

B E T W E E N:

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

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**

**MOTION RECORD
(Returnable March 29, 2021)**

March 22, 2021

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B E T W E E N:

**ONTARIO
SUPERIOR COURT OF JUSTICE
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TAB 1

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

B E T W E E N:

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

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**

**NOTICE OF MOTION
(Returnable March 29, 2021)**

Grant Thornton Limited ("GTL"), in its capacity as court-appointed receiver (in such capacity, the "**Receiver**") of 1140402 Ontario Inc. o/a Emerald Lodge ("**Emerald Lodge**" or the "**Debtor**") will make a motion before the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Monday, March 29, 2021, at 12:00 p.m. or as soon after that time as the motion can be heard. Please refer to the videoconference details attached at Schedule "A" hereto in order to attend the motion and advise if you intend to join the motion by emailing Jesse Mighton at mightonj@bennettjones.com.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An order (the "**Approval and Vesting Order**") substantially in the form of the draft order attached at Tab 3 of this motion record, *inter alia*, approving the agreement of purchase and sale dated March 12, 2021 between the Receiver and Realty Holdings Group Ltd., in trust for 83 Emerald Inc. (the "**RHG APS**") and, upon and conditional upon closing, vesting the Debtor's right, title and interest in and to the Property (as defined below) to 83 Emerald Inc. (the "**Purchaser**").
2. An order (the "**Receivership Termination Order**") substantially in the form of the draft order attached at Tab 5 of this motion record, *inter alia*:
 - (a) abridging the time for service and filing of this notice of motion and the motion record and dispensing with service on any person other than those served;
 - (b) sealing the purchase price for the RHG APS, along with the confidential appendices to the Second Report of the Receiver dated March 22, 2021 (the "**Second Report**")
 - (c) approving the Receiver's activities as set out in the Second Report ;
 - (d) approving the professional fees and disbursements incurred by the Receiver and its legal counsel as described in the affidavits of Rob Stelzer and Raj Sahni appended to the Second Report (collectively, the "**Fee Affidavits**"); and
 - (e) upon the filing of the Discharge Certificate (as defined in the Receivership Termination Order), discharging GTL as Receiver of the Debtor, and releasing GTL and its legal counsel from any and all liability arising in connection with its acts or omissions in its capacity as Receiver.

THE GROUNDS FOR THIS MOTION ARE:

Background

3. On September 25, 2020, the Court granted an order (the "**Receivership 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 Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended (the "**CJA**"), appointing GTL as 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.

4. The primary asset of Emerald Lodge is the real property municipally known as 83-85 Emerald Street South, Hamilton, Ontario (the "**Property**"). Prior to the commencement of these proceedings, the Debtor operated a residential care facility within the Property which offered personal care and assisted living residences for adults, including people with disabilities and those with limited incomes (the "**Home**"). The majority of the revenue for Emerald Lodge was generated pursuant to a subsidy agreement with the City of Hamilton (the "**City**").

5. Due to a number of health and safety issues identified by the Receiver in the weeks following its appointment, in consultation with the City, all residents were evacuated from the Home on October 23, 2020. Since that time, the Property has remained vacant and the Home is no longer operational.

6. On November 27, 2020, the Court issued an order (the "**Sale Process Order**") approving a broad and flexible process sale process (the "**Sale Process**") pursuant to which the Receiver was authorized to pursue a value maximizing transaction for the Property.

The Sale Process and the RHG APS

7. As outlined in the Receiver's First Report dated November 20, 2020 (the "**First Report**"), the Receiver had been engaged in discussions with several parties that had expressed an interest in submitting an offer for the Property. The Receiver also reached out to several experienced operators that might have an interest in purchasing the Property. Following the approval of the Sale Process, the Receiver continued to engage in discussions with the various interested parties, but ultimately determined that none of the offers were worthwhile. In total, the Receiver engaged in discussions with twelve (12) parties about purchasing the Property. The Receiver ultimately did not move forward with these parties because the prices offered were deemed to be too low, or the potential transactions were not viable, because they were conditional upon the City entering a new subsidy arrangement, which the City had indicated was not an option.

8. In late November 2020, the Receiver was contacted by a representative of Realty Holdings Group Ltd. ("**RHG**") regarding the potential purchase of the Property. RHG is a property developer that specializes in converting buildings into residential condominium units. Through these discussions, the Receiver ascertained that RHG was willing to offer a superior purchase price compared to the other offers an expressions of interest, and was not interested in obtaining a subsidy arrangement with the City.

9. The Receiver's discussions with RHG culminated in the RHG APS. The RHG APS:

- (a) provides for an attractive purchase price that is significantly higher than the appraised value of the property, and is not contingent upon obtaining a new subsidy arrangement with the City;

- (b) is conditional upon the approval of the Court, but is otherwise a firm and binding purchase and sale agreement;
- (c) provides for full satisfaction of the purchase price upon closing, and no deposit has been provided;
- (d) contemplates the purchase and sale of the Property on an "as-is, where-is" basis, with no representations;
- (e) contains additional provisions typical to the sale of real property by a court-appointed receiver, including provisions limiting the Receiver's liability in respect of the sale of the Property; and
- (f) is supported by the Debtor's senior secured lender, Alterna Savings and Credit Union Limited ("**Alterna**").

10. Should the Court approve the RHG APS, it is anticipated that the transaction will close by March 31, 2021.

11. The RHG APS is by far the best offer or expression of interest received for the Property, and the purchase price provided far exceeds the appraised value of the Property. The Receiver therefore believes that: (a) the RHG APS is fair and reasonable in the circumstances, (b) presents the best option available for the sale of the Property, (c) that further efforts to market the Property will not result in a superior transaction, having regard to likely brokerage fees required to attract bids competitive with the RHG APS which will have the effect of reducing the net amount of consideration; and (d) that the Approval and Vesting Order is appropriate in the circumstances.

The Canada Revenue Agency Subordinated Claim

12. The Receiver understands that source deductions totaling \$91,279.10 relating to the period from the period of February 2020 to September 2020 (the "**Source Deduction Accrual Period**"), which were deducted but not remitted by the Debtor, are owing to the Canada Revenue Agency ("**CRA**").

13. Regardless of amount owing, the CRA's source deduction claims are subordinate to the secured mortgage claims of Alterna and KLN Holdings Inc. ("**KLN**"), both of which were registered on title to the Property prior to the Source Deduction Accrual Period.

The Receivership Termination Order

14. The activities of the Receiver described in the Second Report were all necessary to achieve a value maximizing transaction for the Property, and were undertaken in good faith and in accordance with the Receiver's duties and powers set out in the Receivership Order and the Sale Process Order, and were, in each case, in the best interests of the Debtor's stakeholders generally.

15. The Second Report and the Fee Affidavits filed in connection with this motion contain detailed information on the fees and disbursements of the Receiver and its legal counsel, Bennett Jones LLP. The Receiver believes that its fees and disbursements described in the Fee Affidavits are reasonable in the circumstances and have been properly incurred.

16. Should the Court grant the Approval and Vesting Order and Termination Order, the Receiver's remaining activities and duties are anticipated to include: (i) completing the RHG APS transaction; (ii) preparing and submitting the final statement of account and report of the Receiver, pursuant to subsection 246(3) of the BIA; (iii) administering payment of the Final Fees (as defined

in the Second Report); and (iv) paying any residual balance to Alterna (collectively, the "**Remaining Duties**"). Once the Receiver has completed the Remaining Duties, the Receivership Termination Order contemplates that the Receiver will file the Receiver's Discharge Certificate (as defined in the Receivership Termination Order) with the Court certifying that the Remaining Duties have been completed, and formally terminating these proceedings.

17. Upon the filing of the Discharge Certificate, the proposed Receivership Termination Order provides for broad releases in favour of GTL and its counsel on the terms set out therein.

18. The Receiver is also seeking a sealing order with respect to the purchase price of the RHG APS, as well as the confidential appendices to the Second Report. This information contains commercially sensitive information. Accordingly, the Receiver requests that the purchase price of the RHG APS and the confidential appendices to the Second Report remain sealed subject to further order of the Court.

OTHER GROUNDS:

19. Sections 243(1), 243(6), 246(2), 246(3), 248(1), of the BIA;

20. Sections 100 and 101 of the *Courts of Justice Act*, RSO 1990, c C-43, and the inherent and equitable jurisdiction of the Court

21. Rules 1.04, 1.05, 2.03, 3.02, 14.05(2), 16, 37 and 39 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 101 of the CJA; and

22. Such further and other grounds as counsel may advise and the Court may permit.

DOCUMENTARY EVIDENCE:

23. The following documentary evidence will be used at the hearing of the motion:
- (a) the Second Report and the appendices thereto; and
 - (b) such further and other evidence as counsel may advise and the Court may permit.

March 22, 2021

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Lawyers for Grant Thornton Limited, in its
capacity as Receiver

SCHEDULE "A"

Join Zoom Meeting

<https://zoom.us/j/93749845867>

Meeting ID: 937 4984 5867

Dial by your location

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

Meeting ID: 937 4984 5867

Find your local number: <https://zoom.us/u/aeFXi9Jz5Z>

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

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

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

Proceedings commenced in Toronto

**NOTICE OF MOTION
(Returnable March 29, 2021)**

BENNETT JONES LLP

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Lawyers for Grant Thornton Limited, in its capacity as
Receiver

TAB 2

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

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

B E T W E E N:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

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

**SECOND REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER**

MARCH 22, 2021

Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
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1990, c. C.43, AS AMENDED**

**SECOND REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER**

MARCH 22, 2021

INTRODUCTION

1. This report (the "**Second Report**") is filed by Grant Thornton Limited ("**GTL**") in its capacity as receiver and manager (in such capacities, the "**Receiver**"), without security, of all the assets, undertakings and properties of 11404402 Ontario Inc. operating as Emerald Lodge ("**Emerald Lodge**" or the "**Company**").
2. On September 25, 2020, on application by Alterna Savings and Credit Union Limited ("**Alterna**") to the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), an

Order was issued (the "**Appointment Order**") appointing GTL as Receiver of Emerald Lodge. The said receivership proceedings shall be referred to herein as the "**Receivership Proceedings**". A copy of the Appointment Order is attached hereto as **Appendix "1"** to this Second Report of the Receiver. As of the date of this Second Report, Alterna's senior secured debt is \$2,658,368.91 inclusive of all amounts advanced by Alterna to cover the fees and disbursements of the Receiver and its counsel throughout these proceedings to-date.

3. Emerald Lodge is the registered owner of certain real property located at 83-85 Emerald Street South, Hamilton, Ontario (the "**Property**"). The Company operated a residential care facility which offered personal care and assisted living for adults, people with disabilities and those with limited incomes (the "**Home**"). The majority of the revenue for Emerald Lodge was generated pursuant to a subsidy agreement (the "**Subsidy Agreement**") with the City of Hamilton (the "**City**").
4. As described in the Receiver's first report to the Court dated November 20, 2020 (the "**First Report**", a copy of which is attached hereto (without appendices) as **Appendix "2"**), after its appointment, the Receiver asked Stefanie Martino ("**Martino**"), the former president and sole officer and director of the Company, to continue day to day operational control. In mid-October of 2020, the Receiver became aware of a number of operational deficiencies which included a lack of basic COVID-19 screening of staff and residents, the existence of pests and a number of urgent repairs which were not being addressed by Martino. The City issued several orders in respect of these deficiencies. These critical health and safety issues were not adequately addressed by Martino and the Receiver was unable to find a replacement operator to operate the Home. The Receiver was concerned for the safety of the residents. On the evening of October 23, 2020, the City, with agreement from the Receiver, evacuated all residents of Emerald Lodge to ensure that residents would be provided better care and attention to their needs. The First Report provides a summary of these events and steps being taken by the Receiver after the closure. The Property has been secured at the direction of the Receiver and has remained vacant since the time of the closure of the Home.
5. The First Report also requested Court approval to undertake a sale process for the sale

of the Property (the "**Sale Process**"). On November 27, 2020, the Court issued an order (the "**Sale Process Order**" a copy of which is attached as **Appendix "3"**), among other things, approving the Sale Process.

