRIPTION

PIN: 17176-0014(LT)

LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360; HAMILTON

The Land Titles Division of The Wentworth Registry Office (#62).

THIS IS EXHIBIT "N" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020



A Commissioner for taking affidavits

ASSIGNMENT OF INSURANCE

THIS AGREEMENT made as of the 26 day of September, 2019.

BETWEEN:

1140402 ONTARIO INC.

(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

ALTERNA SAVINGS AND CREDIT UNION LIMITED

(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS by a charge/mortgage dated the _____ day of September, 2019 which mortgage secures the principal sum of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000.00), the Assignor did mortgage to the Assignee the lands and premises located at 83 - 85 Emerald Street South, Hamilton;

AND WHEREAS it is agreed that as a condition of the granting of the loan secured by the said mortgage, that the Assignor would assign to the Assignee, its successors and assigns, the benefit of all insurance placed on the said premises, as additional security for the payment of the monies secured by the said mortgage and for the performance of the covenants therein contained.

NOW THEREFORE, in consideration of the sum of Two Dollars (\$2.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the undersigned hereby transfers and assigns all of its right, title and interest in the insurance policy described in Schedule "A" attached hereto (the "Insurance Policy") and all benefits and advantages to be derived therefrom including the payment of all insurance proceeds payable as a result of any claims being made by the undersigned pursuant to the terms of the Insurance Policy.

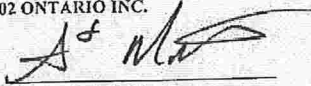
THE undersigned covenants and agrees to fulfill all of the insured's obligations under the Insurance Policy throughout the period that any amounts are owed by the undersigned to the Assignee.

NOTWITHSTANDING the assignment of the Insurance Policy and the proceeds thereof to the Assignee, the undersigned acknowledges and agrees that it shall be solely responsible for the payment of all premiums payable in respect of the Insurance Policy and the Assignee shall have no obligation to pay any such premiums.

IN the event that the Insurance Policy provides that the insurer is required to consent to a transfer or assignment of the Insurance Policy, the undersigned undertakes that it shall forthwith apply to the insurer in order to obtain such consent.

26 IN WITNESS WHEREOF the Assignor has executed this agreement the
day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

SCHEDULE "A"

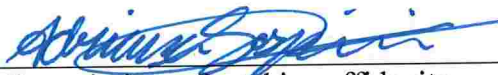
INSURANCE PARTICULARS

See attached Certificate of Insurance with particulars as follows:

Insurance Company: 1140402 Ontario Inc.

Addresses: 83 - 85 Emerald Street South, Hamilton

THIS IS EXHIBIT "O" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Arvind Singh", is written over a horizontal line.

A Commissioner for taking affidavits

ENVIRONMENTAL INDEMNITY

TO: ALTERNA SAVINGS AND CREDIT UNION LIMITED
RE: ALTERNA SAVINGS AND CREDIT UNION LIMITED (the "Lender")
First Mortgage Loan (the "First Mortgage Loan") to 1140402 ONTARIO
INC. (the "Borrower") on the security of 83 - 85 Emerald Street South,
Hamilton (collectively, the "Property") and as guaranteed by 1140402
ONTARIO INC., EMERALD HOLDINGS INC. and STEFANIE
MARTINO (collectively, the "Guarantors")

IN CONSIDERATION OF the Lender advancing the First Mortgage Loan to the Borrower (the "Charge") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Borrower and the Guarantors (collectively, the "Indemnifiers") warrant, represent, covenant and agree with the Lender as follows:

1. Definitions

In this Agreement, the following terms shall have the following meanings:

- (a) "Applicable Laws" means, in respect of any person, property, transaction or event, all applicable federal, provincial or municipal laws, statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and rules, policies, guidelines, orders, approvals, notices, permits, licences, authorizations, approvals and directives and all applicable common law or equitable principles in force and effect at any time when any amount remains outstanding under the Charge.
- (b) "Environmental Laws" means all present and future Applicable Laws, standards and requirements relating to environmental or occupational health and safety matters, including without limitation those relating to (i) the protection, preservation or remediation of the natural environment or the air, land, surface water or groundwater, or (ii) the generation, handling, treatment, transportation, presence, release, reporting, licensing, permitting, investigation, disposal, storage, use, remediation or clean-up or any other dealing with or aspect of a Hazardous Substance, or (iii) the securing, protection, preservation and remediation of health, fire and/or safety concerns.
- (c) "Environmental Proceeding" means any investigation, action, proceeding, conviction, fine, judgment, notice, order, claim, directive, permit, license, approval, agreement, lien or encumbrance of any nature or kind arising under or relating to Environmental Laws.
- (d) "Hazardous Substance" means any solid, gaseous or liquid waste or any other substance or material that is prohibited, controlled, otherwise regulated by any governmental authority or is otherwise hazardous in fact, including without limitation contaminants, pollutants, toxic, dangerous or hazardous substances or materials, designated substances, controlled products, and hazardous wastes including without limitation asbestos and asbestos containing materials, lead, urea-formaldehyde foam insulation, polychlorinated bi-phenyls (PCBs) or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products and hydrocarbon products and any materials containing same or derivatives thereof, underground storage tanks or surface impoundments.

2. Representations and Warranties Regarding Environmental Matters

The Indemnifiers represent and warrant to the Lender that:

- (a) the Property and all businesses and operations conducted thereon comply with all Environmental Laws except with respect to the use of Hazardous Substances in the ordinary course of business which complies with Environmental Laws in all material respects;
- (b) to the knowledge of such Indemnifiers after due and diligent inquiry, the Property has not been used for or designated as a land fill or waste disposal site and has never contained above ground or underground storage tanks that contained Hazardous

Substances and, except as disclosed in the environmental audit obtained by the Lender prior to the advance of funds under the Charge (the "Environmental Audit"), the Property contains no Hazardous Substances not in compliance with Environmental Laws, and to the best of the Borrower's knowledge and belief there is no existing or threatened Environmental Proceeding against or affecting the Property;

- (c) there are no pending or proposed changes to Environmental Laws or any Environmental Proceedings which would render illegal or materially restrict or change the present use and operation of the Property; and
- (d) other than in compliance with Environmental Laws, and except as disclosed in the Environmental Audit, the Borrower nor, to the best of the Borrower's knowledge and belief after due and diligent inquiry and investigation, any other person or organization: (i) has used or permitted the use of the Property or any adjoining land to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances not in compliance with Environmental Laws; (ii) has been subject to any Environmental Proceeding related to the Property; (iii) has caused or permitted the release or discharge of any Hazardous Substance not in compliance with Environmental Laws on or in the vicinity of the Property; (iv) has received notice of or otherwise has knowledge of any Environmental Proceedings or of any facts which could give rise to any Environmental Proceeding related to the Property or any lands that are adjacent to the Property; (v) has undertaken any remediation or clean-up of any Hazardous Substance not in compliance with Environmental Laws on or in the vicinity of the Property; or (vi) has defaulted in reporting any occurrence or circumstance to any governmental authority in relation to the Property which is or was required to be reported pursuant to any Environmental Laws.

3. Covenants Regarding Environmental Matters

The Indemnifiers covenant and agree with the Lender that they shall:

- (a) ensure that the Property and the Borrower complies with all Environmental Laws at all times except with respect to the use of Hazardous Substances in the ordinary course of business which shall comply with Environmental Laws in all material respects;
- (b) not permit any Hazardous Substance to be transported, located, manufactured, stored, spilled, discharged or disposed of at, on or under the Property not in compliance with Environmental Laws nor permit any other activity on or in respect of the Property that might result in any Environmental Proceeding affecting the Property, the Borrower or the Lender;
- (c) not use the Property for the principal purpose of storing or using any Hazardous Substance and shall not use the Property for any purpose which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on from, or under the Property;
- (d) not lease any portion of the Property to any tenants whose use of the Property would result in an increase in the Hazardous Substance used at the Property beyond the uses that currently exist at the Property;
- (e) notify the Lender promptly of any threatened or actual Environmental Proceedings or any event or occurrence that is likely to give rise to any Environmental Proceedings including any spills or release of any Hazardous Substance;
- (f) remediate and cure in a timely manner any non-compliance by the Property or the Borrower with Environmental Laws, including removal of any Hazardous Substances not in compliance with Environmental Laws from the Property;
- (g) maintain all environmental and operating documents and records including all permits, licenses, certificates, approvals, orders and agreements relating to the Property as required by Environmental Laws;
- (h) provide the Lender promptly upon reasonable request with such information, documents, records, permits, licences, certificates, approvals, orders, agreements, environmental audits, reports, assessments and inspections and take such other steps

(all at the Borrower's expense) as may be required by the Lender to confirm and/or ensure compliance by the Property and the Borrower with Environmental Laws;

- (i) provide the Lender with copies of all permits and licenses issued in respect of the operations at the Property under all Environmental Laws;
- (j) require all tenants at the Property to strictly comply with all Environmental Laws;
- (k) execute all consents, authorizations and directions necessary to permit any inspection of the Property related to environmental matters, by any governmental authority and to permit the release to the Lender or its representatives, of any information relating to the Property and the Borrower; and
- (l) allow the Lender access at all times to the Property and business premises of the Borrower to monitor and to inspect the Property and business activities of the Borrower in connection with the Property.

The Indemnifiers covenant and agree with the Lender that:

- (a) the liability of the Indemnifiers under this Indemnity shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against the Property, the Charge or any other person. The Indemnifiers waive any right to require that an action relating to a matter indemnified hereunder be brought against the Charge or any other person or to require that resort be had to the Charge. If there is a default under the Charge which is not cured within any applicable grace or cure period, the Lender shall have the right to enforce its rights, powers and remedies available under any of the Security Documents or otherwise at law or in equity in any combination or order, and all such rights, powers and remedies available to the Lender shall be non-exclusive and cumulative;
- (b) the Indemnifiers shall not, without the prior written consent of the Lender, settle or compromise any Environmental Proceeding or consent to the entry of any judgment; (a) in which the claimant or plaintiff does not unconditionally release the Lender, and all those claiming under or through the Lender, from all liability in respect of such Environmental Proceeding and a dismissal of such Environmental Proceeding with prejudice, or (b) that may adversely affect (as determined by the Lender) the Lender or obligate the Lender to pay any sum or perform any obligation;
- (c) the Indemnifiers shall pay to the Lender the amount of all claims made under this Indemnity within ten days after written notice from the Lender itemizing the amounts thereof incurred by the Lender to the date of such notice. Any such amounts not paid within said ten day period shall bear interest at the interest rate set out in the Charge from the date incurred until paid in full; and
- (d) to the extent permitted by Applicable Laws, the Indemnifiers hereby waive and agree not to assert or take advantage of: (a) any principle or provision of Applicable Laws which is or might be in conflict with the terms and provisions of this Indemnity; (b) any invalidity, irregularity or unenforceability, in whole or in part, of any one or more of the Charge; and (c) the bankruptcy, winding up, liquidation, termination, dissolution or insolvency of the Borrower or other person.

4. Environmental Indemnity

Without limiting any other provision of this Agreement, the Charge or any document collateral thereto or delivered in connection therewith, the Indemnifiers shall indemnify and pay, protect, defend and save the Lender and any party on whose behalf the Lender is advancing the First Mortgage Loan and their officers, directors, employees, agents, partners and shareholders harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs, expenses, (including legal fees and disbursements on a solicitor and client basis) (collectively, "Environmental Claims"), imposed on, made against or incurred by the Lender arising from or relating to, directly or indirectly, and whether or not disclosed by the Environmental Audit and whether or not caused by the Borrower or within its control:

- (a) the actual or alleged use, generation, presence, storage, release, discharge or disposal of any Hazardous Substance not in compliance with Environmental Laws in, on,

over, under, from or affecting all or part of the Property or surrounding lands, including any personal injury or property damage arising therefrom;

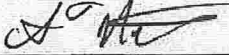
- (b) any actual or alleged breach of Environmental Laws relating to or affecting the Property;
- (c) any actual or threatened Environmental Proceeding affecting the Property, including any settlement thereof;
- (d) any assessment, investigation, containment, monitoring, remediation and/or removal of any Hazardous Substances not in compliance with Environmental Laws from all or part of the Property or surrounding lands or otherwise complying with Environmental Laws; and
- (e) any breach by the Borrower of any covenant hereunder, under the Charge or any document collateral thereto or under Applicable Law relating to environmental matters.

5. General Provisions

- (a) This indemnity shall survive (i) repayment of the loan secured by the Charge, (ii) foreclosure of or power of sale proceedings under the Charge, (iii) any other extinguishment of the obligations of the Borrower under the Charge or under any other document or security collateral to the Charge or under Applicable Law, and (iv) any other exercise by the Lender of any remedies available to it against the Borrower for any default under this Agreement or the Charge or any document or security collateral thereto.
- (b) The Borrower acknowledges and agrees that any default in the performance of its obligations in this Agreement that is not cured within the applicable cure period, or if any representation or warranty of the Borrower contained herein shall prove to be untrue when made, such default or breach of representation or warranty shall constitute a default under the Charge and all other security therefor and shall entitle the Lender to exercise its rights and remedies consequent on a default under the Charge.
- (c) This Agreement shall be binding upon the Indemnifiers and their respective successors and assigns and shall enure to the benefit of the Lender, all other indemnified parties and their successors and assigns.
- (d) This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- (e) This Agreement may be executed in one or more counterparts and all executed counterparts taken together shall be deemed to constitute one and the same document.

DATED this 26th day of September, 2019.

1140402 ONTARIO INC.

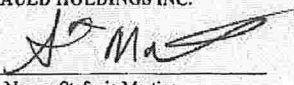
Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

EMERALD HOLDINGS INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.



STEFANIE MARTINO



Witness:

1822596.1

THIS IS EXHIBIT "P" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020



A Commissioner for taking affidavits

DIRECTION RE SUBSIDIES

TO: CITY OF HAMILTON

THE UNDERSIGNED hereby irrevocably directs and authorizes you to pay to Alterna Savings and Credit Union Limited, its successors and assigns, or as it further directs in writing, any and all payments, subsidies and fees otherwise payable to the undersigned in connection with the operation and maintenance of a retirement home/residential care facility, pursuant to the Residential Care Facility Subsidy Agreement (as amended or replaced from time to time), in the City of Hamilton municipally known as 83 - 85 Emerald Street South, Hamilton, Ontario (collectively, the "Property") and for so doing this shall be your full and sufficient authority.

DATED this 26 day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

1822788.1

THIS IS EXHIBIT "Q" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Adrian J. Jones", is written over a horizontal line.

A Commissioner for taking affidavits

DIRECTION TO TRANSFER

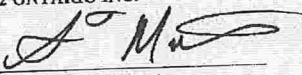
TO: CITY OF HAMILTON

**RE: LICENCE NOS. 15 288120 03 1Y and 15 288121 03 1Y
83 - 85 Emerald Street South, Hamilton**

THE UNDERSIGNED hereby irrevocably directs and authorizes you to forthwith transfer Licence Nos. 15 288120 03 1Y and 15 288121 03 1Y granted to 1140402 Ontario Inc. to operate and maintain a residential care facility at the properties municipally known as 83 - 85 Emerald Street South, Hamilton, Ontario (collectively, the "Property") to Alterna Savings and Credit Union Limited (including its successors and assigns) or as it further directs in writing and for so doing this shall be your full and sufficient authority.

DATED this 16 day of September, 2019.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino

Title: President

I have the authority to bind the Corporation.

1822816.1

THIS IS EXHIBIT "R" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Michael J. [unclear]", is written over a horizontal line.

A Commissioner for taking affidavits

DECLARATION

TO: ALTERNA SAVINGS AND CREDIT UNION LIMITED
AND TO: DALE & LESSMANN LLP, its solicitors
RE: Alterna Savings and Credit Union (the "Lender") mortgage loan to 1140402 Ontario Inc. (the "Borrower") of 83 - 85 Emerald Street South, Hamilton (collectively, the "Property")

I, Stefanie Martino, of the City of Hamilton, in the Province of Ontario, hereby declare:

1. I am the sole director of the Borrower and as such have knowledge of the matters hereinafter declared.
2. All potential claims of any governmental authority or other prior claims of secured parties not agreed to in writing by the Lender, which claims, if unpaid, could rank in priority to the interest of the Lender pursuant to any security interest granted to the Lender as part of the above noted loan (the "Lender Security"), including any employee source deductions, HST/GST or retail sales tax, have been paid or remitted as of the date herein.
3. This declaration is made for the purposes of obtaining the above-noted loan and the undersigned acknowledges that the Lender is relying on the truth of the statements herein.

AND I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED before me
at the City of Hamilton
in the Province of Ontario
this 26 day of September, 2019.

A Commissioner, etc.

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)

STEFANIE MARTINO

THIS IS EXHIBIT "S" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Adnan Sayin", is written over a horizontal line.

A Commissioner for taking affidavits

INDEMNITY AGREEMENT

(Government Remittances)

THIS AGREEMENT made as of the 26th day September, 2019.

BETWEEN:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

(the "Lender")

OF THE FIRST PART

- and -

1140402 ONTARIO INC., EMERALD HOLDINGS INC.
and STEFANIE MARTINO

(the "Indemnitors")

OF THE SECOND PART

WHEREAS pursuant to a letter of commitment dated September 10, 2019, as amended, between the Lender and 1140402 Ontario Inc. (the "Commitment Letter"), the Lender has agreed to extend credit to 1140402 Ontario Inc. (the "Borrower") in the principal amount of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000.00) (Canadian) (the "Loan") and secured by a collateral mortgage and additional security (the "Security");

NOW THEREFORE, in consideration of the Lender agreeing to grant the Loan to the Borrower and the advance of funds under the Security and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Indemnitors hereby agree with and in favour of the Lender as follows:

1. The Indemnitors hereby agree to jointly and severally indemnify and pay, protect, defend and save the Lender and its officers, directors and employees harmless from and against all legal and equitable actions, proceedings, losses, damages, liabilities, taxes, claims, demands, judgments, rights (including set-off), remedies, recourse, costs and expenses of whatever kind or nature, including all legal fees and disbursements on a substantial indemnity basis and any diminution in value of the Property (collectively, "Claims") imposed upon, made against or incurred by the Lender and its officers, directors and employees, or any person having an interest in the Security by or through the Lender from time to time, and arising from or relating, directly or indirectly, to the failure of the Borrower to pay or remit a remittance of federal or provincial taxes, pension benefits, Workplace Safety and Insurance Board Premiums, Canada Pension Plan contributions, Employer Health Tax and Employment Insurance Commission premiums and any other payments to governmental authorities required under the applicable legislation that could result in claims against the Borrower ranking in priority to the Security.
2. The Indemnitors shall pay to the Lender the amount of all Claims within ten days after written notice from the Lender itemizing the amounts thereof incurred by the Lender to the date of such notice. Any such amounts not paid within said ten day period shall bear interest at the interest rate set out in the Security from the date incurred until paid in full.
3. To the fullest extent permitted by applicable laws, this Indemnity shall be deemed to be continuing in nature and shall remain in full force and effect and shall continue notwithstanding the repayment of the Security and the exercise of any remedy by the Lender under any of the Security or any of the related security documents or otherwise at law or in equity.
4. The obligations of the Indemnitors hereunder are independent of the obligations of the Indemnitors under the Mortgage and guarantees thereof, and the Lender's rights under this Indemnity shall be in addition to all rights of the Lender under the Mortgage, guarantees and the security documents. In the event of any default hereunder, a separate action or actions may be brought and prosecuted against the Indemnitors whether or not any other person is

joined therein or a separate action or actions are brought against the Indemnitors. The Lender's rights hereunder shall not be exhausted until all of the obligations of the Indemnitor hereunder have been fully paid and performed.

5. Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, return receipt requested, at the following addresses:

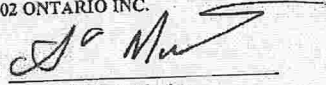
- a) if to the Indemnitors, addressed to them at 307 King Street East, 1st Floor, Hamilton, Ontario L8N 1C1.
- b) if to the Lender, addressed to it at 319 McRae Avenue, 1st Floor, Ottawa, ON K1Z 0B9.

The date of receipt of such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, shall be deemed to be the third business day following the date of mailing. For the purposes hereof, personal service on the parties hereto shall be effectively given by delivery to an officer or director of the respective party. The Lender or the Indemnitors may, from time to time, change their address or stipulate another address from the address described above by giving notice in the manner provided in this Section.

- 6. This Indemnity shall be binding upon the Indemnitors and their heirs, executors, successors and assigns, and shall enure to the benefit of the Lender and its successors and assigns.
- 7. This Indemnity shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 8. This Indemnity may be executed in counterparts and when placed together, all executed counterparts shall constitute one document.

IN WITNESS WHEREOF the Indemnitors have executed this Indemnity as of the date first above written.

1140402 ONTARIO INC.

Per: 

Name: Stefanie Martino
Title: President

I have the authority to bind the Corporation.

EMERAULD HOLDINGS INC.

Per: 

Name: Stefanie Martino
Title: President

I have the authority to bind the Corporation.


STEFANIE MARTINO


Witness:

THIS IS EXHIBIT "T" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Adrian D. Quinn", is written over a horizontal line.

A Commissioner for taking affidavits



Date June 18, 2020

Sent Via email and original in mail

Dear Stefanie Martino & 1140402 Ontario Inc. o.a. Emerald Lodge:

Re: Notice of Default under Commitment Letter dated September 10, 2019 (the "Commitment Letter") between Alterna Savings and Credit Union Limited ("Alterna") and 1140402 Ontario Inc. (the "Borrower" or "you")

Alterna's recent review of your **1st mortgage** made available under the Commitment Letter reveals a breach of your obligation to pay the following indebtedness (hereafter referred to as the "Default"):

1. 1st Commercial Mortgage payment delinquent 4 days in the amount of **\$14,952.01**

As you are aware, the Commitment Letter requires that you repay:

1. Monthly payments of **\$14,952.01** blended P&I

Accordingly, you are currently in default under the Commitment Letter.

Although there has been a breach of the Commitment Letter, Alterna agrees to take no action in respect of the Default at this time, provided the Default is remedied on or before **June 24, 2020**, and provided further that you return to Alterna a copy of this letter executed by the Borrower and the Guarantors under the Acknowledgement below **on or before June 24, 2020 ("Curing Period")**.

The Curing Period is limited to this Default and only for the time period referred to above. Alterna is not waiving any of its rights under the Commitment Letter or security documents associated with your file, all of which are hereby ratified and confirmed.

Alterna's choice not to exercise or to delay rights, powers, privileges and remedies for the Default or future instances of default shall not be construed to be a waiver of the Default or any future instances of default. Alterna may elect to exercise any or all of its rights, at its sole option, at any time hereafter, without the necessity of any further notice, demand or other action on the part of the Lenders.



Yours truly,

Alterna Savings and Credit Union Limited

By: _____

Name: **Umar Saleem**

Title: Senior Account Manager





ACKNOWLEDGEMENT

Borrower: 1140402 Ontario Inc

Guarantor(s): Emerald Holdings Inc.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Date: _____

Date: _____

Guarantor: Stefanie Martino

X _____

Date: _____



THIS IS EXHIBIT "U" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits

Properties

PIN 17176 - 0014 LT Interest/Estate Fee Simple
Description LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360 ; HAMILTON
Address 85 EMERALD ST S
HAMILTON

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 1140402 ONTARIO INC.
Address for Service 307 King Street East, Suite B
Hamilton, Ontario
L8N 1C1

I, Stefanie Laura Martino, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name KLN HOLDINGS INC.
Address for Service 2554 Maid Marian Place
Mississauga, Ont.
L5K 2L9

Provisions

Principal	\$450,000.00	Currency	Canadian
Calculation Period	Monthly		
Balance Due Date	2020/08/27		
Interest Rate	15% interest only - per annum calculated monthly		
Payments	\$33,750.00		
Interest Adjustment Date	2020 02 27		
Payment Date	6 months interest paid in advance on February 27, 2020		
First Payment Date	2020 02 27		
Last Payment Date	2020 08 27		
Standard Charge Terms	200033		
Insurance Amount	See standard charge terms		
Guarantor	Stefanie Laura Martino and Emerald Holdings Inc., jointly and severally		

Signed By

Michele DaCosta	1020 Matheson Blvd. E. Suite 5 Mississauga L4W 4J9	acting for Chargor(s)	Signed	2020 02 27
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Tel 905-625-5591

Fax 905-238-3313

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

Submitted By

THOMPSON, MACCOLL & STACY	1020 Matheson Blvd. E. Suite 5 Mississauga L4W 4J9	2020 02 27
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Tel 905-625-5591

Fax 905-238-3313

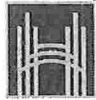
Fees/Taxes/Payment

Statutory Registration Fee	\$65.05
Total Paid	\$65.05

THIS IS EXHIBIT "V" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020



A Commissioner for taking affidavits



**TREASURERS CERTIFICATE OF OUTSTANDING REALTY TAXES
AND CHARGES COLLECTIBLE AS SUCH**

Hamilton

CERTIFIED AS AT July 31, 2020

ISSUED TO: BORDEN LADNER GERVAIS
BAY ADELAIDE CENTRE, EAS TOW
22 ADELAIDE ST W
TORONTO ON
M5H 4E3

CERTIFICATE NO. 43114
YOUR FILE NO. 83-85 EMERALD ST S
ROLL NUMBER: 2518 030-204-01810-0000
ASSESSED VALUE: 1,958,000
ASSESSED OWNER: 1140402 ONTARIO INC
EMERALD LODGE
STREET ADDRESS: 83 - EMERALD ST S # 85
LEGAL: REG COMP PLAN 1360 LOT 9 LOT
10 TO LOT 12
REG
0.34AC 71.91FR 191.00D

STATEMENT OF TAX ARREARS

YEAR	LEVIED	PRINCIPAL OUTSTANDING	INTEREST OUTSTANDING	BALANCE
2019	23,802.03	0.00	0.00	0.00
2018	24,456.77	0.00	0.00	0.00
2017+	302,609.23	0.00	0.00	0.00
TOTAL ARREARS :				0.00

STATEMENT OF CURRENT TAXES

CURRENT LEVY	INSTALMENT DUE DATES AND AMOUNTS				OUTSTANDING AMOUNTS	
INTERIM	11,901.01	2020/02/28	5,951.00	2020/04/30	5,950.01	TAX 17,247.61
FINAL	11,371.99	2020/06/30	5,686.00	2020/09/30	5,685.99	ADJUSTMENTS 3.10
SUPP.	0.00					PENALTY 73.45
TOTAL	23,273.00					BALANCE 17,324.16
TOTAL BALANCE AS AT DATE OF CERTIFICATION:						17,324.16
Total Balance includes any instalments that may not yet be due.						