6. At this time, the Receiver has entered into an agreement of purchase and sale with Realty Holdings Group ("**RHG**"), in trust for 83 Emerald Inc., for the Property (the "**RHG APS**") and requests the approval of the Court to complete such transaction (the "**Transaction**"). As discussed below, the RHG APS transaction is supported by Alterna, and, subject to approval by the Court and completion in accordance with its terms, represents a path to the completion of these proceedings.

PURPOSE OF THE SECOND REPORT

7. The purpose of this Second Report is to inform the Court of the Receiver's activities since the date of the First Report, and to support the Receiver's request for two Orders, described below:
 - a) An approval and vesting order (the "**Approval and Vesting Order**"), among other things Approving the RHG APS and vesting title to r 83 Emerald Inc. upon closing of the Transaction; and
 - b) An order (the "**Receivership Termination Order**"), among other things:
 - i. Sealing the purchase price for the RHG APS, along with the confidential appendices to this Second Report;
 - ii. Approving the conduct and activities of the Receiver as described in this Second Report;
 - iii. Effective upon the filing by the Receiver of a certificate, discharging the GTL as receiver of the Company, and

releasing GTL from any liability incurred in any way arising out of its capacity as Receiver of the within proceedings;

- iv. Approving the fees of the Receiver and its counsel, Bennett Jones LLP ("**Bennett Jones**"), including the estimated legal fees and disbursements to complete the Transaction and otherwise complete these proceedings; and,
- v. Approving the Receiver's statement of receipts and disbursements.

DISCLAIMER AND TERMS OF REFERENCE

- 8. In preparing this Second Report, the Receiver has relied upon the Company's books and records, unaudited financial information, various operational information provided by the Company, Martino, and other employees or consultants of the Company (collectively, the "**Information**"). Except as described in this Second Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants of Canada Handbook.
- 9. This Second Report has been prepared for the use of this Court to provide general information and an update relating to these Receivership Proceedings for the purpose of assisting the Court in making a determination as to whether to approve the relief sought. Accordingly, this Second Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this Second Report for any other purpose.
- 10. All references to dollars are in Canadian currency unless otherwise noted.
- 11. Copies of materials filed in these Receivership Proceedings are available on the

Receiver's case website at: <http://www.grantthornton.ca/emeraldlodge>.

ACTIVITIES OF THE RECEIVER

12. Since the First Report, the Receiver's activities have included the following:

- a) Undertaking the Sale Process;
- b) Negotiating and ultimately executing the RHG APS, subject to the approval of this Court;
- c) Visiting the Property regularly and ensuring its security;
- d) Maintaining insurance policies to ensure adequate coverage during the pendency of these proceedings;
- e) Managing the disbursements to utility companies, leasing companies, the security company and the consultant engaged by the Receiver for the ongoing maintenance and security of the Property;
- f) Corresponding with Bennett Jones, Alterna and KLN Holdings Inc. ("**KLN**"), the Company's second-ranking secured creditor (as described in the First Report);
- g) Filing the deregistration of the Right of First Refusal held by Riverview Pharmacy Ltd. ("**ROFR**", as described in the First Report) with the applicable Land Registry Office, as authorized and directed by the Sale Approval Order. The ROFR deregistration is attached to this Report as **Appendix "4"**;
- h) Liaising with the City with regards to changing the zoning of the Property, in connection with the RHG APS;

- i) Administering the Wage Earner Protection Program ("**WEPP**") and assisting former employees in filing claims pursuant to the WEPP;
- j) Finalizing the Company's 2020 tax documents, including T4's and Records of Employments for terminated employees, and issuing such documents to employees and government authorities such as the Canada Revenue Agency ("**CRA**") and Service Canada;
- k) Liaising with the CRA to request an audit of the Company's pre-receivership payroll records;
- l) Administering the case website in accordance with the E-Service Protocol;
- m) Liaising with RHG and its legal counsel regarding the Transaction and this motion for, among other things, a sale approval and vesting order; and,
- n) Preparing this Second Report.

SALE PROCESS AND TRANSACTION

13. In the First Report, the Receiver explained that it had asked three commercial real estate brokers to provide proposals and that Cushman & Wakefield ("**Cushman**") and CBRE Limited ("**CBRE**" or together with Cushman the "**Potential Brokers**") provided proposals. The Sale Process Order approved the Sale Process as described in paragraphs 25-34 of the First Report, including providing the Receiver with the flexibility to retain one of the Potential Brokers or engage in direct negotiations with interested parties.
14. In the First Report, the Receiver explained that a number of parties had come forward and expressed an interest in the property. The Receiver also reached out to a number of experienced operators or parties known by Alterna that might have an interest in purchasing the Property. In total, the Receiver engaged in at least preliminary discussions with 12 parties about purchasing the Property. Discussions with most

interested parties did not move forward due to the fact that the purchase prices were too low, or that the potential transactions were conditional upon entering into a new subsidy arrangement with the City, which the City had indicated was not possible.

15. In late November of 2020, the Receiver was contacted by RHG. The Receiver has been advised by David Joy, a representative of RHG, that RHG is a property developer that is active in the Hamilton area, with experience in developing properties similar to the Property. Unlike the other interested parties, RHG had no interest in a Subsidy Agreement with the City and suggested a purchase price which the Receiver thought was attractive.
16. The Receiver's discussions with RHG unfolded slowly as RHG wanted certain assurances from the City regarding zoning and other proposed changes to the use of the Property. The Receiver considered whether it should continue discussions with RHG or retain one of the Potential Brokers to conduct a further canvassing of the market. Ultimately, the Receiver determined that it was very unlikely that the Receiver would be able to achieve a better result in such a process. The sale price per the RHG APS is significantly higher than the value of the Property as estimated by the Potential Brokers or as appraised by Colliers International Realty Advisors Inc. (the "**Colliers Appraisal**"); this is explained in further detail later in this Second Report. Furthermore, a sale to RHG avoided the costs of holding the Property for up to a year and the related commission costs. For these reasons, the Receiver decided to continue its discussions with RHG.
17. On March 12, 2021, the Receiver and RHG entered into the RHG APS. The RHG APS is attached to this Report as **Appendix "5"**. In order to preserve the marketability of the Property in the event the Transaction does not close, the purchase price has been redacted from the version of the RHG APS appended hereto, and the Receiver requests that this Court seal this information, along with certain other information related to the Property, as discussed below. An unredacted version of the RHG APS is found at **Confidential Appendix "1"**.
18. To summarize its key terms, the RHG APS:
 - a) is conditional upon the approval of the Court pursuant to the form of approval and

vesting order included in the Receiver's motion record, but is otherwise a firm and binding purchase and sale agreement;

- b) provides for full satisfaction of the purchase price upon closing and no deposit has been provided;
 - c) contemplates the purchase and sale of the Property on an "as-is, where-is" basis, with no representations;
 - d) contains additional provisions typical to the sale of real property by a court-appointed receiver, including provisions negating the Receiver's liability in respect of the sale of the Property;
 - e) should the Court approve the RHG APS, it is anticipated that the transaction will close by March 31, 2021.
19. It is the Receiver's understanding that financing for the Transaction will be provided by Alterna. Therefore, there will be no cash payment at closing since Alterna is both the replacement financier for the Purchaser and the senior secured creditor of the Company in these proceedings.
20. The Receiver believes this Court should approve the RHG APS and grant the Approval and Vesting Order the following reasons:
- a) The Sale Process was conducted with efficacy and integrity and in accordance with the Sale Process Order, and the working out of the Sale Process was done in a way that was in the best interests of all stakeholders, having regard to the circumstances of these proceedings and the Property;
 - b) The Receiver has made sufficient efforts through its Court-approved Sale Process to obtain a value maximizing price for the Property;
 - c) The purchase price contemplated by the RHG APS is significantly higher than

the appraised value per the Colliers Appraisal;

- d) The purchase price contemplated by the RHG APS is significantly higher than the estimates for the Property provided by CBRE and Cushman;
 - e) A sale without engaging one of the Potential Brokers will reduce the holding costs (which could be significant as the assessments of value assuming holding the Property for up to one year) and commission costs of such a process;
 - f) Alterna is supportive of the RHG APS and the Transaction;
 - g) Counsel to KLN has been advised of the amount of the purchase price and has not provided any objection to the Receiver as of the date of this Second Report; and,
 - h) The Receiver believes the sale is in the best interests of all parties having regard to the circumstances of these proceedings and the Property.
21. A summary of the appraisal values and estimates has been provided in **Confidential Appendix "2"**, together with the appraisals and estimates themselves. It is requested and the Receivership Termination Order provides for the sealing of the confidential appendices to the Second Report. The Receiver is of the view that this information is required to be sealed in order to preserve the integrity of the Sale Process and permit the Receiver to continue to pursue a value maximizing transaction for the Property should the Transaction not close.
22. As was noted in the First Report, the Receiver received a legal opinion that, subject to the usual qualifications and assumptions, Alterna has a first ranking charge on the Property based on the order of registrations on title. Despite a purchase price which in the Receiver's view is reasonably high compared to the appraisal and other estimates of value available to the Receiver, the purchase price provided by the RHG APS is not high enough to repay Alterna's secured debt in full. As a result, there will be no distribution to

the Company's second-ranking secured creditor, KLN, or any other creditors in these proceedings.

23. The Receiver has kept counsel to KLN apprised of key developments throughout these proceedings, including with respect to the Sale Process, as well as the RHG APS. The Receiver provided KLN with copies of the letters of intent for the Property which were received by the Receiver and shared a letter from the City in which the City expressed that it had no intention of providing a new Subsidy Agreement to Emerald Lodge or any successor or future owner of the Property in the foreseeable future. The Receiver also shared with KLN the appraised value of the Property per the Colliers Appraisal and the view from the Potential Brokers that a public sales process was unlikely to result in any recovery to KLN. In an E-mail sent on February 19, 2021, the Receiver shared with KLN's counsel the purchase price of the RHG APS. Throughout these discussions, the Receiver has made it clear that it appeared very unlikely that Alterna would recover its debt in full and, accordingly, that KLN would not receive any distribution in the receivership.
24. The Receiver is of the view that the RHG APS is superior to all offers and expressions of interest received to date, and that it is in-line with any potential transaction for the Property that could have been generated through a broker-driven process, and therefore represents a value maximizing transaction for all stakeholders involved.

THE CANADA REVENUE AGENCY SUBORDINATED CLAIMS

25. As was noted in the First Report, the Receiver understands that source deductions totaling \$91,279.10 (as of the date of the Appointment Order) relating to the period from February 2020 to September 2020 are owing by the Company to the CRA.
26. Since September 30, 2020, the Receiver has been liaising with the CRA and requesting that a payroll audit be performed. In the First Report, the Receiver committed to continue the dialogue with the CRA to verify the quantum of the source deductions. Due to the COVID-19 pandemic, the CRA was not able to perform a payroll audit in person as the Receiver requested. The CRA proposed the Receiver to upload the payroll documents

pertaining to the audit period on the Company's online business account. Unfortunately, to do so, the Receiver needed business account credentials for the Company, i.e. username, password and security questions. The Receiver attempted on several occasions to obtain the business account credentials from Martino without success. Subsequently, the Receiver attempted to gain access to the account by liaising with the CRA and the previous tax specialist used by the Company to prepare its corporate tax returns. All of these attempts were unsuccessful.

27. In early January 2021, the Receiver followed up on several occasions with the CRA. The Receiver was advised that the CRA agent assigned to the case of the Company was on a leave and that a new agent would be assigned to the case. Eventually, the Receiver was put in touch with a replacement representative at the CRA. The Receiver again asked for assistance in finding a way to provide the CRA with the payroll records so the CRA could perform the payroll audit requested by the Receiver. On March 5, 2021, the CRA offered to accept a fax of the payroll records. The Receiver faxed the payroll records to the CRA on March 9, 2021 and followed up again on March 12, 2021. During the week of March 15, 2021, the Receiver again followed up with CRA to express the urgency of finalizing the payroll audit. The Receiver understands that the CRA has not yet reviewed the records provided by the Receiver and, therefore, is unable to confirm if \$91,279.10 is indeed the correct amount owing to the CRA.
28. While it is regrettable that the Receiver has been unable to receive confirmation of exactly how much is owing to CRA, regardless of the amount, the Receiver is advised by its legal counsel that the CRA's source deduction claims are subordinated to the secured mortgage claims of Alterna and KLN by operation of section 227(4) of the Income Tax Act and Regulation 2201 promulgated thereunder. The Receiver notes that its understanding that any payroll taxes owing are subordinate to Alterna and KLN was explained in its First Report.
29. The Receiver is advised by its legal counsel, Bennett Jones, that Alterna's mortgage charge on the Property was registered on or about October 15, 2019, and KLN's mortgage charge was registered on or about February 27, 2020. A copy of the parcel register for the Property as of March 19, 2021 is attached hereto as **Appendix 6**.