The current penalty charge is 1.25%. Penalty will be charged on the unpaid taxes on the first day of default.
The current interest charge is 1.25% per month or 15.00% per year. Interest for each month or fraction thereof, will be added on the first day of each calendar month to all taxes past due, until the taxes are paid.
I hereby certify that, subject to the qualifications noted below, the above statements respectively show:
1. All arrears or taxes returned to this office and due and owing against the above lands; and
2. The current amount of taxes on real property and whether any or all of the taxes have been paid as at the date of certification in connection with the above lands, and that no part of the said land has been sold for taxes under part XI of the Municipal Act, 2001 and whether the interim and / or final taxes for the City of Hamilton have been levied for the current year.

Mike Zegarac, Treasurer

LOCAL IMPROVEMENTS ASSESSED TO THIS PROPERTY TO DATE INCLUDE:

BYLAW / ADJ.	DESCRIPTION	AMOUNT	EXPIRY

1. This certificate has been prepared in accordance with the provisions of Section 352 of the Municipal Act R.S.O. 2001 c25. This certificate reflects only those charges added to the Tax Collector's Roll up to the day of certification.
2. The total taxes shown may include additions to the Tax Collector's Roll as authorized by statute. Adjustment of this nature not applied to the Collector's Roll as at date of certification may be added subsequently without further notice.
3. Municipal Act projects may be petitioned for and/or undertaken in the future. If you have inquiries regarding these changes, please contact the Development Officer at 905 546-2424 ext. 2651.
4. The information on this certificate is based on payments tendered being honoured by the bank upon which they are drawn.
5. This certificate is subject to additional taxes or adjustments to taxes which may be levied pursuant to the provisions of the Municipal Act, the Assessment Act, or any other applicable legislation. Examples include adjustments due to apportionment of the base roll number's taxes and / or additional taxes for new developments or new buildings.
6. The tax bill and / or a copy of this certificate should be given to the new owners on or before closing so that tax installments may be paid by the due dates to avoid late penalty charges being added. (This certificate should be printed on legal form).

THIS IS EXHIBIT "W" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Atmunda Begovic", written over a horizontal line.

A Commissioner for taking affidavits

Roger Jaipargas
T 416.367.6266
F 416.367.6749
rjaipargas@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com

BLG
Borden Ladner Gervais

August 18, 2020

Delivered by Courier and Email (stefanie385@hotmail.com; stefanie.martino14@gmail.com)

Private and Confidential

1140402 Ontario Inc.
307 King St. E.
Hamilton, ON L8N 1C1

Attn: Stefanie Martino, President

Re: Indebtedness of 1140402 Ontario Inc. (the "Company") to Alterna Savings and Credit Union Limited (the "Lender")

We are the lawyers for the Lender in connection with the above-captioned matter.

We refer to the term note dated October 15, 2019 (the "Note") granted by the Company in favour of the Lender, pursuant to which certain funds were advanced by the Lender to the Company, subject to the terms and conditions therein. Capitalized used and not otherwise defined herein have the meanings given to such terms in the Note.

The Lender holds certain security and related documents in respect of the Company's indebtedness to the Lender, including, but not limited to, a general security agreement dated September 26, 2019 (the "General Security Agreement") and a Charge/Mortgage dated October 15, 2019 (the "Mortgage") in respect of the real property municipally known as 83-85 Emerald St. S., Hamilton, ON.

Certain defaults and events of default under or in connection with the Note and the Security have occurred and are continuing, including without limitation, payment defaults under the Note, the existence of an encumbrance registered over real estate that is subject to the Lender's Security and for which the Lender did not consent, and the impairment of the prospect of payment or performance of the Company's Obligations to the Lender. In addition, the Company is in arrears with respect to real property tax obligations that are owing. All obligations under the Note are immediately due and repayable. Pursuant to the Note and the Security, we hereby declare on behalf of the Lender, that all of the obligations of the Company to the Lender have become immediately due and payable.

As of August 14, 2020, the Company is indebted or otherwise liable to the Lender in the amount of CAD\$2,167,967.77, inclusive of interest to August 14, 2020, but excluding any costs and expenses (including, without limitation, legal fees and expenses) incurred to date and that will be incurred after the date hereof and additional interest from and after August 14, 2020 to which the Lender is

entitled to under the Note and the Security (the "**Indebtedness**"). The Indebtedness is secured by, *inter alia*, the General Security Agreement and the Mortgage.

The Lender hereby demands the immediate payment of the Indebtedness in full by the Company. Payment of the Indebtedness is to be made forthwith to the Lender. If payment is not paid forthwith, the Lender intends to take such steps as are necessary or appropriate to obtain payment thereof, including, without limitation, the enforcement of Security held by the Lender. In this regard, we enclose a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), and a waiver and consent to the immediate enforcement of the security.

Yours very truly,



Roger Jaipargas
RJ/cs
Attachments

cc: Client (with attachments by email)
Jeffrey Levine (with attachments by email)

115295976:v1

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: 1140402 Ontario Inc., an insolvent person¹
307 King St. E.
Hamilton, ON L8N 1C1

TAKE NOTICE THAT:

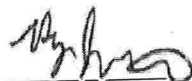
1. Alterna Savings and Credit Union Limited, as Lender, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All of the present and future assets, property and undertaking, of the insolvent person.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement dated September 26, 2019;
 - (b) Charge/Mortgage dated October 15, 2019 in respect of the real property municipally known as 83-85 Emerald St. S., Hamilton, ON;
 - (c) General Assignment of Rents dated September 26, 2019;
 - (d) Assignment of Leases dated September 26, 2019; and
 - (e) such further and other security as may be held by Alterna Savings and Credit Union Limited, as Lender.
3. The total amount of indebtedness secured by the security as of August 14, 2020 is the sum of CAD\$2,167,967.77, plus costs and interest to the date of payment.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this Notice is sent, unless the insolvent person consents to an earlier enforcement.

¹ The term "insolvent person" is inserted in this form merely to comply with Form 86 and Rule 124 of the *Bankruptcy and Insolvency Act*.

DATED at Toronto, Ontario this 18th day of August, 2020.

**ALTERNA SAVINGS AND CREDIT
UNION LIMITED, as Lender, by its
lawyers, Borden Ladner Gervais LLP**

Per:  _____
Roger Jaipargas

TO: ALTERNA SAVINGS AND CREDIT UNION LIMITED, as Lender

1140402 Ontario Inc. hereby acknowledges receipt of the Notice of Intention to Enforce Security delivered by Alterna Savings and Credit Union Limited, as Lender and hereby waives the time period provided therein and consents to the immediate enforcement of the security.

DATED at _____ this _____ day of _____, 2020.

1140402 ONTARIO INC.

Per: _____

Name:

Title:

I am authorized to bind the company

THIS IS EXHIBIT "X" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "William K. ...", is written over a horizontal line.

A Commissioner for taking affidavits

Roger Jaipargas
T 416.367.6266
F 416.367.6749
rjaipargas@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com

BLG
Borden Ladner Gervais

August 18, 2020

Delivered by Courier and Email (stefanie385@hotmail.com; stefanie.martino14@gmail.com)

Private and Confidential

Emerald Holdings Inc.
307 King St. E.
Hamilton, ON L8N 1C1

Attn: Stefanie Martino, President

**Re: Guarantee in respect of the Obligations of 1140402 Ontario Inc. (the "Company")
to Alterna Savings and Credit Union Limited (the "Lender")**

We are the lawyers for the Lender in connection with the above-captioned matter.

We refer to the term note dated October 15, 2019 (the "Note"), pursuant to which certain funds were advanced by the Lender to the Company, subject to the terms and conditions therein.

We also refer to your Guarantee and Postponement of Claim dated as of September 26, 2019 (the "Guarantee") in respect of the Company's obligations to the Lender. Pursuant to the terms of the Guarantee, you have guaranteed payment on demand of all present and future debts and liabilities owing by the Company to the Lender together with interest thereon from the date of demand.

The Lender has demanded repayment of the debts and liabilities owing by the Company to the Lender. Enclosed herewith is a copy of the demand letter and the relevant enclosures.

As of August 14, 2020, you are indebted or otherwise liable to the Lender in the amount of CAD\$2,167,967.77, inclusive of interest to August 14, 2020, but excluding any costs and expenses (including, without limitation, legal fees and expenses) incurred to date and that will be incurred after the date hereof and additional interest from and after August 14, 2020 to which the Lender is entitled to under the Guarantee (the "Guaranteed Indebtedness").

The Lender hereby demands the immediate payment of the Guaranteed Indebtedness in full. Payment of the Guaranteed Indebtedness is to be made forthwith to the Lender. If payment is not

paid forthwith, the Lender intends to take such steps as are necessary or appropriate to obtain payment thereof.

Yours very truly,



Roger Jaipargas
RJ/cs
Attachments

cc: Client (with attachments by email)
Jeffrey Levine (with attachments by email)

115296209:v1

Roger Jaipargas
T 416.367.6266
F 416.367.6749
rjaipargas@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com



August 18, 2020

Delivered by Courier and Email (stefanie385@hotmail.com; stefanie.martino14@gmail.com)

Private and Confidential

1140402 Ontario Inc.
307 King St. E.
Hamilton, ON L8N 1C1

Attn: Stefanie Martino, President

Re: Indebtedness of 1140402 Ontario Inc. (the "Company") to Alterna Savings and Credit Union Limited (the "Lender")

We are the lawyers for the Lender in connection with the above-captioned matter.

We refer to the term note dated October 15, 2019 (the "**Note**") granted by the Company in favour of the Lender, pursuant to which certain funds were advanced by the Lender to the Company, subject to the terms and conditions therein. Capitalized used and not otherwise defined herein have the meanings given to such terms in the Note.

The Lender holds certain security and related documents in respect of the Company's indebtedness to the Lender, including, but not limited to, a general security agreement dated September 26, 2019 (the "**General Security Agreement**") and a Charge/Mortgage dated October 15, 2019 (the "**Mortgage**") in respect of the real property municipally known as 83-85 Emerald St. S., Hamilton, ON.

Certain defaults and events of default under or in connection with the Note and the Security have occurred and are continuing, including without limitation, payment defaults under the Note, the existence of an encumbrance registered over real estate that is subject to the Lender's Security and for which the Lender did not consent, and the impairment of the prospect of payment or performance of the Company's Obligations to the Lender. In addition, the Company is in arrears with respect to real property tax obligations that are owing. All obligations under the Note are immediately due and repayable. Pursuant to the Note and the Security, we hereby declare on behalf of the Lender, that all of the obligations of the Company to the Lender have become immediately due and payable.

As of August 14, 2020, the Company is indebted or otherwise liable to the Lender in the amount of CAD\$2,167,967.77, inclusive of interest to August 14, 2020, but excluding any costs and expenses (including, without limitation, legal fees and expenses) incurred to date and that will be incurred after the date hereof and additional interest from and after August 14, 2020 to which the Lender is

entitled to under the Note and the Security (the "**Indebtedness**"). The Indebtedness is secured by, *inter alia*, the General Security Agreement and the Mortgage.

The Lender hereby demands the immediate payment of the Indebtedness in full by the Company. Payment of the Indebtedness is to be made forthwith to the Lender. If payment is not paid forthwith, the Lender intends to take such steps as are necessary or appropriate to obtain payment thereof, including, without limitation, the enforcement of Security held by the Lender. In this regard, we enclose a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), and a waiver and consent to the immediate enforcement of the security.