30. The CRA was served with the First Report and will be served with this Second Report and related motion record, should it disagree with the Receiver's position on the priority of Alterna and KLN over the CRA.

LEASED EQUIPMENT

31. The Receiver notes that the Company had entered into equipment leases (collectively, the "**Equipment Leases**") for certain interior lighting, boiler and furnace equipment (collectively, the "**Leased Equipment**") leased from RCAP Leasing Inc., Reliance Commercial Solutions and Equilease Corporation - Vault Credit Corporation, (collectively the "**Leasing Companies**"). The RHG APS provides that RHG will not assume the Equipment Leases or Leased Equipment upon closing.
32. The Receiver sent letters via E-mail to each of the Leasing Companies on March 17, 2021. In the letter, the Receiver noted that in accordance with RHG APS, the Property would be sold free and clear of any encumbrances including those relating to the Leased Equipment or Equipment Leases. Accordingly, the Receiver asked each of the Leasing Companies to coordinate with the Receiver and, at the expense of each of the Leasing Companies, have a qualified professional remove the Leased Equipment by no later than March 31, 2021. Attached as **Appendix "7"** are copies of the letters sent to each of the Leasing Companies.
33. The Receiver will pay for any unpaid monthly leasing costs owed to each of the Leasing Companies for services provided during the pendency of these proceedings, being the period from the issuance of the Appointment Order on September 25, 2020 to the anticipated closing of the Transaction on March 31, 2021. Claims for amounts owing under the Equipment Leases outside of the receivership period are unsecured claims against the Company that, like other unsecured claims against the Company, will not receive any distribution in these proceedings.

PROFESSIONAL FEES

34. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 19 of the Appointment Order, the Receiver and its counsel shall pass their accounts.
35. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs.
36. The total fees for the Receiver for the period of November 1, 2020 until March 12, 2021 were \$77,416.00, plus disbursements of \$6,397.67, plus HST of \$10,895.78, for a total of \$94,709.45. The time spent by the Receiver is more particularly described in the Affidavit of Rob Stelzer sworn March 21, 2021 (the "**Stelzer Affidavit**"), which is attached hereto as **Appendix "8"** and contains a copy of the invoice that sets out the services provided during this time period.
37. The total fees of Bennett Jones, as counsel to the Receiver, for the period of November 1, 2020 to March 13, 2021, were \$63,084.50, plus disbursements of \$1,719.91, plus HST of \$8,382.98, for a total of \$73,187.39. The time spent by Bennett Jones is more particularly described in the Affidavit of Raj Sahni sworn March 21, 2021 (the "**Sahni Affidavit**"), a copy of which is attached hereto as **Appendix "9"** and contains, among other things, a copy of the invoices that sets out the services provided during this period of time.
38. It is the Receiver's opinion that the fees and disbursements of the Receiver and Bennett Jones accurately reflect the work done by the Receiver and on behalf of the Receiver by Bennett Jones in connection with the receivership. It is the Receiver's opinion that the fees and disbursements of the Receiver and Bennett Jones are fair and reasonable and justified in the circumstances. The Receiver recommends approval of these accounts by this Honourable Court.

FINAL PROFESSIONAL FEES

39. The Receiver and its counsel Bennett Jones have estimated their final fees to be incurred to complete the Transaction and otherwise complete the administration of these receivership proceedings, as set out in the table below (the "**Future Estimated Fees**")

Professional Firm	Role	Future Estimated Fees
GTL	Receiver	\$ 35,000
Bennett Jones	Receiver's Counsel	\$ 50,850
		\$ 85,850

40. The Receiver respectfully requests the approval of the Final Fees noted above. Alterna is supportive of these Final Fees.

THE RECEIVER'S FINAL R&D

41. Set out in this section are the receipts and disbursements of the Receiver (the "**Receiver's R&D**"). The column titled "Present" in the Receiver's R&D shows receipts and disbursements for the period from September 25, 2020 through until the date of this Second Report; receipts of \$522,085 less disbursements of \$210,227 and professional fees of \$186,880 are shown, leading to total cash on hand of \$44,056.
42. The column entitled "Future Estimate" in the Receiver's R&D shows expected future receipts and disbursements through until the Receiver's discharge. The Receiver notes that funding from Alterna of approximately \$150,000 will vary depending upon the exact amount of operating costs, professional fees and other receivership costs up to the time these proceedings are completed. In the event that Alterna provides more funding than is necessary, the Receiver intends on returning any excess amounts back to Alterna in respect of its senior secured indebtedness. The Receiver notes that the projected R&D shows no receipts nor disbursements related to the sale of the Property; as was noted earlier in this Second Report, this is because Alterna is providing 100% financing for the RHG transaction.

STATEMENT OF RECEIPTS AND DISBURSEMENTS OF EMERALD LODGE RECEIVERSHIP ACCOUNT				
		Present	Future Estimate	Total
		CAD		
Cash Receipts				
	Funding from Alterna	338,112	151,491	489,603
	Subsidy from the City	78,165	-	78,165
	Resident Personal Needs Funding	47,317	-	47,317
	Other Rent Subsidies	30,089	-	30,089
	Opening Cash	27,456	-	27,456
	HST Receipt from CRA	-	1,562	1,562
	Other Receipts	1,256	-	1,256
	Total Cash Receipts	\$ 522,395	\$ 153,053	\$ 675,448
Estate Disbursements				
	Residents Personal Needs Funds and Reimbursements	81,079	-	81,079
	Retained Employees Wages	58,129	-	58,129
	Realty Taxes	-	35,444	35,444
	Estimate of Future Operating Costs	-	15,000	15,000
	CRA Payroll Tax	10,687	-	10,687
	Estimate of Future Miscellaneous Expenses	-	10,000	10,000
	Insurance	9,338	-	9,338
	Payments to Leasing Companies	-	9,000	9,000
	Utilities	8,333	-	8,333
	Security	7,682	-	7,682
	Food Cost	3,924	-	3,924
	Repairs and Maintenance	3,679	-	3,679
	Outside Consulting and Accounting	3,547	-	3,547
	HST Paid	1,562	-	1,562
	Sundry	1,501	-	1,501
	Bank Charges	767	-	767
	Total Estate Disbursements	\$ 190,227	\$ 69,444	\$ 259,671
Professional Fees (future fees include accrued fees and Future Estimated Fees)				
	Receiver	165,656	64,556	230,212
	Bennett Jones	89,347	63,109	152,456
	HST on Professional Fees	33,109		33,109
	Total Professional Fees	\$ 288,112	\$ 127,665	\$ 415,777
	Total Estate Disbursements incl. Professional Fees	\$ 478,339	\$ 197,109	\$ 675,448
Distributions				
	Distribution to Secured Creditor Alterna Savings per its Secured Cla	-	-	-
Cash on Hand		\$ 44,056	\$ (44,056)	\$ 0

43. The Receiver respectfully requests the Court to approve the above Receiver's R&D.
44. In accordance with the Appointment Order, the funding from Alterna is supported by eight receiver's certificates which are summarized in **Appendix "10"** and total \$338,111.98.

ACTIONS REQUIRED PRIOR TO DISCHARGE OF THE RECEIVER

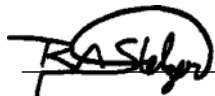
45. The following activities need to be completed prior to the finalization of the receivership, which are listed as follows (collectively, the "**Remaining Duties**"):
 - a) Complete the Transaction as described above;
 - b) Prepare and submit the final statement of account and report of the Receiver, pursuant to s. 246(3) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
 - c) Payment of the Final Fees, subject to approval of the Court;
 - d) Pay any residual balance to Alterna provided that the total payable is less than or equal to the total amount of Alterna's indebtedness; and,
 - e) Upon the completion of the Remaining Duties, the Receiver will file the Discharge Certificate in the form attached to the draft Discharge Order.
46. Once the Receiver has completed the Remaining Duties and filed the Discharge Certificate, the Receiver will have fulfilled its mandate as contemplated by the Receivership Order.

CONCLUSION AND RECOMMENDATION

47. For the reasons set out in this Second Report, the Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that this Honourable Court grants the requested relief, as set out in this Second Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22nd day of March, 2021.

**GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER
OF 1140402 ONTARIO INC. O/A EMERALD LODGE
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

A handwritten signature in black ink, appearing to read "R. Stelzer", is written over a horizontal line.

**Rob Stelzer, CPA, CA, CIRP, LIT
Vice-President**

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. 43, AS AMENDED

ALTERNA SAVINGS AND CREDIT UNION LIMITED
Applicant

- and -

1140402 ONTARIO INC. O/A EMERALD LODGE
Respondent

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

**SECOND REPORT OF GRANT THORNTON LIMITED,
THE RECEIVER**

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Counsel to Grant Thornton Limited., the Court-
appointed Receiver of the assets, undertakings and
properties of 1140402 Ontario Inc. o/a Emerald
Lodge.

TAB A

APPENDIX "1"
RECEIVERSHIP ORDER DATED SEPTEMBER 25, 2020
(see next page)

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

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

THE HONOURABLE

)

FRIDAY THE 25th

MR. JUSTICE HAINEY

)

DAY OF SEPTEMBER, 2020

)

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**

**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, provided however that nothing in this Order shall result in or be deemed to result in the Receiver taking possession or control of any Property of which the Receiver does not wish to take actual possession or control:

- (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;

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- (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;

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- (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.

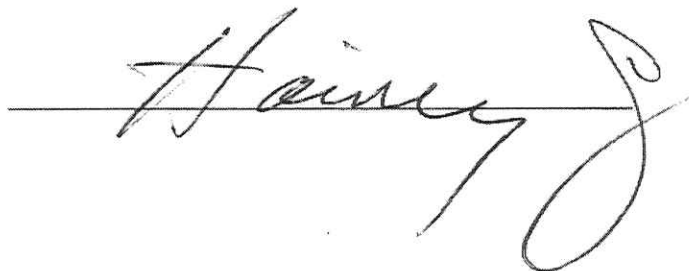
32. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver 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.

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

SEP 29 2020

PER / PAR:



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

- 2 -

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:

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)

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TAB B

APPENDIX "2"**FIRST REPORT DATED NOVEMBER 20, 2020 (WITHOUT APPENDICES)****(see next page)**

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

**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**

**FIRST REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER**

NOVEMBER 20, 2020

Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

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TABLE OF APPENDICES

- Appendix 1 - Appointment Order dated September 25, 2020
- Appendix 2 - Affidavit of Umair Saleem sworn September 22, 2020 (without exhibits)
- Appendix 3 - Pharmaceutical Services Agreement and Amendments
- Appendix 4 - License Agreement and Amendments
- Appendix 5 - Instrument Nos. WE1081631 and WE1430135
- Appendix 6 - Instrument Nos. WE1387288 and WE1416699
- Appendix 7 - Summary of Unremitted Source Deductions
- Appendix 8 - Fee Affidavit of Rob Stelzer
- Appendix 9 - Fee Affidavit of Raj Sahni

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

**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**

**FIRST REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER**

NOVEMBER 20, 2020

INTRODUCTION & PURPOSE

1. On September 25, 2020, on application by Alterna Savings and Credit Union Limited (“**Alterna**”) to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), an Order was issued (the “**Appointment Order**”) appointing Grant Thornton Limited (“**GTL**”) as receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of 11404402 Ontario Inc. operating as Emerald Lodge (“**Emerald Lodge**” or the “**Company**”). The said receivership proceeding shall be referred to herein as the “**Receivership Proceedings**”. A copy of the Appointment Order is attached hereto as **Appendix “1”** to this First Report of the Receiver (the “**First Report**”).

2. The purpose of this First Report is to inform the Court of the Receiver's activities since the date of the Appointment Order, and to support the Receiver's request for an Order, among other things:
 - a) authorizing the Receiver to undertake the Sales Process (as defined and described later in this First Report);
 - b) declaring that the Receiver may sell the Property free and clear of any interest claimed under the Land ROFR and Services ROFR (all capitalized terms in this paragraph are defined later in this First Report), and free any clear of any prior purchase agreements, if any;
 - c) approving the actions of the Receiver as described in this First Report; and
 - d) approving the fees and disbursements of the Receiver and its counsel.

DISCLAIMER

3. In preparing this First Report, the Receiver has relied upon the Company's books and records, unaudited financial information, various operational information provided by the Company, Stefanie Martino (defined later in this First Report), and other employees or consultants of the Company (collectively, the "**Information**"). Except as described in this First Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
4. This First Report has been prepared for the use of this Court to provide general information and an update relating to these Receivership Proceedings for the purpose of assisting the Court in making a determination as to whether to approve the relief sought. This First Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this First Report for any other purpose.
5. All references to dollars are in Canadian currency unless otherwise noted.
6. Copies of materials filed in these Receivership Proceedings are available on the

Receiver's case website at: <http://www.grantthornton.ca/emeraldodge>.

BACKGROUND

7. Emerald Lodge is the registered owner of certain real property located at 83-85 Emerald Street South, Hamilton, Ontario (the "**Property**"). The Company operated a residential care facility which offered personal care and assisted living for adults, people with disabilities and those with limited incomes (the "**Home**"). The majority of the revenue for Emerald Lodge was generated pursuant to a subsidy agreement (the "**Subsidy Agreement**") with the City of Hamilton (the "**City**").
8. Stefanie Laura Martino ("**Stefanie Martino**") is the President and sole Officer and Director of Emerald Lodge. Stefanie Martino was also responsible for the day to day operations of the Home. At the time of the Receiver's appointment, Emerald Lodge had nine employees.
9. The Company's first mortgagee is Alterna. According to the application record Alterna filed in support of the Receivership Proceedings, the Company was indebted to Alterna in the amount of \$2,296,460.39 inclusive of interest but excluding fees to November 14, 2020 pursuant to a mortgage with Alterna (the "**Alterna Mortgage**").
10. It is the Receiver's understanding that on or around June 15, 2020, Emerald Lodge defaulted on certain of its financial covenants and margin requirements pursuant to its lending arrangement with Alterna. Background information pertaining to Emerald Lodge, including the circumstances leading to the appointment of the Receiver, are contained in the affidavit of Umair Saleem, sworn September 22, 2020 (the "**Saleem Affidavit**"). A copy of the Saleem Affidavit, without exhibits, is attached hereto as **Appendix "2"**.
11. KLN Holdings Inc. ("**KLN**") is the second mortgagee (the "**KLN Mortgage**"). KLN advised the Receiver that as at October 9, 2020 it is owed \$468,602.74 (comprised of \$450,000 of principal plus interest and costs).

ACTIVITIES OF THE RECEIVER

12. In the days following the issuance of the Appointment Order, representatives of the Receiver attended the Home to assess the state of affairs.

13. The Receiver understands that many of the former residents suffer from severe forms of mental illness and require a high level of care, including, in many cases, assistance with taking their prescription medication. Following its appointment, the Receiver asked Stefanie Martino to continue day to day operational control of the Home, and an independent contractor agreement was provided. The agreement was never signed, though Stefanie Martino continued to function as the operator of the Home on a day-to-day basis. She provided directions to staff and was paid by the Receiver.
14. In addition to asking Stefanie Martino to serve as operator of the Home, immediately after its appointment, the Receiver:
 - a) met with Stefanie Martino and the employees and provided employee retention agreements to each of the nine employees;
 - b) discussed with Stefanie Martino her responsibilities and expectations of the Receiver in the engagement of same, to which she agreed;
 - c) discussed with Stefanie Martino the need for her to coordinate urgent capital repairs which she had brought to the attention of the Receiver, including replacing 18 broken windows and ordering a new commercial washing machine (collectively, the "**Urgent Capital Repairs**");
 - d) liaised with the City in order to understand the status of any outstanding inspections and payments to Emerald Lodge pursuant to the Subsidy Agreement;
 - e) liaised with the insurance broker to continue liability and property insurance coverage;
 - f) engaged the independent contractor accountant used by Emerald Lodge to process payroll, receive funds from the City, and pay vendors; and,
 - g) issued the required receivership notices pursuant to Section 245(1) and Section 246(1) of the *Bankruptcy and Insolvency Act*.
15. During the week of October 12, 2020, the Receiver became aware of the following:
 - a) following an inspection of the premises, on October 11, 2020, the City issued an order addressed to Stefanie Martino indicating inadequate COVID-19 screening

and other protocols at the Home (the “**COVID Order**”);

- b) on October 11, 2020, the City issued a pest control order addressed to Stefanie Martino after finding evidence of cockroaches in a food storage area (the “**Pest Control Order**”);
 - c) an Order issued by the City on October 7, 2020 and received by Stefanie Martino was brought to the Receiver's attention on or about October 14, 2020. Pursuant to this order, the City mandated certain repairs relating to a clogged bath tub and broken door hinges (the “**Repair Order**”, and collectively with the COVID Order and the Pest-Control Order, the “**City Orders**”); and,
 - d) no progress had been made by Stefanie Martino in respect of the Urgent Capital Repairs.
16. On October 13, 2020, the Receiver corresponded with Stefanie Martino about the need to make immediate operational changes to ensure compliance with the COVID Order, the Pest Control Order, the Repair Order, and to ensure a safe environment for residents. Stefanie Martino advised the Receiver that she would tend to the foregoing.
 17. However, following this correspondence, the Receiver was unable to reach Stefanie Martino by phone for a period of 8 days starting on the afternoon of October 13, 2020. Certain employees advised that she did attend the Property three times during the week of October 12, 2020, but these visits were brief, and the matters referenced in the City Orders were not addressed by Stefanie Martino, nor were the Urgent Capital Repairs.
 18. As a result of Stefanie Martino's inability or refusal to take immediate action to address the City Orders, the Receiver reached out to more than 10 experienced operators and asked the City for assistance in order to find a replacement operator for the Home on an expedited basis. The Receiver also attended to several urgent matters regarding the Property including, among other things, contracting with a pest control company and ordering replacement windows. Although the Receiver increased the frequency of its visits to the Property, it did not and could not take over responsibility for patient care as it does not possess the requisite expertise.
 19. On October 19, 2020, the Receiver met at the Property with representatives from Good Shepherd Non-Profit Homes Inc. (“**Good Shepherd**”) about potentially acting as

replacement operator. The following was discovered at that visit:

- a) additional staff had left without notice and there were now only 6 staff remaining to provide care 7 days a week and 24 hours a day for the 34 residents – there were not enough staff to be able to provide an adequate level of care on a long-term basis;
- b) the remaining overburdened staff were unable to implement all of the required COVID safety protocols contemplated by the COVID Order, including screening visitors before they are allowed to enter the Property;
- c) fire escapes had been padlocked to prevent access in response to safety concerns of staff that people who were not residents and who were violent were gaining unauthorized access to the building – this meant that residents and staff would be unable to use these escapes in event of a fire; and,
- d) there were other safety concerns relating to specific residents.

20. Throughout the week of October 19, 2020, the Receiver continued discussions with Good Shepherd about assuming operational control of Emerald Lodge. Good Shepherd and the City conducted further inspections of the Home during this time. The following additional health and safety issues were identified during those inspections:

- a) smoke detectors and carbon monoxide detectors were not working;
- b) someone (presumably a resident) had intentionally plugged toilets and showers resulting in only one working toilet and one working shower to service all residents until a plumber was called to resolve the issues;
- c) there were not enough beds in the Home to provide a bed for each resident;
- d) an inspection by the City found rodent feces in several places in the kitchen and a bed bug infestation in several rooms of the Home;
- e) many residents were taking several types of prescribed medications – Good Shepherd later advised the Receiver that the number of medications prescribed to each person was much higher than what they would have expected, in their experience;

- f) the room where medication was kept had been broken into and resident medications, which included narcotics, had been removed; and,
 - g) in the opinion of Good Shepherd, more than 15 of the residents had high psychiatric care needs which exceeded the level of care which Emerald Lodge was able to provide and needed to be removed immediately from Emerald Lodge to a facility more suited to their healthcare needs.
- 21. A series of discussions amongst the Receiver, Good Shepherd and the City took place during the week of October 19, 2020. Ultimately, Good Shepherd reached the conclusion that while they wanted to assist, they were not able to guarantee safe working conditions for their staff or the minimum level of care needed for the residents. As a result, Good Shepherd advised the Receiver on October 23, 2020 that it would be unable to act as replacement operator. None of the other potential operators contacted by the Receiver were willing or able to manage the Home, due in large part to the numerous health and safety issues with the Home.
- 22. Due to the Receiver's lack of confidence in Stefanie Martino as a result of her absence and lack of diligence, the Receiver formally terminated her effective as of October 23, 2020.
- 23. On the evening of October 23, 2020, the City, with agreement from the Receiver, evacuated all residents of Emerald Lodge to a facility nearby in hope of reducing the disruption to the residents, but ensuring that residents would be provided better care and attention to their specific needs. The Home has remained closed since this time.
- 24. Immediately after the evacuation, the Receiver:
 - a) notified all employees of the closure of the Home;
 - b) with the assistance of the Company's accountant:
 - i. ensured final pay and record of employment forms were provided to all employees;
 - ii. received residents' personal needs money and forwarded such funds collected to the residents; and

- iii. administered the Wage Earner Protection Program for unpaid termination pay;
- c) met with residents to allow them to remove any personal belongings which they were not able to remove during the evacuation;
- d) collected all keys from staff and engaged a locksmith to change the locks and secure all doors and windows of the building; and
- e) notified the Company's insurance broker of the evacuation and change in insurance risk in light of the premises being vacated.

SALES PROCESS

- 25. The Receiver is of the view that it is now an appropriate time to commence a broad public marketing of the Property for sale, with a view to consummating a value maximizing transaction in respect of the Property (the "**Sale Process**").
- 26. Starting the week of October 5, 2020, the Receiver reached out to three commercial real estate brokers – Colliers International ("**Colliers**"), Cushman & Wakefield ("**Cushman**") and CBRE Limited ("**CBRE**") regarding potentially listing the Home. Proposals were received by Cushman and CBRE (collectively, the "**Potential Brokers**"), with Colliers declining to provide a proposal.
- 27. In addition, the Receiver is in contact with potential interested parties who have expressed a preliminary interest in the Property and is assessing whether any potential market-value transactions might be possible. In the event that no meaningful opportunity arises from these discussions, it is the Receiver's intention to retain a Potential Broker to list the Property for sale.
- 28. The Receiver is requesting authorization from the Court to retain one of the Potential Brokers (without the obligation to do so) to act as listing agent and broker in respect of the Property, and to assist the Receiver with the Sale Process.
- 29. Given that various potential end uses of the Property are conceivable which may attract a variety of proposal structures, the Receiver, in consultation with the Potential Brokers, is of the view that it should be afforded broad discretion to determine the particular

procedures to be followed in the Sale Process once the Property has been publicly listed for sale and initial expressions of interest are received.

30. If a Potential Broker is retained, and subject to such retained Potential Broker's recommendation, it is expected that the Property would be listed on the multiple listing service. It is also expected that the retained Potential Broker will also approach potential bidders with information regarding the Property and Sale Process. The Receiver and the retained Potential Broker will consult to determine the appropriate next steps for the Sale Process based on the level of interest in a transaction in respect of the Property, among other factors. The Receiver and retained Potential Broker will keep Sale Process participants apprised of material developments to the Sale Process, including with respect to any bid deadlines and procedures, if any, that may be recommended by the retained Potential Broker, as agreed by the Receiver.
31. In tandem with discussions with the Potential Brokers and other strategic interested parties, the Receiver also responded to and engaged in discussions with five parties who had expressed an unsolicited interest in acquiring the Home each with the intention of continuing operations as a care facility (collectively, the "**Interested Operators**"), conditional upon finalizing a subsidy agreement with the City. Interested Operators were asked to submit a letter of intent ("**LOI**") by 5:00 PM EST on October 16, 2020. Two Interested Operators submitted LOI's on that date. A third LOI was received during the week of October 19, 2020. All three LOI's were rescinded by the respective Interested Operator following the evacuation of Emerald Lodge on October 23, 2020. The Receiver is also aware that Emerald Lodge had been engaged with interested parties prior to the Receiver's appointment and understands that no definitive or binding purchase agreements were completed during the pre-appointment period. One of the pre-appointment interested parties is an Interested Operator who also submitted an LOI, described above.
32. Even had Emerald Lodge continued to operate, it may not have been possible for any of the Interested Operators to have finalized a satisfactory subsidy agreement with the City, which was a precondition to closing for each of the LOIs received; the City had previously indicated to the Receiver that the 40 subsidized beds in the Home had been "grandfathered", that a new buyer would likely not receive funding for as many subsidized tenants, and that generally no more than 24 subsidized beds are available at

any one location.