Yours very truly,



Roger Jaipargas

RJ/cs

Attachments

cc: Client (with attachments by email)
Jeffrey Levine (with attachments by email)

115295976:v1

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: 1140402 Ontario Inc., an insolvent person¹
307 King St. E.
Hamilton, ON L8N 1C1

TAKE NOTICE THAT:

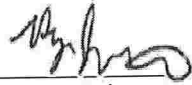
1. Alterna Savings and Credit Union Limited, as Lender, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All of the present and future assets, property and undertaking, of the insolvent person.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement dated September 26, 2019;
 - (b) Charge/Mortgage dated October 15, 2019 in respect of the real property municipally known as 83-85 Emerald St. S., Hamilton, ON;
 - (c) General Assignment of Rents dated September 26, 2019;
 - (d) Assignment of Leases dated September 26, 2019; and
 - (e) such further and other security as may be held by Alterna Savings and Credit Union Limited, as Lender.
3. The total amount of indebtedness secured by the security as of August 14, 2020 is the sum of CAD\$2,167,967.77, plus costs and interest to the date of payment.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this Notice is sent, unless the insolvent person consents to an earlier enforcement.

¹ The term "insolvent person" is inserted in this form merely to comply with Form 86 and Rule 124 of the *Bankruptcy and Insolvency Act*.

DATED at Toronto, Ontario this 18th day of August, 2020.

**ALTERNA SAVINGS AND CREDIT
UNION LIMITED, as Lender, by its
lawyers, Borden Ladner Gervais LLP**

Per:  _____
Roger Jaipargas

TO: ALTERNA SAVINGS AND CREDIT UNION LIMITED, as Lender

1140402 Ontario Inc. hereby acknowledges receipt of the Notice of Intention to Enforce Security delivered by Alterna Savings and Credit Union Limited, as Lender and hereby waives the time period provided therein and consents to the immediate enforcement of the security.

DATED at _____ this _____ day of _____, 2020.

1140402 ONTARIO INC.

Per: _____

Name:

Title:

I am authorized to bind the company

Roger Jaipargas
T 416.367.6266
F 416.367.6749
rjaipargas@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com



August 18, 2020

Delivered by Courier and Email (stefanie385@hotmail.com; stefanie.martino14@gmail.com)

Private and Confidential

Stefanie Martino
15 Stonegate Drive
Ancaster, ON L9G 3P3

**Re: Guarantee in respect of the Obligations of 1140402 Ontario Inc. (the "Company")
to Alterna Savings and Credit Union Limited (the "Lender")**

We are the lawyers for the Lender in connection with the above-captioned matter.

We refer to the term note dated October 15, 2019 (the "**Note**"), pursuant to which certain funds were advanced by the Lender to the Company, subject to the terms and conditions therein.

We also refer to your Guarantee and Postponement of Claim dated as of September 26, 2019 (the "**Guarantee**") in respect of the Company's obligations to the Lender. Pursuant to the terms of the Guarantee, you have guaranteed payment on demand of all present and future debts and liabilities owing by the Company to the Lender together with interest thereon from the date of demand.

The Lender has demanded repayment of the debts and liabilities owing by the Company to the Lender. Enclosed herewith is a copy of the demand letter and the relevant enclosures.

As of August 14 2020, you are indebted or otherwise liable to the Lender in the amount of CAD\$2,167,967.77, inclusive of interest to August 14 2020, but excluding any costs and expenses (including, without limitation, legal fees and expenses) incurred to date and that will be incurred after the date hereof and additional interest from and after August 14, 2020 to which the Lender is entitled to under the Guarantee (the "**Guaranteed Indebtedness**").

The Lender hereby demands the immediate payment of the Guaranteed Indebtedness in full. Payment of the Guaranteed Indebtedness is to be made forthwith to the Lender. If payment is not paid forthwith, the Lender intends to take such steps as are necessary or appropriate to obtain payment thereof.

Yours very truly,



Roger Jaipargas
RJ/cs
Attachments

cc: Client (with attachments by email)
Jeffrey Levine (with attachments by email)

115299633:v1

Roger Jaipargas
T 416.367.6266
F 416.367.6749
rjaipargas@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com



August 18, 2020

Delivered by Courier and Email (stefanie385@hotmail.com; stefanie.martino14@gmail.com)

Private and Confidential

1140402 Ontario Inc.
307 King St. E.
Hamilton, ON L8N 1C1

Attn: Stefanie Martino, President

Re: Indebtedness of 1140402 Ontario Inc. (the "Company") to Alterna Savings and Credit Union Limited (the "Lender")

We are the lawyers for the Lender in connection with the above-captioned matter.

We refer to the term note dated October 15, 2019 (the "Note") granted by the Company in favour of the Lender, pursuant to which certain funds were advanced by the Lender to the Company, subject to the terms and conditions therein. Capitalized used and not otherwise defined herein have the meanings given to such terms in the Note.

The Lender holds certain security and related documents in respect of the Company's indebtedness to the Lender, including, but not limited to, a general security agreement dated September 26, 2019 (the "General Security Agreement") and a Charge/Mortgage dated October 15, 2019 (the "Mortgage") in respect of the real property municipally known as 83-85 Emerald St. S., Hamilton, ON.

Certain defaults and events of default under or in connection with the Note and the Security have occurred and are continuing, including without limitation, payment defaults under the Note, the existence of an encumbrance registered over real estate that is subject to the Lender's Security and for which the Lender did not consent, and the impairment of the prospect of payment or performance of the Company's Obligations to the Lender. In addition, the Company is in arrears with respect to real property tax obligations that are owing. All obligations under the Note are immediately due and repayable. Pursuant to the Note and the Security, we hereby declare on behalf of the Lender, that all of the obligations of the Company to the Lender have become immediately due and payable.

As of August 14, 2020, the Company is indebted or otherwise liable to the Lender in the amount of CAD\$2,167,967.77, inclusive of interest to August 14, 2020, but excluding any costs and expenses (including, without limitation, legal fees and expenses) incurred to date and that will be incurred after the date hereof and additional interest from and after August 14, 2020 to which the Lender is

entitled to under the Note and the Security (the "**Indebtedness**"). The Indebtedness is secured by, *inter alia*, the General Security Agreement and the Mortgage.

The Lender hereby demands the immediate payment of the Indebtedness in full by the Company. Payment of the Indebtedness is to be made forthwith to the Lender. If payment is not paid forthwith, the Lender intends to take such steps as are necessary or appropriate to obtain payment thereof, including, without limitation, the enforcement of Security held by the Lender. In this regard, we enclose a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), and a waiver and consent to the immediate enforcement of the security.

Yours very truly,



Roger Jaipargas

RJ/cs

Attachments

cc: Client (with attachments by email)
Jeffrey Levine (with attachments by email)

115295976:v1

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: 1140402 Ontario Inc., an insolvent person¹
307 King St. E.
Hamilton, ON L8N 1C1

TAKE NOTICE THAT:

1. Alterna Savings and Credit Union Limited, as Lender, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All of the present and future assets, property and undertaking, of the insolvent person.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement dated September 26, 2019;
 - (b) Charge/Mortgage dated October 15, 2019 in respect of the real property municipally known as 83-85 Emerald St. S., Hamilton, ON;
 - (c) General Assignment of Rents dated September 26, 2019;
 - (d) Assignment of Leases dated September 26, 2019; and
 - (e) such further and other security as may be held by Alterna Savings and Credit Union Limited, as Lender.
3. The total amount of indebtedness secured by the security as of August 14, 2020 is the sum of CAD\$2,167,967.77, plus costs and interest to the date of payment.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this Notice is sent, unless the insolvent person consents to an earlier enforcement.

¹ The term "insolvent person" is inserted in this form merely to comply with Form 86 and Rule 124 of the *Bankruptcy and Insolvency Act*.

DATED at Toronto, Ontario this 18th day of August, 2020.

**ALTERNA SAVINGS AND CREDIT
UNION LIMITED, as Lender, by its
lawyers, Borden Ladner Gervais LLP**

Per: _____



Roger Jaipargas

TO: ALTERNA SAVINGS AND CREDIT UNION LIMITED, as Lender

1140402 Ontario Inc. hereby acknowledges receipt of the Notice of Intention to Enforce Security delivered by Alterna Savings and Credit Union Limited, as Lender and hereby waives the time period provided therein and consents to the immediate enforcement of the security.

DATED at _____ this _____ day of _____, 2020.

1140402 ONTARIO INC.

Per: _____

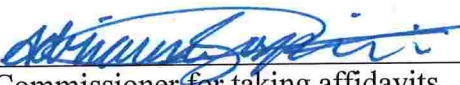
Name:

Title:

I am authorized to bind the company

115300116:v1

THIS IS EXHIBIT "Y" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits

REPORT : PSSR060
PAGE : 1
(2501)

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 210
RUN DATE : 2020/07/28
ID : 20200728113832.16

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 1140402 ONTARIO INC.

FILE CURRENCY : 27JUL 2020

ENQUIRY NUMBER 20200728113832.16 CONTAINS 8 PAGE(S), 3 FAMILY(IES) -

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

BORDEN LADNER GERVAS LLP - A. GASPARINI - ADRIANA
GASPARINI
22 ADELAIDE STREET WEST, SUITE 3400
TORONTO ON M5H 4E3



CONTINUED...

2



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 210
RUN DATE : 2020/07/28
ID : 20200728113832.16

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1140402 ONTARIO INC.
BILLE CURRENCY : 27JUL 2020

FORM NO FINANCING STATEMENT / CLAIM FOR LEN

FILE NUMBER
760437405

CAPTION PAGE TOTAL MOTOR VEHICLE REGISTRATION
FILING NO OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20200227 1116 1489 1570 P PPSA 05

01
DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
1140402 ONTARIO INC. HAMILTON
307 KING STREET EAST, SUITE B
FIRST GIVEN NAME INITIAL SURNAME

02
DEBTOR NAME
1140402 ONTARIO INC. HAMILTON

03
BUSINESS NAME
1140402 ONTARIO INC. HAMILTON

04
ADDRESS
307 KING STREET EAST, SUITE B

05
DATE OF BIRTH
1140402 ONTARIO INC. HAMILTON

06
BUSINESS NAME
1140402 ONTARIO INC. HAMILTON

07
ADDRESS
307 KING STREET EAST, SUITE B

08
SECURED PARTY
KIN HOLDINGS INC.

09
FILE CLAIMANT
2554 MAID MARIAN PLACE

10
COMPANY CLASSIFICATION
MOTOR VEHICLE AMOUNT DATE OF NO FIXED
CONSUMER ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11
YEAR MAKE
MODEL

12
MOTOR VEHICLE
MODEL

13
GENERAL SECURITY AGREEMENT
THOMPSON MACCOLL & STACY

14
COLLATERAL
1020 MATHESON BLVD. WEST, SUITE 5

15
DESCRIPTION
1020 MATHESON BLVD. WEST, SUITE 5

16
REGISTERING
THOMPSON MACCOLL & STACY

17
AGENT
1020 MATHESON BLVD. WEST, SUITE 5

18
FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

19
CONTINUED...

20
3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Smith
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(c) 1996 05/2019



REPORT : PSSR060
PAGE : 4
(2504)

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 210
RUN DATE : 2020/07/28
ID : 20200728113832.16

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1140402 ONTARIO INC.
FILE CURRENCY : 27JUL 2020

FORM 10 FINANCING STATEMENT / CLAIM FOR LITIG

FILE NUMBER
756418651

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES 002 20191010 1616 1862 9749 UNDER PERIOD

DEBTOR NAME FIRST GIVEN NAME SURNAME
STEFANIE MARTINO

DEBTOR NAME BUSINESS NAME ADDRESS
15 STONEGATE DRIVE

ONTARIO CORPORATION NO.
ON L3G 3P3

DEBTOR NAME FIRST GIVEN NAME SURNAME
ANCASER

DEBTOR NAME BUSINESS NAME ADDRESS
ONTARIO CORPORATION NO.