33. During the weekend of November 14th and 15th of 2020, the Receiver received an unsolicited LOI and an offer to purchase (the “**Recent Offers**”), however, the Receiver is of the view that the broad and flexible marketing strategy for the Property contemplated by the Sale Process is in the best interests of all stakeholders. Alterna is supportive of the Sale Process and neither of the Recent Offers would offer sufficient proceeds to result in any recovery in respect of the KLN Mortgage.
34. Accordingly, subject to obtaining Court approval, the Receiver intends to undertake the Sale Process as outlined herein. Given that Emerald Lodge is no longer operating, it is possible that the successful purchaser may not want to operate a similar care facility and would instead want to repurpose the Property for another purpose. It is anticipated that a broad canvassing of the market will attract the greatest number of prospective purchasers and provide the best opportunity to consummate a value maximizing transaction.

RIVERVIEW PHARMACY

35. One of the parties who expressed an interest in the Property and provided one of the Recent Offers is Rafik Lotfi. Mr. Lotfi has advised the Receiver that he is the sole owner of Riverview Pharmacy Ltd. (“**Riverview**”), the pharmacy which provided a daily supply of medication for the residents at Emerald Lodge.
36. During the operations of the Home, Riverview leased space from the Company and provided pharmacy services from such lease premises for the Home and its residents. Since the evacuation of the Home, Riverview no longer occupies the leased space or provides any pharmaceutical services.
37. Riverview, the Company, and Stefanie Martino entered into a Residential Care Facility Pharmaceutical Service Agreement on November 19, 2015 (as amended and extended by written agreements dated April 12, 2016 and December 18, 2018, the “**Pharmaceutical Services Agreement**”). Copies of the Pharmaceutical Services Agreement including the amendments thereto are attached to this Report as **Appendix “3”**.
38. Riverview was also party to a License Agreement dated April 12, 2016 with North

American Living Centres Limited ("**NALC**") and several numbered entities and other holding companies, including the predecessor entity to the Debtor (the "**License Agreement**"). The License Agreement was renewed by written agreement dated December 18, 2018, and copies of the License Agreement and amendment are attached to this Report as **Appendix "4"**.

39. It is the Receiver's understanding that, pursuant to the License Agreement, Riverview paid an annual fee of \$2,125 for the exclusive right to provide pharmaceutical services to the Home and several other similar facilities. Amounts payable under the License Agreement were paid to NALC, and the Debtor did not receive any monetary benefit from the License Agreement.
40. Furthermore, it is the Receiver's understanding that the aforementioned annual license fee paid to NALC was inclusive of any rent payable in respect of Riverview's lease of space within the Home. In other words, the Debtor did not receive any direct monetary benefit from either the lease arrangement or the license arrangement.
41. Under the terms of the Pharmaceutical Services Agreement, Riverside was granted (i) a right of first refusal in respect of bona fide offers to purchase the operating business of the Home or the Lands (the "**Land ROFR**"), and (ii) certain rights to contract with any prospective purchase of the Property to provide pharmaceutical services to any successor owner/operator of the Home (the "**Services ROFR**", and collectively with the Land ROFR, the "**ROFR Rights**"). The ROFR Rights have been registered on title to the Property, as Instrument Nos. WE1081631 and WE1430135, and copies thereof are attached to this Report as **Appendix "5"**.
42. The Receiver is requesting that the Court provide declaratory relief, confirming the nullification the ROFR Rights and expunging them from title to the Property at the outset of the sale process. The reasons for this request are as follows:
 - a) The Receiver is of the view that the business terms set out in the Pharmaceutical Services Agreement do not reflect a commercially reasonable or rational business arrangement. The Company received no financial consideration in exchange for the ROFR Rights.
 - b) Riverview has postponed its interest in the ROFR Rights to Alterna and KLN, and

these postponements have been registered on title to the Property as Instrument Nos. WE1387288 and WE1416699, respectively (together, the "Postponements"). Copies of the Postponements are attached hereto as **Appendix "6"**. The registration of the Postponements on title to the Property indicates that neither Riverview nor the Company, or indeed neither Alterna nor KLN, intended that the ROFR Rights should prejudice the mortgage interests of Alterna or KLN.

- c) The Receiver is of the view that the continued registration of the Pharmaceutical Services Agreement on title to the Property represents a serious impediment to selling the Property. Simply put, it will be extremely challenging to attract even a market value of the Property, let alone a value maximizing transaction, with this title registration in place as interested parties are unlikely to incur significant due diligence costs if they believe that the Land ROFR or Services ROFR may be exercised. The existence of these title registrations will likely frustrate the efforts of the priority-ranking secured creditors to realize on their collateral.
- d) Counsel to Riverview has been served with seven days' notice of the within motion.

- 43. The Receiver is of the view that the declaratory relief requested herein will promote the success of the Sale Process. It is in the best interests of the Company's secured creditors for the Property to be sold through a value maximizing transaction.

SECURITY REVIEW

- 44. On October 22, 2020, the Receiver received a legal opinion from its independent counsel, Bennett Jones LLP ("**Bennett Jones**") that, subject to the usual assumptions and qualifications:
 - a) the Mortgages constitute valid and binding obligations of the Company, enforceable against the Debtor in accordance with the terms thereof;
 - b) the Alterna Mortgage creates a fixed and specific mortgage and charge on the Property and, as of the date hereof, the Alterna Mortgage was registered on title to the Property; and,

- c) the KLN Mortgage creates a fixed and specific mortgage and charge on the Property and, as of the date hereof, the KLN Mortgage was registered on title to the Property.

- 45. The security opinion delivered by Bennett Jones confirms that, subject to the usual assumptions and qualifications, Alterna has a first ranking charge on the Property based on the order of registrations on title.

GOVERNMENT PRIORITY CLAIMS

- 46. The Receiver understands that source deductions totaling \$91,279.10 (as of the date of the Appointment Order) relating to the period from February 2020 to September 2020 are owing to the Canada Revenue Agency (“CRA”) (see **Appendix “7”** for supporting detail).
- 47. CRA source deductions relate to amounts deducted but not remitted for the period from March 15 – October 15, 2020. Alterna and KLN mortgages were registered prior to this period.
- 48. The CRA has been served with notice of the present motion and the Receiver intends to engage with the CRA to verify the quantum of the source deductions, including assisting with any audit, if requested.
- 49. The Receiver is advised by its legal counsel that the CRA's source deduction claims are subordinated to the secured mortgage claims of Alterna and KLN by operation of section 227.4 of the Income Tax Act and Regulation 2201 promulgated thereunder. No relief is sought in this regard in the present motion.

RECEIVER’S FEES AND DISBURSEMENTS

- 50. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 19 of the Appointment Order, the Receiver and its counsel shall pass their accounts.
- 51. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Receiver and its counsel have maintained detailed

records of their professional time and costs.

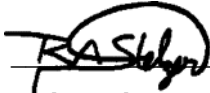
52. The total fees for the Receiver for the period of September 4, 2020 (in preparation for the Receivership) until October 31, 2020 were \$107,653.35, plus disbursements of \$70, plus HST of \$14,004.04, for a total of \$121,727.39. The time spent by the Receiver is more particularly described in the Affidavit of Rob Stelzer sworn November 20, 2020 (the “**Stelzer Affidavit**”), which is attached hereto as **Appendix “8”** and contains a copy of the invoice that sets out the services provided during this time period.
53. The total fees of Bennett Jones, as counsel to the Receiver, for the period of September 22, 2020 to October 31, 2020, were \$33,953.50, plus disbursements of \$1,437.80, plus HST of \$4,600.81, for a total of \$39,992.11. The time spent by Bennett Jones is more particularly described in the Affidavit of Raj Sahni sworn November 20, 2020, a copy of which is attached hereto as **Appendix “9”** and contains, among other things, a copy of the invoice that sets out the services provided during this period of time.
54. It is the Receiver’s opinion that the fees and disbursements of the Receiver and Bennett Jones accurately reflect the work done by the Receiver and on behalf of the Receiver by Bennett Jones in connection with the receivership. It is the Receiver’s opinion that the fees and disbursements of Bennett Jones are fair and reasonable and justified in the circumstances. The Receiver recommends approval of these accounts by this Honourable Court.

CONCLUSION

55. For the reasons set out herein, the Receiver respectfully requests the relief and approval as set out in the introduction section of this First Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of November, 2020.

**GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER
OF 1140402 ONTARIO INC. O/A EMERALD LODGE
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

A handwritten signature in black ink, appearing to read "R. Stelzer", is written over a horizontal line.

**Rob Stelzer, CPA, CA, CIRP, LIT
Vice-President**

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. 43, AS AMENDED

ALTERNA SAVINGS AND CREDIT UNION LIMITED
Applicant

- and -

1140402 ONTARIO INC. O/A EMERALD LODGE
Respondent

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

**FIRST REPORT OF GRANT THORNTON LIMITED,
THE RECEIVER**

BENNETT JONES LLP
3400 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Raj Sahni (LSO #42942U)
Tel. (416) 777-4804
Email: SahniR@bennettjones.com

Jesse Mighton (LSO #62291J)
Tel. (416) 777-6255
Email: MightonJ@bennettjones.com

Counsel to Grant Thornton Limited., the Court-appointed Receiver of the assets, undertakings and properties of 1140402 Ontario Inc. o/a Emerald Lodge.

TAB C

APPENDIX "3"
SALE PROCESS ORDER DATED NOVEMBER 27, 2020
(see next page)

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

BETWEEN:

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

THE HONOURABLE

) FRIDAY, THE 27TH DAY

)

JUSTICE HAINEY

) OF NOVEMBER, 2020

**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
(Sale Process and Related Relief)**

THIS MOTION, made by Grant Thornton Ltd., in its capacity as receiver (in such capacity, the "**Receiver**") of 1140402 Ontario Inc. o/a Emerald Lodge (the "**Debtor**") for an order, among other things, approving the Sale Process (as defined in the First Report of the Receiver dated November 20, 2020, (the "**First Report**")) proceeded and was heard on this day by way of video-conference due to the COVID-19 crisis.

ON READING the Notice of Motion of the Receiver, the First Report and the fees affidavits of Rob Stelzer and Raj Sahni appended thereto (together, the "**Fees Affidavits**") and on hearing submissions of counsel to the Receiver, counsel for the Applicant, no one else appearing

although duly served as appears from the affidavit of service of Jesse Mighton sworn November 22, 2020, filed:

SERVICE

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

APPROVAL OF SALE PROCESS AND RELATED RELIEF

2. **THIS COURT ORDERS THAT** the Sale Process, as described in paragraphs 25-34 of the First Report, be and is hereby approved and the Receiver is hereby authorized, without obligation, to retain a licensed broker for the purpose of listing the Property for sale, and each of the Receiver and such licensed broker, if applicable, are authorized to take such further steps as may be considered necessary or desirable in carrying out the Sale Process.

3. **THIS COURT ORDERS AND DECLARES** that the Receiver is authorized and directed to conduct the Sales Process free and clear of the ROFR Rights (as defined in the First Report) held by Riverside Pharmacy Ltd., and such ROFR Rights are hereby nullified and of no further force and effect.

4. **THIS COURT ORDERS AND DECLARES** that the Receiver is authorized and directed to conduct the Sales Process free and clear of any prior agreements, if any, to purchase the Property (as defined in the First Report), and any such prior agreements are hereby nullified and of no further force and effect.

5. **THIS COURT ORDERS** that upon registration at the Land Registry Office for the Land Titles Division of Hamilton-Wentworth #62 of a certified copy of this Order, the Registrar of the aforementioned Land Registry Office is hereby directed to delete Instrument Nos. WE1081631, WE1387288, WE1416699, and WE1430135 from title to the real property municipally known as 83-85 Emerald Street South, Hamilton, Ontario and legally described on PIN 17176-0014(LT).