SECURED PARTY / LIEN CLAIMANT ADDRESS

COLLATERAL CLASSIFICATION CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF MATURITY OR EXPIRY DATE

10

11 MOTOR YEAR MAKE MODEL

12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION

14 REGISTERING AGENT ADDRESS

15

16

17

CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR
Sandra Poudelle
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SURETES MOBILIERES
(cf/lu 062019)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 210
RUN DATE : 2020/07/28
ID : 20200728113832.16

TYPE OF SEARCH : BUSINESS DEPTOR
SEARCH CONDUCTED ON : 1140402 ONTARIO INC.
FILE DUE DATES : 27 JUL 2020

FORM 1-C FINANCING STATEMENT / CLAIM FOR LBN

FILE NUMBER
753695001

00	STATION	FACT	TOTAL	REGISTRATION	REGISTERED	REGISTRATION
	FILING	NO. OF PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
01	01	003	20190724 1434 8077 4862	P	PPSA	5
02	DEPTOR	NAME	1140402 ONTARIO INC			
03	NAME	ADDRESS	307 KING ST E		HAMILTON	
04	DEPTOR	NAME	1140402 ONTARIO INC			
05	NAME	ADDRESS	83 EMERALD ST S		HAMILTON	
06	SECURED PARTY	NAME	RCAP LEASING INC.			
07	NAME	ADDRESS	5575 NORTH SERVICE RD, STE 300		BURLINGTON	
08	SECURED PARTY	NAME	RCAP LEASING INC.			
09	NAME	ADDRESS	5575 NORTH SERVICE RD, STE 300		BURLINGTON	
10	COMMERCE CLASSIFICATION	CONSUMER	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE	AMOUNT
11	YEAR	MAKE	MODEL	DATE OF	NO. FILED	
12	VEHICLE					
13	GENERAL					
14	COLLATERAL					
15	DISPOSITION					
16	REGISTERING					
17	AGENT					

ALL WATER HEATER AND BOILER EQUIPMENT FROM TIME TO TIME LEASED
BY THE SECURED PARTY TO THE DEPTOR AS DESCRIBED ON LEASES,
CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS

REGISTRY = RECOVERY INC.

ADDRESS 1551 THE QUEENSWAY

TORONTO

ON M3Z 1T5

CONTINUED...

6



(01/10/08/2019)



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 210
RUN DATE : 2020/07/28
ID : 20200728113832.16

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1140402 ONTARIO INC.
FILE CURRENT : 27JUL 2020

FORM 16 REMAINING STATEMENT / CLERK FOR FEN

00
FILE NUMBER
753695001

01
TOTAL PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
PAGE NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD

02
03
04
DEBTOR NAME
BUSINESS NAME
ADDRESS
DATE OF BIRTH
FIRST GIVEN NAME
EMERALD LODGE
307 KING ST E
HAMILTON

05
06
07
DEBTOR NAME
BUSINESS NAME
ADDRESS
DATE OF BIRTH
FIRST GIVEN NAME
EMERALD LODGE
83 EMERALD ST S
HAMILTON

08
09
SECURED PARTY /
LITIGANT
ADDRESS

10
SECURED PARTY CLASSIFICATION
CONSUMER
GOODS INVESTIGATING ACCOUNTS OTHER INCLUDED
MOTOR VEHICLE AMOUNT DATE OF MATURITY OR EXPIRATION DATE
NO FIXED

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16
17
MOTOR VEHICLE
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MODEL
ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.

16
17
REGISTERING
AGENT
ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***
CONTINUED...

CERTIFIED BY / CERTIFIÉ PAR
Sarah P. P. P.
REGISTRAR OF
PERSONAL PROPERTY SECURITY /
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES
(01/10/06/2019)



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PPSR060
PAGE : 7
(2507)

RUN NUMBER : 210
RUN DATE : 2020/07/28
ID : 20200728113832.16

HYPOEC SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1140402 ONTARIO INC.
FILE CURRENCY : 27JUL 2020

FORM C FINANCING STATEMENT CLAIM FOR FID

FILE NUMBER
753695001

SECTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTRATION REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
03 003 20190724 1434 8077 4862

INITIAL SURNAME
ONTARIO CORPORATION NO.

INITIAL SURNAME

INITIAL SURNAME

FOREIGN
NAME
BUSINESS NAME
ADDRESS

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CERTIFIED BY/CERTIFIÉES PAR
Barbara Smith
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(c/fu 05/2019)



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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(2508)

RUN NUMBER : 210
RUN DATE : 2020/07/28
ID : 20200728113832.16

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1140402 ONTARIO INC.
FILE CURRENCY : 27JUL 2020

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
760437405	20200227 1116 1489 1570		
756418851	20191010 1616 1862 9749		
753695001	20190724 1434 8077 4862		



(enq5 06/2019)



3 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

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OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits

Request ID: 024984063
Transaction ID: 76514001
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
Time Report Produced: 15:48:04
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1830367	NORTH AMERICAN LIVING CENTRES LIMITED	2010/12/29
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
		NOT APPLICABLE
307 KING STREET EAST SUITE B		New Amal. Number
		NOT APPLICABLE
HAMILTON ONTARIO CANADA L8N 1C1		Amalgamation Ind.
		A
Mailing Address		Notice Date
		NOT APPLICABLE
NOT AVAILABLE		Letter Date
		NOT APPLICABLE
		Revival Date
		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
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00007	

Request ID: 024984063
Transaction ID: 76514001
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
Time Report Produced: 15:48:04
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1830367

Corporation Name

NORTH AMERICAN LIVING CENTRES LIMITED

Corporate Name History

NORTH AMERICAN LIVING CENTRES LIMITED

Effective Date

2010/12/29

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

NORTH AMERICAN LIVING CENTRES LIMITED

ASCENT GROUP HOLDINGS INC.

Corporate Number

1602433

1782815

Request ID: 024984063
Transaction ID: 76514001
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
Time Report Produced: 15:48:04
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1830367

Corporation Name

NORTH AMERICAN LIVING CENTRES LIMITED

Administrator:
Name (Individual / Corporation)

ROSE

HRNCIE

Address

248 NORTH SHORE BOULEVARD EAST

BURLINGTON
ONTARIO
CANADA L7T 1W9

Date Began

2010/12/29

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 024984063
Transaction ID: 76514001
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2020/09/09
Time Report Produced: 15:48:04
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1830367

Corporation Name

NORTH AMERICAN LIVING CENTRES LIMITED

Last Document Recorded

Act/Code Description

Form

Date

CIA ANNUAL RETURN 2018

1C

2019/10/06 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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CONFIRMATION OF OWNERSHIP STRUCTURE/ORGANIZATIONAL CHART

TO: ALTERNA SAVINGS AND CREDIT UNION LIMITED
RE: Alterna Savings and Credit Union Limited (the "Lender") First Mortgage
Loan to 1140402 Ontario Inc. (the "Borrower") of 83 - 85 Emerald Street
South, Hamilton (collectively, the "Property")

The undersigned hereby confirms that the ownership structure/organizational chart
attached as Schedule "A" is accurate.

DATED this 27th day of September, 2019.

1140402 ONTARIO INC.

Per: 

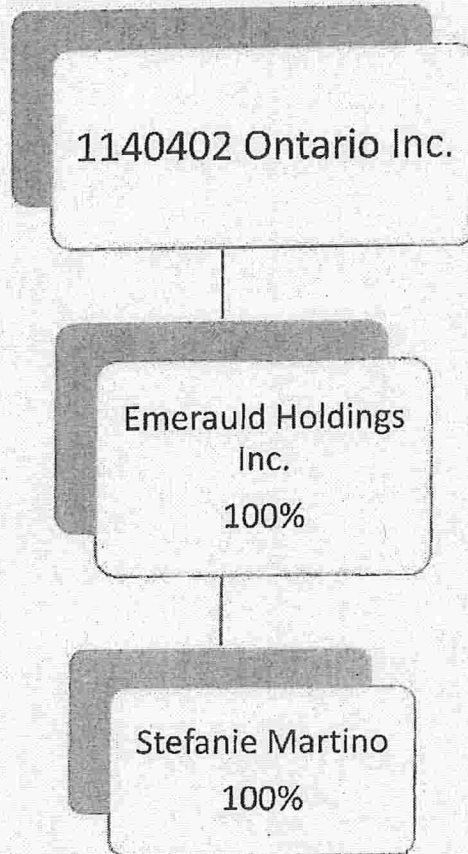
Name: Stefano Martino

Title: President

I have the authority to bind the Corporation.

SCHEDULE "A"

Ownership Structure/Organizational of 1140402 Ontario Inc.



THIS IS EXHIBIT "BB" TO THE AFFIDAVIT
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ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Abdul Basit", is written over a horizontal line.

A Commissioner for taking affidavits

Gasparini, Adriana

From: Jaipargas, Roger
Sent: September 14, 2020 12:42 PM
To: Gasparini, Adriana
Subject: FW: NALC



Borden Ladner Gervais

Roger Jaipargas

T 416.367.6266 | RJaipargas@blg.com

Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3

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From: Mazur, Chris <CMazur@bdo.ca>
Sent: August-13-20 12:21 PM
To: Umair Saleem <Umair.Saleem@alterna.ca>; Jaipargas, Roger <RJaipargas@blg.com>
Cc: Griffiths, Darren <DGriffiths@bdo.ca>; Jeffrey Levine <jeffrey.levine@mcmillan.ca>; N ORTHAMERICAN <nalc@cogeco.net>
Subject: NALC

Umair and Roger,

We have an update.

Are you available for a call this afternoon at 4pm?

Christopher Mazur, CIRP, LIT
Partner/Senior Vice President
National Commercial Practice Leader-Financial Recovery Services
BDO Canada Limited
905.524.1008
cmazur@bdo.ca

25 Main Street West, Suite 805
Hamilton, Ontario
L8P1H1

Fax: 905.570.0249

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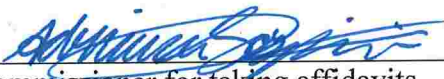
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ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits

Gasparini, Adriana

From: Jaipargas, Roger
Sent: September 14, 2020 12:43 PM
To: Gasparini, Adriana
Subject: FW: North American Living Centres Group Of Companies ("NALC")



Borden Ladner Gervais

Roger Jaipargas

T 416.367.6266 | RJaipargas@blg.com

Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3

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From: Griffiths, Darren <DGriffiths@bdo.ca>
Sent: August-18-20 1:45 PM
To: Jaipargas, Roger <RJaipargas@blg.com>; Umair Saleem <Umair.Saleem@alterna.ca>; Nikos Patiniotis <nikos.patiniotis@alterna.ca>
Cc: Mazur, Chris <CMazur@bdo.ca>
Subject: North American Living Centres Group Of Companies ("NALC")

Gentlemen,

We are writing to you in our capacity as financial advisor to NALC.

As discussed during our call last Thursday, the envisioned sale transaction between NALC and _____ is at an end.

NALC ownership remain committed to the sale of the business, globally, with a view of maximizing recovery for the respective stakeholders.

To this end, with the support of the respective mortgagees, NALC ownership propose to engage a realtor specializing in the retirement home/long term care industry to bring each of the homes to market. With BDO's assistance, 3-5 listing proposals will be obtained from suitable realtors with experience in this space.

There are two scenarios by which we would see this unfolding, as follows:

Voluntary Listing

With the support of the respective mortgagees, and BDO oversight, NALC ownership propose to engage the services of a realtor to bring the properties to market (while also continuing discussions with certain of the subordinate mortgagees who have expressed an interest in potentially taking out certain of the first mortgagees in order to protect

their investment). Under this scenario, NALC ownership would administer the sale process with BDO's assistance and oversight subject to input from the respective mortgagees (i.e. selection of listing agent, list price, offers, etc.). We caution there is the potential for subordinate mortgagees to derail a future sale under this scenario in the event there are insufficient funds to satisfy their respective interests (i.e. refuse to discharge mortgage security). The intention would be that NALC ownership would continue to operate the homes during this period in order to preserve going concern value, where applicable.

The voluntary listing scenario is the cheapest option and the preferred course of action by NALC ownership. Additional funding may be required to cover operational deficiencies if this is to be a viable option.

Companies' Creditors Arrangement Act ("CCAA") Filing

As an alternative, NALC would consider filing for creditor protection under the CCAA with BDO to act as Court Appointed Monitor to facilitate sale of the properties. Under this scenario, assuming a CCAA Order is granted, the sale process would be administered by BDO through a Court sanctioned process where the respective mortgagees would have direct input vis a vis the Court. While significantly more costly than the voluntary listing scenario, there are a number of benefits to proceeding in this manner. The effect of a CCAA filing would stay existing creditors permitting NALC to continue operating while deferring or eliminating certain obligations to which the Company is not in a position to pay (thus improving cash flow and ultimately future net realization). Further, future sale of the properties (requiring Court approval) would be completed by way of Vesting Order granting clear title to a purchaser (thus alleviating concerns relative to the subordinate mortgagees and/or contingent liabilities). While BDO would administer the sale process under this scenario, the intention would be that NALC ownership would continue to operate the homes in order to preserve going concern value, where applicable. This would avoid significant costs associated with the engagement of an operator to manage the respective homes. BDO would also be directly involved with enhanced financial reporting as required by the Court and by extension made available to the stakeholders.

Under the CCAA scenario, it is anticipated debtor-in-possession (DIP) financing will be required to fund operational deficiencies and professional costs. DIP financing provides a first ranking security interest and charge on the assets of a debtor company ranking ahead of existing creditor interests. The DIP would be allocated on a basis to be determined.

In the event certain of the mortgagees are not supportive of a CCAA filing, this may result in some or all of the homes being carved out from a future CCAA Order. In such instance, presumably those mortgagees would take steps to enforce on their security (i.e. appoint a Receiver, which may involve the engagement of an operator to manage the respective homes, at significant cost).

NALC ownership remain committed to sale of the business. We (BDO) are of the view that engagement of a single realtor to market the NALC portfolio of homes will lead to the highest realization (rather than carve out of certain properties being marketed separately). We (BDO) have significant experience in the retirement home/long term care industry and would be pleased to further discuss the above scenarios at your convenience.

In the interim, as mortgagee with respect to one of the homes, you may wish to consider commissioning appraisal(s) to evaluate your security position.

Darren Griffiths
Senior Manager

BDO Canada Limited
Direct: 905 524 1008
dgriffiths@bdo.ca

25 Main Street West, Suite 805
Hamilton Ontario L8P 1H1
Canada
Tel: 905 524 1008
Fax: 905 570 0249
www.bdo.ca

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ON THIS 22nd DAY OF SEPTEMBER, 2020


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Gasparini, Adriana

From: Jaipargas, Roger <RJaipargas@blg.com>

Sent: August-26-20 4:18 PM

To: Mazur, Chris <CMazur@bdo.ca>

Cc: Adam Maerov <Adam.Maerov@mcmillan.ca>; Jeffrey Levine <jeffrey.levine@mcmillan.ca>; Griffiths, Darren <DGriffiths@bdo.ca>

Subject: RE: North American Living Centers

Hi Chris,

I hope all is well.

I hope to confirm my instructions in the coming days. One of the challenges I am having is vacation schedules. I appreciate the update Chris. However, our client does not support a CCAA filing by Emerald Lodge and will oppose same. I will be in touch. Thanks Chris.

Regards,

Roger



Roger Jaipargas

T 416.367.6266 | RJaipargas@blg.com

Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3

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From: Mazur, Chris <CMazur@bdo.ca>

Sent: August-26-20 10:52 AM

To: Jaipargas, Roger <RJaipargas@blg.com>

Cc: N ORTHAMERICAN <nalc@cogeco.net>; Adam Maerov <Adam.Maerov@mcmillan.ca>; Jeffrey Levine <jeffrey.levine@mcmillan.ca>; Griffiths, Darren <DGriffiths@bdo.ca>; Mazur, Chris <CMazur@bdo.ca>

Subject: North American Living Centers

Hi Roger,

Further to our call last week, we have heard nothing further from you.

Has your client landed on a course of action going forward?

I can tell you one senior secured has agreed to our proceeding with a sales process within a CCAA proceeding as proposed, and the others are leaning towards it.

Please advise, thanks Roger

Christopher Mazur, CIRP, LIT
Partner/Senior Vice President
National Commercial Practice Leader-Financial Recovery Services
BDO Canada Limited
905.524.1008
cmazur@bdo.ca

25 Main Street West, Suite 805
Hamilton, Ontario
L8P1H1

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Nous avons adapté notre façon de vous soutenir. La santé et la sécurité de nos gens, de nos clients et de notre communauté demeurent notre priorité. Pour faire face à la pandémie de COVID-19, nous avons fermé provisoirement nos bureaux. Tous les associés et tous les employés de BDO travaillent à domicile. Nos équipes travaillent à distance de manière efficace et continueront de fournir un service de la plus haute qualité à nos clients. Veuillez consulter les ressources et les mises à jour pour les entreprises en lien avec la COVID-19 qui sont mises à votre disposition sur notre site Web. Pour mettre à jour vos préférences en matière de messages électroniques, veuillez vous rendre au centre d'inscription en ligne.

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OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Adnan Saleem", is written over a horizontal line.

A Commissioner for taking affidavits

Gasparini, Adriana

From: Jaipargas, Roger
Sent: September 14, 2020 12:44 PM
To: Gasparini, Adriana
Subject: FW: Emerald Lodge (Re) - NOI
Attachments: Certificate for the Notice of Intention - 32-2668241.pdf



Roger Jaipargas

T 416.367.6266 | RJaipargas@blg.com

Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3

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From: Jeffrey Levine <jeffrey.levine@mcmillan.ca>
Sent: August-28-20 4:33 PM
To: Jaipargas, Roger <RJaipargas@blg.com>
Subject: Emerald Lodge (Re) - NOI

Roger,

Please see the attached Certificate of Filing of an NOI in respect of Emerald Lodge. The company is pursuing a potential sale opportunity and needs some time to see it through.

Best,



Jeffrey Levine*

Partner

d 416.865.7791 | f 416.865.7048

jeffrey.levine@mcmillan.ca

*Professional Corporation

Assistant: Mary Ottaviano | 416.865.7029 | mary.ottaviano@mcmillan.ca

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Industry Canada

Industrie Canada

Office of the Superintendent
of Bankruptcy Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 07 - Hamilton
Court No. 32-2668241
Estate No. 32-2668241

In the Matter of the Notice of Intention to make a
proposal of:

1140402 Ontario Inc o/a Emerald Lodge
Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: August 28, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: August 28, 2020, 15:07

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

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OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Atkinson Deyman", is written over a horizontal line.

A Commissioner for taking affidavits

Gasparini, Adriana



encrypted.

From: Jaipargas, Roger <RJaipargas@blg.com>
Sent: August-28-20 10:07 PM
To: Jeffrey Levine <jeffrey.levine@mcmillan.ca>
Cc: Mazur, Chris <CMazur@bdo.ca>; Griffiths, Darren <DGriffiths@bdo.ca>
Subject: Emerald Lodge (Re) - NOI

Hi Jeff,

I hope all is well.

I acknowledge receipt of your email of this afternoon attaching a Certificate of Filing in respect of the NOI filed today by Emerald Lodge.

Needless to say that I have forward this to Alterna and I will be seeking instructions on this development. I suspect that Emerald Lodge will be working with BDO as proposal trustee to prepare and file a cash flow statement within the 10 day period, as required by s.50.4(2) of the BIA. In accordance with s.50.4(3) of the BIA, please provide me with a copy of the cash flow statement, concurrent with the filing of same: I connection therewith, I have take the liberty of copying Chris Mazur and Darren Griffiths at BDO on this email, so that they have this request. Many thanks. Have a great weekend.

Regards,

Roger



Roger Jaipargas

T 416.367.6266 | RJaipargas@blg.com

Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3

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Subject: Emerald Lodge (Re) - NOI

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Best,

mcmillan

Jeffrey Levine*

Partner

d 416.865.7791 | f 416.865.7048

jeffrey.levine@mcmillan.ca

*Professional Corporation

Assistant: Mary Ottaviano | 416.865.7029 | mary.ottaviano@mcmillan.ca

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A Commissioner for taking affidavits

Gasparini, Adriana



Borden Ladner Gervais

From: Jeffrey Levine <jeffrey.levine@mcmillan.ca>

Sent: September-04-20 5:30 PM

To: Jaipargas, Roger <RJaipargas@blg.com>

Cc: Mazur, Chris <CMazur@bdo.ca>; Griffiths, Darren <DGriffiths@bdo.ca>; Adam Maerov <Adam.Maerov@mcmillan.ca>

Subject: RE: Emerald Lodge (Re) - NOI

Hi Roger,

For your reference, and as requested below, I attach the company's and proposal trustee's report on cash flows filed earlier today with the Official Receiver.

I now have instructions from the company to agree to the transfer from Hamilton to the Commercial List for any future hearings in the Proposal Proceeding. I'll be back to you over the weekend with some thoughts on the mechanics of making that transfer happen.

Best,



Jeffrey Levine*

Partner
d 416.865.7791
jeffrey.levine@mcmillan.ca

*Professional Corporation

Assistant: Mary Ottaviano | 416.865.7029 | mary.ottaviano@mcmillan.ca

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Sent: Friday, August 28, 2020 10:07 PM
To: Jeffrey Levine <jeffrey.levine@mcmillan.ca>
Cc: Mazur, Chris <CMazur@bdo.ca>; Griffiths, Darren <DGriffiths@bdo.ca>
Subject: Emerald Lodge (Re) - NOI

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Regards,

Roger



Roger Jaipargas

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Sent: August-28-20 4:33 PM
To: Jaipargas, Roger <RJaipargas@blg.com>
Subject: Emerald Lodge (Re) - NOI

Roger,

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Best,

mcmillan

Jeffrey Levine*

Partner

d 416.865.7791 | f 416.865.7048

jeffrey.levine@mcmillan.ca

*Professional Corporation

Assistant: Mary Ottaviano | 416.865.7029 | mary.ottaviano@mcmillan.ca

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District of: Ontario
Division No.: 07 - Hamilton
Court No.: 32-2668241
Estate No.: 32-2668241

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
1140402 Ontario Inc o/a Emerald Lodge
of the City of Hamilton, in the Province of Ontario

The attached statement of projected cash flow of 1140402 Ontario Inc o/a Emerald Lodge, as of the 3rd day of September 2020, consisting of , has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Hamilton in the Province of Ontario, this 3rd day of September 2020.

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee



25 Main Street West, Suite 805
Hamilton ON L8P 1H1
Phone: (905) 524-1008 Fax: (905) 570-0249

1140402 Ontario Inc o/a Emerald Lodge 13 week cashflow projection For the period August 29 to November 27, 2020															
	Aug 29-Sep 4	Sep 5-11	Sep 12-18	Sep 19-25	Sep 26-Oct 2	Oct 3-Oct 9	Oct 10-16	Oct 17-23	Oct 24-30	Oct 31-Nov 5	Nov 7-13	Nov 14-20	Nov 21-27	Total	Percent
Revenue															
Resident Deposits	31,288.16	0.00	0.00	0.00	35,788.16	0.00	0.00	0.00	0.00	31,788.16	0.00	0.00	0.00	98,864.48	54.7%
City of Hamilton-Subsidy	0.00	26,859.93	0.00	0.00	0.00	0.00	26,363.84	0.00	0.00	0.00	28,355.84	0.00	0.00	81,579.61	45.3%
Total resident deposits	31,288.16	26,859.93	0.00	0.00	35,788.16	0.00	26,363.84	0.00	0.00	31,788.16	28,355.84	0.00	0.00	179,944.09	100.0%
Payroll															
Net Payroll	15,053.36		17,000.00			17,500.00		15,000.00		17,500.00		17,000.00		101,053.36	56.2%
Screening labour														0.00	0.0%
Agency Staffing			11,492.82				12,000.00					12,000.00		35,492.82	19.7%
Source Deductions	0.00	16,053.36	11,492.82	17,000.00	0.00	17,500.00	12,000.00	15,000.00	0.00	17,500.00	0.00	29,000.00	0.00	136,546.18	75.8%
Operating costs															
Food and supplies	5,631.66		3,288.64			2,790.55	515.00	2,935.91		3,276.02	515.00	2,800.00		20,772.78	11.5%
PPE Supplies					500.00				500.00				500.00	1,500.00	0.8%
Office supplies					100.00				100.00				100.00	300.00	0.2%
Telephone/cable					289.04				325.00				325.00	938.04	0.5%
Insurance					2,360.97				3,000.00				3,000.00	8,360.97	4.5%
Water heater/hallier rental					285.00				285.00				285.00	855.00	0.5%
Heating					250.00				750.00				1,500.00	2,250.00	1.3%
Hydro/water					2,500.00				2,500.00				2,500.00	7,500.00	4.2%
Garbage removal					275.00				275.00				275.00	825.00	0.5%
Pest Control					101.70				101.70				101.70	305.10	0.2%
Repairs and maint					1,500.00				1,500.00				1,500.00	4,500.00	2.5%
Equipment lease	1,495.42				1,495.42					1,495.42				4,486.26	2.5%
Accounting								5,300.00						5,300.00	2.9%
Fire monitoring					84.75				84.75					169.50	0.1%
Bank charges	150.00					150.00				150.00				450.00	0.3%
Total expenses	7,277.08	0.00	3,288.64	2,360.97	7,380.91	2,940.55	515.00	8,235.91	9,421.45	3,921.44	515.00	2,800.00	9,921.45	58,598.40	32.6%
	7,277.08	16,053.36	14,781.46	19,360.97	7,380.91	30,440.55	12,525.00	24,235.91	9,421.45	21,421.44	515.00	31,800.00	9,921.45	195,164.58	108.4%
Net Operating cashflow	24,011.08	10,806.57	-14,781.46	-19,360.97	28,407.25	-20,440.55	13,838.84	-24,235.91	-9,421.45	9,866.72	27,830.84	-31,800.00	-9,921.45	-15,200.49	-8.4%
Head office cost allocation	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	22,750.00	12.6%
Net cashflow before debt	22,261.08	9,056.57	-16,531.46	-21,110.97	26,657.25	-22,190.55	12,088.84	-25,985.91	-11,171.45	8,116.72	26,080.84	-33,550.00	-11,671.45	-37,950.49	-21.1%
1st mortgage payment														0.00	0.0%
2nd mortgage payment														0.00	0.0%
Other debt payments														0.00	0.0%
														0.00	0.0%
Net Cashflow	22,261.08	9,056.57	-16,531.46	-21,110.97	26,657.25	-22,190.55	12,088.84	-25,985.91	-11,171.45	8,116.72	26,080.84	-33,550.00	-11,671.45	-37,950.49	-21.1%
Opening Cash Position	7,326.61	29,587.69	38,644.26	22,112.80	1,001.83	27,659.08	5,468.53	17,557.37	-8,428.54	-19,599.99	-11,483.27	14,597.57	-18,952.43	7,326.61	
Cumulative cashflow	29,587.69	38,644.26	22,112.80	1,001.83	27,659.08	5,468.53	17,557.37	-8,428.54	-19,599.99	-11,483.27	14,597.57	-18,952.43	-30,623.88	-30,623.88	
This statement of projected cash-flow of 1140402 Ontario Inc. was prepared in accordance with s 50.4(2) of the Bankruptcy and Insolvency Act, and should be read in conjunction with the Trustee's report on Cash-Flow.															
Statement dated September 3, 2020.															
Per: <i>[Signature]</i>															
											</				

IN THE MATTER OF THE PROPOSAL OF
1140402 ONTARIO INC. O/A EMERALD LODGE
OF THE CITY OF HAMILTON,
IN THE PROVINCE OF ONTARIO.