6. **THIS COURT ORDER** that the Receiver, any licensed broker retained by the Receiver in respect of the Sales Process, the Applicant, and their respective assistance, partners, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages, liabilities of any nature or kind to any person in connection with or as a result of performing

their duties under the Sale Process, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or willful misconduct of the Receiver, the licensed broker retained by the Receiver in respect of the Sale Process, or the Applicant, as applicable, as determined by this Court.

APPROVAL OF THE FIRST REPORT

7. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the First Report, are hereby approved; provided, however that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF FEES AND DISBURSEMENTS

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel, as set out in the Fees Affidavits, are hereby approved.

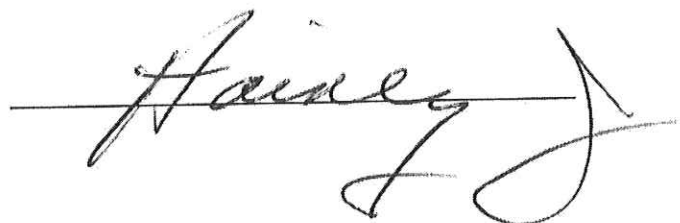
GENERAL

9. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under this Order or under the Sale Process.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date that it is made without any need for entry and filing.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:
NOV 27 2020



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

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

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

Proceedings commenced in Toronto

**ORDER
(Sale Process and Related Relief)**

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4

Raj Sahni (LSO #42942U)
Tel: 416-777-4804
Email: SahniR@bennettjones.com

Jesse Mighton (LSO #62291J)
Tel: 416-863-6255
Email: MightonJ@bennettjones.com

Fax: 416-863-1716

Lawyers for the Receiver

TAB D

APPENDIX "4"
ROFR DEREGISTRATION
(see next page)

The applicant(s) hereby applies to the Land Registrar.

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			

Party From(s)

Name	ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)
Address for Service	330 University Avenue 7th Floor Toronto, ON M5G 1R7

Applicant(s)	Capacity	Share
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Name	GRANT THORNTON LIMITED
Address for Service	200 King Street West 11th Floor Toronto, ON M5H 3T4

Statements

The applicant applies to register the following order See Schedules. The order is still in full force and effect

Signed By

Michael David O'Grady	3400-1 First Canadian Place Toronto M5X 1A4	acting for Applicant(s)	Signed	2020 12 01
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Tel 416-863-1200

Fax 416-863-1716

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

Submitted By

BENNETT JONES LLP	3400-1 First Canadian Place Toronto M5X 1A4	2020 12 01
-------------------	---	------------

Tel 416-863-1200

Fax 416-863-1716

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Applicant Client File Number : 90735.1

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

BETWEEN:

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

THE HONOURABLE

) FRIDAY, THE 27TH DAY

)

JUSTICE HAINEY

) OF NOVEMBER, 2020

**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
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although duly served as appears from the affidavit of service of Jesse Mighton sworn November 22, 2020, filed:

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

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2. **THIS COURT ORDERS THAT** the Sale Process, as described in paragraphs 25-34 of the First Report, be and is hereby approved and the Receiver is hereby authorized, without obligation, to retain a licensed broker for the purpose of listing the Property for sale, and each of the Receiver and such licensed broker, if applicable, are authorized to take such further steps as may be considered necessary or desirable in carrying out the Sale Process.

3. **THIS COURT ORDERS AND DECLARES** that the Receiver is authorized and directed to conduct the Sales Process free and clear of the ROFR Rights (as defined in the First Report) held by Riverside Pharmacy Ltd., and such ROFR Rights are hereby nullified and of no further force and effect.

4. **THIS COURT ORDERS AND DECLARES** that the Receiver is authorized and directed to conduct the Sales Process free and clear of any prior agreements, if any, to purchase the Property (as defined in the First Report), and any such prior agreements are hereby nullified and of no further force and effect.

5. **THIS COURT ORDERS** that upon registration at the Land Registry Office for the Land Titles Division of Hamilton-Wentworth #62 of a certified copy of this Order, the Registrar of the aforementioned Land Registry Office is hereby directed to delete Instrument Nos. WE1081631, WE1387288, WE1416699, and WE1430135 from title to the real property municipally known as 83-85 Emerald Street South, Hamilton, Ontario and legally described on PIN 17176-0014(LT).

6. **THIS COURT ORDER** that the Receiver, any licensed broker retained by the Receiver in respect of the Sales Process, the Applicant, and their respective assistance, partners, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages, liabilities of any nature or kind to any person in connection with or as a result of performing

their duties under the Sale Process, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or willful misconduct of the Receiver, the licensed broker retained by the Receiver in respect of the Sale Process, or the Applicant, as applicable, as determined by this Court.

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APPROVAL OF FEES AND DISBURSEMENTS

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel, as set out in the Fees Affidavits, are hereby approved.

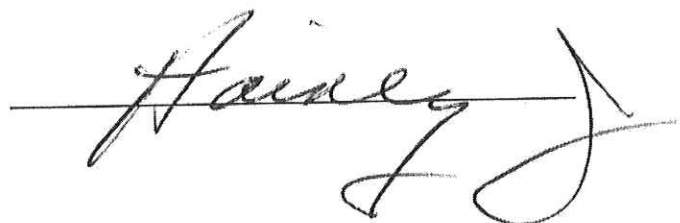
GENERAL

9. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under this Order or under the Sale Process.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date that it is made without any need for entry and filing.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:
NOV 27 2020



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

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

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

Proceedings commenced in Toronto

**ORDER
(Sale Process and Related Relief)**

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
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Tel: 416-777-4804
Email: SahniR@bennettjones.com

Jesse Mighton (LSO #62291J)
Tel: 416-863-6255
Email: MightonJ@bennettjones.com

Fax: 416-863-1716

Lawyers for the Receiver

TAB E

APPENDIX "5"
REDACTED AGREEMENT OF PURCHASE AND SALE WITH RHG
(see next page)

Form 500

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 25th day of August, 2021

BUYER: _____, agrees to purchase from _____
(Full legal names of all Buyers)

SELLER: GRANT THORNTON LTD., in its capacity as court-appointed receiver and manager of the
property, assets and undertaking of 1140402 ONTARIO INC., and not in its personal _____, the following
capacity

REAL PROPERTY:

Address _____

fronting on the _____ side of _____

in the _____

and having a frontage of _____ more or less by a depth of _____ more or less

and legally described as _____

_____ (the "property")
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE:

Dollars (CDN\$) [REDACTED]

[REDACTED] Dollars

DEPOSIT: Buyer submits _____
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

_____ Dollars (CDN\$) _____

by negotiable cheque payable to... "Deposit Holder"
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A _____ **attached hereto form(s) part of this Agreement.**

1. IRREVOCABILITY: This offer shall be irrevocable by _____ until _____ on
(Seller/Buyer) (a.m./p.m.)

the _____ day of _____, 20_____, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the _____ day of _____

_____, 20_____. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S):

INITIALS OF SELLERS(S):



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- 3. NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.:
(For delivery of Documents to Seller)

FAX No.:
(For delivery of Documents to Buyer)

Email Address:
(For delivery of Documents to Seller)

Email Address:
(For delivery of Documents to Buyer)

4. CHATELS INCLUDED:

.....
.....
.....
.....

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. FIXTURES EXCLUDED:

.....
.....
.....
.....

- 6. RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

.....
.....
.....
.....

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

- 7. HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, If applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S):

.....

INITIALS OF SELLERS(S):

.....



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TITLE SEARCH: Buyer shall be allowed until 6:00 p.m. on the day of 20.....
 (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there

are no outstanding work orders or deficiency notices affecting the property, that its present use (.....) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):

INITIALS OF SELLERS(S):



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15. PLANNING ACT: This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.

16. DOCUMENT PREPARATION: ~~The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.~~

17. RESIDENCY: (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.

18. ADJUSTMENTS: Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.

19. TIME LIMITS: Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.

20. PROPERTY ASSESSMENT: The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.

21. TENDER: Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

22. FAMILY LAW ACT: Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless the spouse of the Seller has executed the consent hereinafter provided.

23. UFFI: Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.

24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE: The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

25. CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.

26. AGREEMENT IN WRITING: If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

27. TIME AND DATE: Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.
SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Witness)

(Buyer) Authorized Signing Officer

(Buyer/Authorized Signing Officer)

(Seal)

(Seal)

(Date)

(Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Witness)

Rob. Stelzer, Vice President
(Seller/Authorized Signing Officer)

(Seller/Authorized Signing Officer)

(Seal)

(Seal)

(Date)

(Date)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness)

(Spouse)

(Seal)

(Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at this day of, 20.....
(a.m./p.m.)

(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage

(Tel.No.)

(Salesperson/Broker/Broker of Record Name)

Co-op/Buyer Brokerage

(Tel.No.)

(Salesperson/Broker/Broker of Record Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller)

(Date)

(Seller)

(Date)

Address for Service

(Tel. No.)

Seller's Lawyer

Address

Email

(Tel. No.)

(Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer)

(Date)

(Buyer)

(Date)

Address for Service

(Tel. No.)

Buyer's Lawyer

Address

Email

(Tel. No.)

(Fax. No.)

FOR OFFICE USE ONLY**COMMISSION TRUST AGREEMENT**

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)

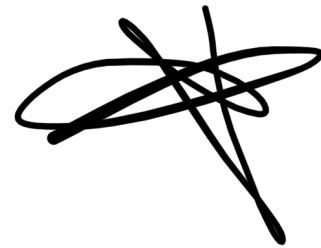
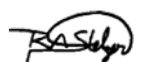


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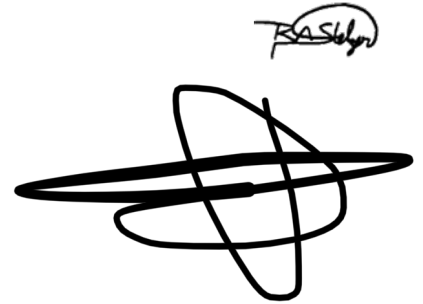
Schedule "A" to Agreement of Purchase and Sale

1. Full Legal Description of Subject Property: LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360; HAMILTON; 17176-0014 (LT). The description of the subject property contained in this Agreement of Purchase and Sale is for the purposes of identification only and no representation, warranty or condition has or will be given by the Seller concerning the existence or accuracy of such description.
2. Buyer and Seller confirm that no deposit shall be paid in respect of the Agreement of Purchase and Sale. The entire purchase price amount of [REDACTED] shall be payable by the Buyer upon closing by wire transfer of immediately available funds to an account to be provided by the Seller no less than two (2) business days prior to closing.
3. The Buyer acknowledges that: (i) the Seller, in executing this Agreement of Purchase and Sale, is entering into this Agreement of Purchase and Sale solely in its capacity as court appointed receiver and manager of the property, assets and undertakings of 1140402 Ontario Inc. and not in its personal or any other capacity; (ii) the Seller shall have no personal or corporate liability of any kind whether in contract, tort or otherwise, arising from this Agreement or Purchase and Sale; and (iii) the Seller's authority to act in respect of the subject property is governed by the order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), as amended, restated and/or extended from time to time.
4. The subject property is being sold and shall be accepted by the Buyer on an "as is, where is" and "without recourse" basis with no representations, warranties or condition, express or implied, statutory or otherwise, of any nature and kind whatsoever as to title, encumbrances, description, present or future use, fitness for use, environmental condition including the existence of hazardous substances, merchantability, quantity, defect (latent or patent), condition, location of structures, zoning or lawful use of the subject property, rights over adjoining properties and any easements, rights-of-way, rights of re-entry, restrictions and/or covenants which run with or affecting the land, ingress and egress to the subject property, the condition or state of repair of any chattels, encroachments on the subject property by adjoining properties or encroachments by the subject property on adjoining properties, if any, any outstanding work orders, orders to comply, deficiency notices, municipal or other governmental agreements or requirements (including site plan agreements, development agreements, subdivision agreements, building or fire codes, building and zoning by-laws and regulations, development fees, imposts, lot levies and sewer charges) or any other matter or thing whatsoever, either stated or implied.
5. The Seller's obligations contained in this Agreement of Purchase and Sale shall be conditional upon the Seller receiving an order of the Court in a form satisfactory to the Seller, acting reasonably, or such other Court as has jurisdiction in the matter, approving the sale of the subject property to be vested in the Buyer or any other legal entity/corporation as the Buyer may direct in writing, free and clear of all mortgages and/or security interests registered against the subject property as contemplated by this Agreement of Purchase and Sale (the "**Court Approval**").