ASSUMPTIONS TO UNAUDITED CASH-FLOW STATEMENT

Note 1

The cash-flow statement has been prepared for the sole purpose of filing a Proposal pursuant to Part III of the Bankruptcy and Insolvency Act.

Note 2

Resident occupancy to remain constant at 39 residents with 1 vacancy. Two eligible residents not currently on Subsidy, will be added in September. No change in Subsidy per diem of \$52.00/day/resident. Resident Peter Crabtree is billed quarterly for the period October 1-Dec 31, 2020 is \$4,500 and is included in revenue.

Note 3

No additional funding for COVID related expenses. No capital expenditures to be incurred in the 13 week period. Insurance currently expires September 23rd and will be renewed at an estimated rate of \$3,000.00/month.

Note 4

Property taxes and mortgage payments will not be paid during the 13 week period.

Note 5

Allocation of Head Office overhead costs is calculated based on revenue of the facility as a percentage of revenue for all operating facilities.

Note 6

Pandemic pay funding has not been included nor has the payroll costs as it is a pass-through item. Employee vacation pay is paid to employees with each pay. No hourly wage increases during the 13 week period.

Dated at HAMILTON, Ontario this 3 day of SEPTEMBER, 2020.



1140402 Ontario Inc.

Per: Stefanie Martino

Title: DIRECTOR

District of: Ontario
Division No. 07 - Hamilton
Court No. 32-2668241
Estate No. 32-2668241

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
1140402 Ontario Inc o/a Emerald Lodge
of the City of Hamilton, in the Province of Ontario

I, 1140402 Ontario Inc o/a Emerald Lodge, have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 3rd day of September 2020, consisting of .

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Hamilton in the Province of Ontario, this 3rd day of September 2020.


1140402 Ontario Inc o/a Emerald Lodge
Debtor

STEFANIE MARTINO
Name and title of signing officer
DIRECTOR

Name and title of signing officer

IN THE MATTER OF THE PROPOSAL OF
1140402 ONTARIO INC. O/A EMERALD LODGE
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Property taxes and mortgage payments will not be paid during the 13 week period.

Note 5

Allocation of Head Office overhead costs is calculated based on revenue of the facility as a percentage of revenue for all operating facilities.

Note 6

Pandemic pay funding has not been included nor has the payroll costs as it is a pass-through item. Employee vacation pay is paid to employees with each pay. No hourly wage increases during the 13 week period.

Dated at HAMILTON, Ontario this 3 day of SEPTEMBER 2020.



1140402 Ontario Inc.

Per: Stefanie Martino

Title: DIRECTOR

THIS IS EXHIBIT "HH" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits

From: Jaipargas, Roger <RJaipargas@blg.com>
Sent: September-01-20 8:43 AM
To: Griffiths, Darren <DGriffiths@bdo.ca>
Cc: Mazur, Chris <CMazur@bdo.ca>; Jeffrey Levine <jeffrey.levine@mcmillan.ca>
Subject: North American Living Centres Group Of Companies ("NALC")

Hello Darren,

I acknowledge receipt of your email dated August 18, 2020 (the "**BDO Email**"), which is set out below for ease of reference. I also acknowledge receipt of an email dated August 28, 2020 from Jeff Levine at McMillan attaching a Notice of Intention to Make a Proposal ("**NOI**") that 1140402 Ontario Inc. o/a Emerald Lodge ("**Emerald Lodge**") filed under the Bankruptcy and Insolvency Act ("**BIA**") on August 28, 2020. I write to you in order to provide a response to the BDO Email and further to a conference that I had on August 20, 2020, with each of BDO and McMillan, as financial advisor to NALC and legal counsel to NALC, respectively, which was attended by Umair Saleem of Alterna Savings and Credit Union Limited ("**Alterna**"), as well as to provide a response to Mr. Levine's email of August 28, 2020, attaching the Emerald Lodge NOI.

I thank you for the BDO Email setting out the two scenarios that NALC proposes to Alterna, as a means by which to sell the assets, property and undertaking of Emerald Lodge. I have now received instructions from Alterna with respect to the BDO Email, as well as Mr. Levine's email attaching the NOI.

As you know, on August 18, 2020, Alterna issued a demand for payment on Emerald Lodge and deliver a Notice of Intention to Enforce Security ("**NITES**"), as required by s.244 of the BIA. On the same date, a demand for payment was

made on the two guarantors, Stefanie Martino and Emerald Holdings Inc. Alterna remains very concerned about the situation that has developed with Emerald Lodge. There are a number of events of default, including payment defaults and the existence of an encumbrance registered over certain real property that is the subject of Alterna's security by way of a second charge in favour of KLN Holdings Inc. ("KLN") in the principal amount of \$450,000, which was registered without the consent of Alterna and in direct violation of the existing arrangements with Alterna. Further, Emerald Lodge has permitted significant priority payables, namely, both property taxes and deductions at source, to be incurred, which have the effect of eroding the security held by Alterna.

Alterna does not support either of the two scenarios set out in the BDO Email. I will address each of these two scenarios in turn below.

Voluntary Listing

NALC was pursuing a sale transaction with a third party purchaser, which would have included a sale of the assets of Emerald Lodge, subject to Alterna's consent. In a call that I had with BDO and McMillan on the afternoon of August 13, 2020, BDO advised that the proposed transaction was no longer an option, as noted in the BDO Email below. The voluntary listing approach requires existing management to remain in control of the business and during that time further property tax obligations and source deductions will accrue. As the BDO Email notes, this approach may require further funding to cover operational deficiencies. Alterna is not prepared to fund this exercise while Emerald Lodge is in control of the business. Alterna has lost confidence in management and is not prepared to let the further passage of time erode its security. In addition, as you quite rightly note, any purchase of the Emerald Lodge assets may be derailed by subsequent mortgagees.

CCAA Filing

Alterna does not support a CCAA filing that includes Emerald Lodge as one of the debtor companies. As noted above, Alterna has lost confidence in management. Alterna will not support a debtor in possession filing. As the BDO Email notes, it is likely that in a CCAA filing, DIP financing would be required. Alterna will not only vigorously oppose a CCAA filing that attempts to include Emerald Lodge, but it will oppose any Court ordered charges (ie. DIP Charge, Administration Charge or Directors and Officers Charge) that would rank in priority to the Alterna security. In the event that Emerald Lodge elects to pursue a CCAA filing, we expect to be served with the materials.

Instructions from Alterna

We have now received instructions from Alterna to bring an application for appointment of Grant Thornton Limited as a receiver by the Court over the assets, property and undertaking of Emerald Lodge. A receivership would be focussed on what is a discreet asset, unencumbered by all of the issues with respect to the various other companies that BDO is acting as financial advisor for at this time.

In addition, in light of the filing of the NOI by Emerald Lodge on August 28, 2020, I now have instructions to bring a motion under s.50.4(11) to terminate the time to file a proposal. In connection therewith, I would be most grateful if McMillan would advise me if they have instructions to admit service of our materials in respect of the receivership application. I trust that this clarifies the position of Alterna. Many thanks.

Regards,

Roger



Roger Jaipargas

T 416.367.6266 | RJaipargas@blg.com

Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3

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Borden Ladner Gervais LLP

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From: Griffiths, Darren <DGriffiths@bdo.ca>

Sent: August-18-20 1:45 PM

To: Jaipargas, Roger <RJaipargas@blg.com>; Umair Saleem <Umair.Saleem@alterna.ca>; Nikos Patiniotis <nikos.patiniotis@alterna.ca>

Cc: Mazur, Chris <CMazur@bdo.ca>

Subject: North American Living Centres Group Of Companies ("NALC")

Gentlemen,

We are writing to you in our capacity as financial advisor to NALC.

As discussed during our call last Thursday, the envisioned sale transaction between NALC and _____ is at an end.

NALC ownership remain committed to the sale of the business, globally, with a view of maximizing recovery for the respective stakeholders.

To this end, with the support of the respective mortgagees, NALC ownership propose to engage a realtor specializing in the retirement home/long term care industry to bring each of the homes to market. With BDO's assistance, 3-5 listing proposals will be obtained from suitable realtors with experience in this space.

There are two scenarios by which we would see this unfolding, as follows:

Voluntary Listing

With the support of the respective mortgagees, and BDO oversight, NALC ownership propose to engage the services of a realtor to bring the properties to market (while also continuing discussions with certain of the subordinate mortgagees who have expressed an interest in potentially taking out certain of the first mortgagees in order to protect their investment). Under this scenario, NALC ownership would administer the sale process with BDO's assistance and oversight subject to input from the respective mortgagees (i.e. selection of listing agent, list price, offers, etc.). We caution there is the potential for subordinate mortgagees to derail a future sale under this scenario in the event there are insufficient funds to satisfy their respective interests (i.e. refuse to discharge mortgage security). The intention would be that NALC ownership would continue to operate the homes during this period in order to preserve going concern value, where applicable.

The voluntary listing scenario is the cheapest option and the preferred course of action by NALC ownership. Additional funding may be required to cover operational deficiencies if this is to be a viable option.

Companies' Creditors Arrangement Act ("CCAA") Filing

As an alternative, NALC would consider filing for creditor protection under the CCAA with BDO to act as Court Appointed Monitor to facilitate sale of the properties. Under this scenario, assuming a CCAA Order is granted, the sale process would be administered by BDO through a Court sanctioned process where the respective mortgagees would have direct input vis a vis the Court. While significantly more costly than the voluntary listing scenario, there are a number of benefits to proceeding in this manner. The effect of a CCAA filing would stay existing creditors permitting NALC to continue operating while deferring or eliminating certain obligations to which the Company is not in a position

to pay (thus improving cash flow and ultimately future net realization). Further, future sale of the properties (requiring Court approval) would be completed by way of Vesting Order granting clear title to a purchaser (thus alleviating concerns relative to the subordinate mortgagees and/or contingent liabilities). While BDO would administer the sale process under this scenario, the intention would be that NALC ownership would continue to operate the homes in order to preserve going concern value, where applicable. This would avoid significant costs associated with the engagement of an operator to manage the respective homes. BDO would also be directly involved with enhanced financial reporting as required by the Court and by extension made available to the stakeholders.

Under the CCAA scenario, it is anticipated debtor-in-possession (DIP) financing will be required to fund operational deficiencies and professional costs. DIP financing provides a first ranking security interest and charge on the assets of a debtor company ranking ahead of existing creditor interests. The DIP would be allocated on a basis to be determined.

In the event certain of the mortgagees are not supportive of a CCAA filing, this may result in some or all of the homes being carved out from a future CCAA Order. In such instance, presumably those mortgagees would take steps to enforce on their security (i.e. appoint a Receiver, which may involve the engagement of an operator to manage the respective homes, at significant cost).

NALC ownership remain committed to sale of the business. We (BDO) are of the view that engagement of a single realtor to market the NALC portfolio of homes will lead to the highest realization (rather than carve out of certain properties being marketed separately). We (BDO) have significant experience in the retirement home/long term care industry and would be pleased to further discuss the above scenarios at your convenience.

In the interim, as mortgagee with respect to one of the homes, you may wish to consider commissioning appraisal(s) to evaluate your security position.