6. The Seller covenants and agrees to use reasonable commercial efforts to attempt to obtain the Court Approval. If the sale of the subject property is not approved by the Court, this Agreement of Purchase and Sale shall be terminated without any compensation, penalty or liability whatsoever to the Seller or the Buyer, and each of the Seller and the Buyer shall be released from all other obligations hereunder except for the obligations of the Buyer that are specifically stated herein to survive completion or other termination of this Agreement of Purchase and Sale.
7. The Seller covenants to execute, where applicable, and deliver the following to the Buyer on the completion date or on such other date as expressly provided herein:
 - (a) a copy of the issued and entered Court Approval;
 - (b) a statement of adjustments prepared in accordance with Section 18 of this Agreement of Purchase and Sale, to be delivered not less than FIVE (5) banking days, Saturdays, Sundays and statutory holidays excluded, prior to the completion date; and
 - (c) a direction re: funds pursuant to which the Seller shall direct payment of the purchase price, subject to adjustments.
8. The Buyer agrees to pay the balance of the purchase price, subject to adjustments, to the Seller's solicitor, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
9. Upon delivery by the Seller of the documents set out in Section 7 and receipt by the Seller's solicitor of the balance of the purchase price, subject to adjustments, the Seller shall forthwith deliver to the Buyer the "Receiver's Certificate" comprising Schedule "A" of the Court Approval, and shall file same with the Court.
10. In the event that the sale of the subject property is enjoined or not approved by the Court, where any part of the subject property is removed from the control of the Seller by any means or process, or legal proceedings are threatened against the Seller to restrain the sale of the subject property, or where the subject property is redeemed in whole or in part by any party entitled thereto at law on or prior to the completion date, the Seller, at its option, may terminate this Agreement of Purchase and Sale without any penalty or liability whatsoever to the Seller or the Buyer, and each of the Seller and the Buyer shall be released from all other obligations hereunder, except for the obligations of the Buyer that are specifically stated herein to survive completion or other termination of this Agreement of Purchase and Sale.
11. The Seller shall not be required to deliver a discharge, release or reassignment of any charge/mortgage of land, assignment, lien or other encumbrance registered against the title to the subject property which would be extinguished by an order of the Court referred to in Section 5.
12. The Seller does not guarantee title to the chattels and does not warrant the condition or state of repair of the chattels. The Buyer must satisfy itself in this regard, and accept the

fixtures and chattels on an “as-is, where-is” basis. The Seller shall not provide a bill of sale for any chattels or fixtures, and shall make no further adjustments or abatement in the purchase price with respect thereto. The Seller will not remove and shall not be responsible for the removal of any chattels found on the subject property prior to or on the date of closing.

A handwritten signature, possibly "RASIDIN", is written above a large, bold, black scribble that consists of several overlapping loops and a horizontal line.

TAB F

APPENDIX "6"
PARCEL REGISTER FOR PROPERTY
(see next page)

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

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1996/07/22

OWNERS' NAMES

1140402 ONTARIO INC.

CAPACITY

SHARE

BENO

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 ESCHEATS 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 ***		
		REMARKS: RENTS, VM217533				
LT432214	1996/12/20	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	THE EQUITABLE LIFE INSURANCE 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 *** 1140402 ONTARIO INC.	THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA	
		REMARKS: LT492013-RENTS				

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
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: LT	492013				
LT561936	1999/07/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA		
	REMARKS: RE: LT	432214				
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: VM	217533				
WE60867	2001/10/15	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	LIPTAY, 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	
WE212743	2004/01/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** LIPTAY, ROSE MARIE		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
WE212892	2004/01/29	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	CONSTANCIA, JOHN - OPERATING AS "C. R. LANDSCAPE"	
WE252069	2004/08/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** B2B TRUST		
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.	
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.		
WE297693	2005/03/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE EQUITABLE TRUST COMPANY		
WE297694	2005/03/21	DISCHARGE INTEREST		*** COMPLETELY DELETED ***	THE EQUITABLE TRUST COMPANY	
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 ONTAIRO INC.	ROZEN, CORNEL SINGAL, SAM COUPRIE FENTON INC. PASTERNAK, JOE	
WE404983	2006/07/13	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	MINTZ, IRWIN	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
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.	ROZEN, CORNEL SINGAL, SAM PASTERNAK, JOE CHAPNICK, GERRY FELDMAN, LARRY SGUIGNA, LESLIE KINSMAN, RICHARD	
WE405018	2006/07/13	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTAIRO INC.	ROZEN, CORNEL SINGAL, SAM PASTERNAK, JOE CHAPNICK, GERRY FELDMAN, LARRY SGUIGNA, LESLIE KINSMAN, RICHARD	
		REMARKS: WE405016 - RENTS				
WE405097	2006/07/13	DISCH OF CHARGE		*** COMPLETELY DELETED *** PARAGON CAPITAL CORPORATION LTD.		
		REMARKS: RE: WE281434				
WE405746	2006/07/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROZEN, CORNEL SINGAL, SAM COUPRIE FENTON INC. PASTERNAK, JOE		
		REMARKS: RE: WE322064				
WE412041	2006/08/10	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	SKYCO LTD.	
WE412045	2006/08/10	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** SKYCO LTD.	CARRON MARINE LTD.	
		REMARKS: WE412041				
WE502310	2007/10/05	CHARGE		*** COMPLETELY DELETED *** 1059244 ONTARIO INC. 1140402 ONTARIO INC.	2079610 ONTARIO LTD.	

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WE502542	2007/10/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROZEN, CORNEL SINGAL, SAM PASTERNAK, JOE CHAPNICK, GERRY FELDMAN, LARRY SGUIGNA, LESLIE KINSMAN, RICHARD		
		REMARKS: RE: WE405016				
WE569920	2008/08/21	NOTICE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	MINTZ, IRWIN	
		REMARKS: WE404983				
WE722208	2010/10/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** CARRON MARINE LTD.	DUNBAR, MARK	
		REMARKS: WE412045. WE412045 DELETED BY WE802590 APR 27/12 - A.S				
WE798254	2011/11/18	NOTICE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	DUNBAR, MARK	
		REMARKS: WE412041				
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	
		REMARKS: WE802051				
WE802590	2011/12/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** DUNBAR, MARK		
		REMARKS: WE412041.				
WE831165	2012/05/16	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	

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WE831166	2012/05/16	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	
		REMARKS: WE831165.				
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.	
		REMARKS: WE831167.				
WE831174	2012/05/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2079610 ONTARIO LTD.		
		REMARKS: WE502310.				
WE831175	2012/05/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1862302 ONTARIO LIMITED		
		REMARKS: WE802051.				
WE831176	2012/05/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** MINTZ, IRWIN		
		REMARKS: WE404983.				
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.		
		REMARKS: DELETE WE875856				
WE908228	2013/07/05	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC. 1059244 ONTARIO INC.	1601775 ONTARIO INC.	
WE917725	2013/08/21	NO OPTION PURCHASE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	2157720 ONTARIO INC.	
		REMARKS: EXP 2022/12/31				
WE919260	2013/08/28	APL CH NAME INST		*** COMPLETELY DELETED *** 2157720 ONTARIO INC.	RIVERVIEW PHARMACY INC.	
		REMARKS: WE917725.				

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WE939521	2013/12/09	CHARGE	MIAMI PAYNE	*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	SKYCO LTD.	
WE939523	2013/12/09	NO ASSGN RENT GEN <i>REMARKS: DELETED OCTOBER 2, 2019 BY</i>		*** COMPLETELY DELETED *** 1140102 ONTARIO INC.	SKYCO LTD.	
WE940323	2013/12/12	TRANSFER OF CHARGE <i>REMARKS: WE939521.</i>		*** COMPLETELY DELETED *** SKYCO LTD.	DUNBAR, MARK	
WE940630	2013/12/13	DISCH OF CHARGE <i>REMARKS: WE908228.</i>		*** COMPLETELY DELETED *** 1601775 ONTARIO INC.		
WE1081511	2015/11/19	APL (GENERAL) <i>REMARKS: DELETE WE917725</i>		*** COMPLETELY DELETED *** RIVERVIEW PHARMACY INC.		
WE1081592	2015/11/19	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	COMMUNICATION TECHNOLOGIES CREDIT UNION LIMITED	
WE1081593	2015/11/19	NO ASSGN RENT GEN <i>REMARKS: WE1081592</i>		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	COMMUNICATION TECHNOLOGIES CREDIT UNION LIMITED	
WE1081609	2015/11/19	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	1583187 ONTARIO INC.	
WE1081620	2015/11/19	DISCH OF CHARGE <i>REMARKS: WE939521.</i>		*** COMPLETELY DELETED *** DUNBAR, MARK		
WE1081631	2015/11/19	NOTICE <i>REMARKS: RIGHT OF FIRST REFUSAL</i>		*** COMPLETELY DELETED *** RIVERVIEW PHARMACY INC.		
WE1081957	2015/11/20	DISCH OF CHARGE <i>REMARKS: WE831167.</i>		*** COMPLETELY DELETED *** 8055742 ONTARIO INC.		
WE1093856	2016/01/15	CHARGE		*** COMPLETELY DELETED *** 1140402 ONTARIO INC.	SKYCO LTD.	

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WE1096282	2016/01/26	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** SKYCO LTD.	DUNBAR, MARK	
		REMARKS: WE1093856.				
WE1112177	2016/04/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** ALTERNA 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.				
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.	
		REMARKS: WE1081631 TO WE1172894				
WE1173044	2016/12/15	POSTPONEMENT		*** COMPLETELY DELETED ***	1584132 ONTARIO LTD.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: WE1093856 AND WE1096282 TO WE1172894		DUNBAR, MARK	1584130 ONTARIO LTD. 1584133 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 REMARKS: RENTS WE1387262		1140402 ONTARIO INC.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	C
WE1387287	2019/10/15	DISCH OF CHARGE REMARKS: WE1093856.		*** COMPLETELY DELETED *** DUNBAR, MARK		
WE1387288	2019/10/15	POSTPONEMENT REMARKS: WE1081631 TO WE1387262		*** COMPLETELY DELETED *** RIVERVIEW PHARMACY INC.	ALTERNA SAVINGS AND CREDIT UNION LIMITED	
WE1387399	2019/10/15	DISCH OF CHARGE REMARKS: WE1172894.		*** COMPLETELY DELETED *** 1584132 ONTARIO LTD. 1584133 ONTARIO LTD. 1584130 ONTAIRO LTD.		
WE1416071	2020/02/25	APL CH NAME INST REMARKS: WE1081592.		*** COMPLETELY DELETED *** COMMUNICATION TECHNOLOGIES CREDIT UNION LIMITED	COMTECH FIRE CREDIT UNION LIMITED	
WE1416072	2020/02/25	DISCH OF CHARGE REMARKS: WE1081592.		*** COMPLETELY DELETED *** COMTECH FIRE CREDIT UNION LIMITED		
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		*** COMPLETELY DELETED *** RIVERVIEW PHARMACY INC.	KLN HOLDINGS INC.	
WE1430135	2020/05/11	NOTICE REMARKS: WE1081631		*** COMPLETELY DELETED *** RIVERVIEW PHARMACY INC.		

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WE1457238	2020/09/25	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	GRANT THORNTON LIMITED	C
		REMARKS: APPOINTING RECEIVERSHIP				
WE1473734	2020/12/01	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	GRANT THORNTON LIMITED	C
WE1498660	2021/03/19	LR'S ORDER		LAND REGISTRAR, WENTWORTH LAND REGISTRY OFFICE		C
		REMARKS: DELETING WE1081631, WE1387288, WE1416699, WE1430135				

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TAB G

APPENDIX "7"
LETTERS SENT TO LEASING COMPANIES
(see next page)

March 17, 2021
Via email: ggouda@vaultcredit.ca
And facsimile: (416) 499-6200

Equilease Corporation – Vault Credit Corporation
Attn: Gilbert Gouda
5-41 Scarsdale Rd.
Toronto, Ontario, M3B 2R2

Grant Thornton Limited
11th Floor, 200 King Street, Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

RE: 11404402 Ontario Inc. o/a Emerald Lodge (the “Emerald Lodge”) – In Receivership

On September 25, 2020, Grant Thornton Limited was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings, and properties of Emerald Lodge pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (“**Appointment Order**”).