Darren Griffiths
Senior Manager

BDO Canada Limited
Direct: 905 524 1008
dgriffiths@bdo.ca

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Hamilton Ontario L8P 1H1
Canada
Tel: 905 524 1008
Fax: 905 570 0249
www.bdo.ca

 Before you print think about the environment

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OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020

A handwritten signature in blue ink, appearing to read "Adnan S. Khan", is written over a horizontal line.

A Commissioner for taking affidavits

Gasparini, Adriana

From: Jaipargas, Roger
Sent: September 14, 2020 12:46 PM
To: Gasparini, Adriana
Subject: FW: [EXT] July mortgage payment



Borden Ladner Gervais

Roger Jaipargas

T 416.367.6266 | RJaipargas@blg.com

Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3

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From: Mazur, Chris <CMazur@bdo.ca>
Sent: July-21-20 3:47 PM
To: Jaipargas, Roger <RJaipargas@blg.com>
Subject: FW: [EXT] July mortgage payment

Here you go!

Christopher Mazur, CIRP, LIT
Partner/Senior Vice President
National Commercial Practice Leader-Financial Recovery Services
BDO Canada Limited
905.524.1008
cmazur@bdo.ca

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Nous nous sommes adaptés pour continuer à vous soutenir. La santé et la sécurité de nos gens, de nos clients et de nos collectivités sont notre priorité absolue. Étant donné l'évolution de la situation entourant la COVID-19, les bureaux de BDO sont temporairement fermés. Tous les associés et tous les employés de BDO travailleront à domicile. Nos équipes fonctionnent efficacement de n'importe quel endroit et continueront d'offrir le plus haut niveau de services à nos clients. Visitez notre site Web pour prendre connaissance [des ressources et mises à jour en lien avec la COVID-19 à l'intention des entreprises](#).

From: N ORTHAMERICAN <nalc@cogeco.net>

Sent: Tuesday, July 21, 2020 3:00 PM

To: umair.saleem@alterna.ca

Cc: Mazur, Chris <CMazur@bdo.ca>

Subject: [EXT] July mortgage payment

As per our last conference call, we had told you that we would not be able to make the July mortgage payment which was due on July 15th .

On July 15th the mortgage payment was processed by Alterna and presented for payment at the Royal Bank.

The payment was returned NSF on July 15th.

Yesterday on July 20th, I had transferred funds into the account to cover our employee pay cheques dated July 20th.

Alterna processed the July mortgage payment a 2nd time on July 20th .

The Mortgage payment of \$14,952.01 cleared through Royal bank on July 20th.

As a result, it has left the account short of the required funds to cover employee pay cheques.

Could you please arrange for the immediate return of the funds , in order that I can cover payroll.

Regards,

Mike Springstead

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THIS IS EXHIBIT "JJ" TO THE AFFIDAVIT
OF UMAIR SALEEM SWORN BEFORE ME
ON THIS 22nd DAY OF SEPTEMBER, 2020


A Commissioner for taking affidavits

Court File No.

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

BETWEEN:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

- and -

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondent

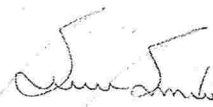
**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-
3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE
ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**CONSENT
(Appointment of Receiver)**

Grant Thornton Limited hereby consents to act as the court-appointed receiver of the assets, properties and undertaking of 1140402 Ontario Inc. o/a Emerald Lodge in accordance with an order substantially in the form requested by the Applicant.

September 7, 2020

GRANT THORNTON LIMITED

By: 
Name: Bruce S. Bando
Title: Vice-President

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ALTERNA SAVINGS AND CREDIT UNION LIMITED - and - **1140402 ONTARIO INC. O/A EMERALD LODGE**

Applicant

Respondent

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

PROCEEDINGS COMMENCED AT TORONTO

**CONSENT
(Appointment of Receiver)**

BORDEN LADNER GERVAIS LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3

ROGER JAIPARGAS
Tel: (416) 367-6266
Fax: (416) 367-6749
Email: rjaipargas@blg.com
LSO# 43275C

DOUGLAS O. SMITH
Tel: (416) 367-6015
Fax: (416) 367-6749
Email: dsmith@blg.com
LSO #36915R

Lawyers for the Applicant

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ALTERNA SAVINGS AND CREDIT UNION LIMITED - and - 1140402 ONTARIO INC. O/A EMERALD LODGE

Applicant

Respondent

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

PROCEEDINGS COMMENCED AT TORONTO

**AFFIDAVIT OF UMAIR SALEEM
(Sworn September 22, 2020)**

BORDEN LADNER GERVAIS LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3

ROGER JAIPARGAS
Tel: (416) 367-6266
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Lawyers for the Applicant

Tab 3

Court File No.

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

THE HONOURABLE	)	FRIDAY THE 25 th
	)	
MR JUSTICE HAINEY	)	DAY OF SEPTEMBER, 2020

B E T W E E N:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

- and -

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by 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 Grant Thornton Limited as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 1140402 Ontario Inc. o/a Emerald Lodge (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by way of video-conference due to the COVID-19 crisis.

ON READING the affidavit of Umair Saleem sworn September 22, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, no one appearing, although duly served as appears from the affidavit of

service of Mariela Adriana Gasparini sworn September 23, 2020 and on reading the consent of Grant Thornton Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this Application 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, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, 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 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) 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) 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;
- (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) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) 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;
- (i) 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;
- (j) 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 and including, without limiting the foregoing, listing the property located at 83-85 Emerald Street South, Hamilton, Ontario with any listing agent which the Receiver may deem appropriate;

- (k) 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 \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; 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;

- (l) 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;
- (m) 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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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;

- (p) 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;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) 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 (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 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.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. 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 except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. 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

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, 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.

NO INTERFERENCE WITH THE RECEIVER

11. 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

12. 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, 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. Without limiting the generality of the foregoing, no insurer providing insurance to the Debtor or its directors or officers shall terminate or fail to renew such insurance on the existing terms thereof provided that such insurer is paid any premiums, as would be paid in the normal course, in connection with the continuation or renewal of such insurance at current prices, subject to reasonable annual increases in the ordinary course with respect to such premiums.

RECEIVER TO HOLD FUNDS

13. 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

14. 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. The Receiver shall not 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

15. 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

16. 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

17. 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

18. 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 unless otherwise ordered by the Court on the passing of accounts, 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 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. 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.

20. 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 standard 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

21. 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 \$400,000 (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 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. 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.

23. 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.

24. 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.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.grantthornton.ca/emeraldlodge

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

LIFTING THE STAY OF PROCEEDINGS

27. THIS COURT ORDERS that the stay of proceedings provided for under section 69(1) of the BIA in respect of a Notice of Intention to Make a Proposal filed by the Debtor on August 28, 2020, bearing Estate No. 32-2668241 be and is hereby lifted pursuant to section 69.4 of the BIA, so that the Applicant may bring the within receivership Application.

GENERAL

28. 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.

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

30. 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.

31. 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.

32. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant'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.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "Receiver") of the assets, undertakings and properties of 1140402 Ontario Inc. o/a Emerald Lodge (the "Debtor") acquired for, or used in relation to a business carried on by 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 _____ 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 main office of the Lender at Toronto, Ontario.

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 _____, 2020.

GRANT THORNTON LIMITED, solely in its
capacity as Receiver of the Property, and not in
its personal capacity

Per: _____

Name:

Title:

Court File No.

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ALTERNA SAVINGS AND CREDIT UNION LIMITED - and - 1140402 ONTARIO INC. O/A EMERALD LODGE

Applicant

Respondent

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

PROCEEDINGS COMMENCED AT TORONTO

**ORDER
(Appointing Receiver)**

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3

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Email: dsmith@blg.com
LSO #36915R

Lawyers for the Applicant

Tab 4

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE _____) ~~WEEKDAY,~~ FRIDAY THE # 25th
)
MR. JUSTICE ~~_____~~ HAINES) DAY OF ~~MONTH~~ SEPTEMBER, ~~20YR~~ 2020

B E T W E E N:

~~PLAINTIFF~~¹

~~Plaintiff~~

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ORDER
(~~appointing~~ Appointing Receiver)

¹~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application.~~
~~This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~²Applicant 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 ~~[RECEIVER'S NAME]~~Grant Thornton Limited as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~1140402 Ontario Inc. o/a Emerald Lodge (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day ~~at 330 University Avenue, Toronto, Ontario~~by way of video-conference due to the COVID-19 crisis.

ON READING the affidavit of ~~[NAME]~~Umair Saleem sworn ~~[DATE]~~September 22, 2020 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, counsel for the proposed Receiver, no one appearing ~~for [NAME]~~, although duly served as appears from the affidavit of service of ~~[NAME]~~Mariela Adriana Gasparini sworn ~~[DATE]~~September 23, 2020 and on reading the consent of ~~[RECEIVER'S NAME]~~Grant Thornton Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated³ so that this ~~motion~~Application 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, ~~[RECEIVER'S NAME]~~Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

³ If service is effected in a manner other than as authorized by the *Ontario Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

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 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) 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) 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;
- (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) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) 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;
- (i) 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.⁴ 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;
- (j) 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 and including, without limiting the foregoing, listing the property located at 83-85 Emerald Street South, Hamilton, Ontario with any listing agent which the Receiver may deem appropriate;
- (k) 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 \$~~_____~~25,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~100,000; and

~~⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

- (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,]⁵ shall not be required, ~~and in each case the Ontario *Bulk Sales Act* shall not apply.~~

- (l) 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;
- (m) 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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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;
- (p) 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;

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. 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 except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. 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

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, 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.

NO INTERFERENCE WITH THE RECEIVER

11. 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

12. 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, 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. Without limiting the generality of the foregoing, no insurer providing insurance to the Debtor or its directors or officers shall terminate or fail to renew such insurance on the existing terms thereof provided that such insurer is paid any premiums, as would be paid in the normal course, in connection with the continuation or renewal of such insurance at current prices, subject to reasonable annual increases in the ordinary course with respect to such premiums.

RECEIVER TO HOLD FUNDS

13. 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

14. 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. The Receiver shall not 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

15. 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

16. 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

17. 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

18. 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 unless otherwise ordered by the Court on the passing of accounts, 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 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

19. 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.

20. 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 standard 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

⁶ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

21. 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 \$~~400,000~~ (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 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. 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.

23. 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.

24. 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.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be

valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL

www.grantthornton.ca/emeraldlodge

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

LIFTING THE STAY OF PROCEEDINGS

27. THIS COURT ORDERS that the stay of proceedings provided for under section 69(1) of the BIA in respect of a Notice of Intention to Make a Proposal filed by the Debtor on August 28, 2020, bearing Estate No. 32-2668241 be and is hereby lifted pursuant to section 69.4 of the BIA, so that the Applicant may bring the within receivership Application.

GENERAL

28. ~~27.~~ 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.

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

30. ~~29.~~ 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.

31. ~~30.~~ 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.

32. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~Applicant's security or, if not so provided by the ~~Plaintiff~~Applicant'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.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~Grant Thornton Limited, the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~of 1140402 Ontario Inc. o/a Emerald Lodge (the "Debtor") acquired for, or used in relation to a business carried on by 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 main office of the Lender at Toronto, Ontario.

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~~2020.

~~[RECEIVER'S NAME]~~GRANT THORNTON LIMITED, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ALTERNA SAVINGS AND CREDIT UNION LIMITED - and - 1140402 ONTARIO INC. O/A EMERALD LODGE

<u>Applicant</u>	<u>Respondent</u>
\ =	<u>ONTARIO</u> <u>SUPERIOR COURT OF JUSTICE</u> <u>(COMMERCIAL LIST)</u> <u>PROCEEDINGS COMMENCED AT TORONTO</u>
	<u>ORDER</u> <u>(Appointing Receiver)</u>
	<u>BORDEN LADNER GERVAIS LLP</u> <u>Bay Adelaide Centre, East Tower</u> <u>22 Adelaide Street West</u> <u>Toronto, ON M5H 4E3</u> <u>ROGER JAIPARGAS</u> <u>Tel: (416) 367-6266</u> <u>Fax: (416) 367-6749</u> <u>Email: rjaipargas@blg.com</u> <u>LSO# 43275C</u> <u>DOUGLAS O. SMITH</u> <u>Tel: (416) 367-6015</u> <u>Fax: (416) 367-6749</u> <u>Email: dsmith@blg.com</u> <u>LSO #36915R</u> <u>Lawyers for the Applicant</u>

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Rendering set	Standard

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	Count
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Moved to	0
Style change	0
Format changed	0
Total changes	162

Court File No:

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ALTERNA SAVINGS AND CREDIT UNION LIMITED - and - 1140402 ONTARIO INC. O/A EMERALD LODGE

Applicant

Respondent

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

PROCEEDING COMMENCED AT TORONTO

**APPLICATION RECORD
(Returnable September 25, 2020)**

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