On November 27, 2020, the Court issued an order (“**Sale Process Order**”) in which, among other things, the Court ordered and declared that “*the Receiver is authorized and directed to conduct the Sales Process free and clear of any prior agreements ... and any such agreements are hereby nullified and of no further force and effect*”.

A copy of the Appointment Order, Sale Process Order and other materials filed in these proceedings are available on the Receiver's website: www.grantthornton.ca/emeraldlodge.

Emerald Lodge is the registered owner of certain real property located at the address municipally known as 83-85 Emerald Street South, Hamilton, Ontario (the “**Property**”). It is the Receiver's understanding that Emerald Lodge leased certain equipment (the “**Equipment**”) from Equilease Corporation – Vault Credit Corporation pursuant to a lease dated September 13, 2018 (the “**Lease**”). In accordance with the Appointment Order, the Receiver does not hold title to the assets of Emerald Lodge, and therefore never assumed the Lease or the Equipment, although payments in respect of the Lease have been maintained during the pendency of these receivership proceedings.

Please be advised that, pursuant to and in accordance with the Sale Process Order, the Receiver has entered into an agreement of purchase and sale (the “**APS**”) with a third party whereby the Property will be sold. The Property subject to the APS does not include the Equipment, and, accordingly the Property will be sold free and clear of any encumbrances, including with respect to the Lease.

It is anticipated that the APS transaction will close on or about **March 31, 2021**, by which time all Equipment must be removed from the Property by a qualified professional. The Receiver will help facilitate the removal of the Equipment prior to such date at your sole cost and expense. Please be advised that any claims under the Lease in respect of any termination costs or removal expenses will be unsecured claims against Emerald Lodge, and, in the receivership

will be subordinated to the claims of the secured creditors. For completeness, it is not contemplated that there will be any recovery to unsecured creditors resulting from these proceedings.

Please provide the listing of the Equipment and the contact details for the individual whom will be handling this matter going forward.

All documentation can be provided to the undersigned via email at Paul.Kouadio@ca.gt.com or facsimile at 416-360-4949.

Sincerely,

GRANT THORNTON LIMITED

solely in its capacity as Court-appointed
Receiver of 1140402 Ontario Inc. o/a
Emerald Lodge, and not in its personal or
corporate liability

Per: Paul Kouadio



March 17, 2021

Via email: kevin.archibald@rcapleasing.com

And facsimile: (905) 639-5902

RCAP Leasing Inc.
5575 North Service Rd.
Burlington, Ontario, L7L 6M1

Grant Thornton Limited
11th Floor, 200 King Street, Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

RE: 11404402 Ontario Inc. o/a Emerald Lodge (the "Emerald Lodge") – In Receivership

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A copy of the Appointment Order, Sale Process Order and other materials filed in these proceedings are available on the Receiver's website: www.grantthornton.ca/emeraldlodge.

Emerald Lodge is the registered owner of certain real property located at the address municipally known as 83-85 Emerald Street South, Hamilton, Ontario (the "**Property**"). It is the Receiver's understanding that Emerald Lodge leased certain equipment (the "**Equipment**") from RCAP Leasing Inc. pursuant to a lease dated May 17, 2019 (the "**Lease**"). In accordance with the Appointment Order, the Receiver does not hold title to the assets of Emerald Lodge, and therefore never assumed the Lease or the Equipment, although payments in respect of the Lease have been maintained during the pendency of these receivership proceedings.

Please be advised that, pursuant to and in accordance with the Sale Process Order, the Receiver has entered into an agreement of purchase and sale (the "**APS**") with a third party whereby the Property will be sold. The Property subject to the APS does not include the Equipment, and, accordingly the Property will be sold free and clear of any encumbrances, including with respect to the Lease.

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contemplated that there will be any recovery to unsecured creditors resulting from these proceedings.

Please provide the listing of the Equipment and the contact details for the individual whom will be handling this matter going forward.

All documentation can be provided to the undersigned via email at Paul.Kouadio@ca.gt.com or facsimile at 416-360-4949.

Sincerely,

GRANT THORNTON LIMITED

solely in its capacity as Court-appointed
Receiver of 1140402 Ontario Inc. o/a
Emerald Lodge, and not in its personal or
corporate liability

Per: Paul Kouadio



March 17, 2021

Via email: jjorge@reliancecomfort.com

And facsimile: (416) 756-5333

Reliance Commercial Solutions
Attn: Jayne Jorge
539 Collier MacMillan Drive
Cambridge, Ontario, N1R 7P3

Grant Thornton Limited
11th Floor, 200 King Street, Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

RE: 11404402 Ontario Inc. o/a Emerald Lodge (the "Emerald Lodge") – In Receivership

On September 25, 2020, Grant Thornton Limited was appointed as receiver and manager (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings, and properties of Emerald Lodge pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("**Appointment Order**").

On November 27, 2020, the Court issued an order ("**Sale Process Order**") in which, among other things, the Court ordered and declared that *"the Receiver is authorized and directed to conduct the Sales Process free and clear of any prior agreements ... and any such agreements are hereby nullified and of no further force and effect"*.

A copy of the Appointment Order, Sale Process Order and other materials filed in these proceedings are available on the Receiver's website: www.grantthornton.ca/emeraldlodge.

Emerald Lodge is the registered owner of certain real property located at the address municipally known as 83-85 Emerald Street South, Hamilton, Ontario (the "**Property**"). It is the Receiver's understanding that Emerald Lodge leased certain equipment (the "**Equipment**") from Reliance Commercial Solutions pursuant to a lease dated November 7, 2012 (the "**Lease**"). In accordance with the Appointment Order, the Receiver does not hold title to the assets of Emerald Lodge, and therefore never assumed the Lease or the Equipment, although payments in respect of the Lease have been maintained during the pendency of these receivership proceedings.

Please be advised that, pursuant to and in accordance with the Sale Process Order, the Receiver has entered into an agreement of purchase and sale (the "**APS**") with a third party whereby the Property will be sold. The Property subject to the APS does not include the Equipment, and, accordingly the Property will be sold free and clear of any encumbrances, including with respect to the Lease.

It is anticipated that the APS transaction will close on or about **March 31, 2021**, by which time all Equipment must be removed from the Property by a qualified professional. The Receiver will help facilitate the removal of the Equipment prior to such date at your sole cost and expense. Please be advised that any claims under the Lease in respect of any termination costs or removal expenses will be unsecured claims against Emerald Lodge, and, in the receivership

will be subordinated to the claims of the secured creditors. For completeness, it is not contemplated that there will be any recovery to unsecured creditors resulting from these proceedings.

Please provide the listing of the Equipment and the contact details for the individual whom will be handling this matter going forward.

All documentation can be provided to the undersigned via email at Paul.Kouadio@ca.gt.com or facsimile at 416-360-4949.

Sincerely,

GRANT THORNTON LIMITED

solely in its capacity as Court-appointed
Receiver of 1140402 Ontario Inc. o/a
Emerald Lodge, and not in its personal or
corporate liability

Per: Paul Kouadio

TAB H

APPENDIX "8"
FEE AFFIDAVIT OF ROB STELZER
(see next page)

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

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

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

B E T W E E N:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

- and -

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondent

AFFIDAVIT OF ROBERT STELZER

I, ROBERT A. STELZER, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY as follows:

1. I am a Vice President of Grant Thornton Limited ("**GTL**"), Court-appointed Receiver of 1140402 Ontario Inc. O/A Emerald Lodge. (the "**Company**") and as such, have knowledge of the matters hereinafter deposed except where stated to be upon information in which case I do verily believe such information to be true. This affidavit is made in support of the Receiver's motion, among other things, to approve its accounts.
2. Attached and marked as **Exhibit "A"** to this my affidavit is true copies of the detailed billings setting out the fees and disbursements of GTL incurred in its role as Receiver of the

Company from November 1, 2020 to March 12, 2021, in the total amount of \$94,709.45, including HST in the amount of \$10,895.78, and is summarized on **Exhibit "B"** to this my affidavit.

3. In the course of performing its duties, the Receiver's staff expended a total of 268.90 hours during the period from November 1, 2020 to March 12, 2021. The average hourly rate of all personnel of the Receiver is \$352.21.

4. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

5. The hours spent on this matter and disbursements incurred by GTL are outlined in detail in **Exhibits "A" and "B"** and I believe were reasonable and appropriate in the circumstances.

6. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 21st day of March 2021.

Commissioner for Taking Affidavits, etc.

Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2023



ROBERT A. STELZER

Exhibit "A" to the Affidavit of Robert Stelzer,
sworn before me this 21st day of March 2021.



Commissioner for Taking Affidavits, etc.

Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2023

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

-and-

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondents

BILL OF COSTS

BN 12738 4717 RT0001
Client #293584
Invoice #LSON-6983

To professional services rendered as Receiver and Manager for the period from November 1, 2020 to November 30, 2020.

Date	Full Name	Hours	Detail
November 2, 2020	Ada Shahini	2.00	Call with team to discuss WEPP process and requirements to file for employees; Followed up with email to accountant detailing the info needed to complete WEPP; Uploaded information on server for ROE's issued; Prepared WEPP package for employees and saved on server.
November 2, 2020	Jonathan Krieger	0.50	Correspondence and discussions re: matters related to insurance matters; Communications from counsel.
November 2, 2020	Paul Kouadio	3.50	Attend to premises re: security check with security contractor; Internal emails and calls re: WEPPA, research of information needed to file same; Communication with accountant re: documents from staff needed to prepare WEPPA workbook and file same.
November 2, 2020	Rob Stelzer	4.20	E-mail to counsel to KLN; Call from P Crabtree and E-mail related to resident funds; Review of building condition report and ESA report from Pinchin; Call with interested party G Singh; E-mail related to updated cash flow; E-mail with insurance broker and then R Sahni; Call from S Buist; Review of revised Cash Flow; Further E-mail with R Sahni.

Date	Full Name	Hours	Detail
November 3, 2020	Ada Shahini	1.00	Communication with team re: WEPP requirements and filing deadlines; Uploaded documentation on server received from accountant.
November 3, 2020	Bruce Bando	0.60	Various correspondence re: insurance; Internal meeting on status.
November 3, 2020	Paul Kouadio	2.50	Attend to receivership matters including review of bank reports; Review pandemic pay calculations from accountant; Team call re: status update and tasks to complete; Emails to potential buyer; Update of data room re: sale process.
November 3, 2020	Rob Stelzer	3.50	Call with R Sahni; Call with J Mighton to discuss letter to insurance company and related call with insurance broker and edits to letter; Review of finalized security opinion and E-mail with R Sahni; Team call; E-mail to City of Hamilton; E-mail regarding prescribed security interest.
November 4, 2020	Paul Kouadio	4.30	Attend to sale process; Review bank reports; Coordinate pest control of vacant building; Attend to premises re: security; Calls to staff re: termination pay, pandemic pay, ROE's and WEPPA.
November 4, 2020	Rob Stelzer	2.10	Call with City of Hamilton and E-mail to Alterna on sales process; E-mail to Cushman and CBRE; E-mail to Good Shepherd; Review of CIM from Cushman; E-mail on court dates; E-mail with Nikos; Call from insurance broker.
November 5, 2020	Bruce Bando	0.10	Inquiry from a potential purchaser.
November 5, 2020	Paul Kouadio	4.50	Attend to receivership matters including but not limited to visit of premises to meet with potential buyer; Review of bank report and bank statement; Various communication with Hamilton fire department and fire control department re: inspection of alarm, carbon monoxide, sprinkler and other fire compliance systems; Meeting with Hamilton City fire inspector B Gibson re: inspection orders.
November 5, 2020	Rob Stelzer	1.80	E-mail related to fire marshal; E-mail with S Martino; E-mail to R Lotfi; Review of insurance reinstatement correspondence; E-mail with interested party.
November 6, 2020	Jonathan Krieger	0.50	Review of broker information; Call with Bank.
November 6, 2020	Paul Kouadio	4.00	Review and approve invoices; Assistance to potential buyer re: access to data room for sale process; Attend to premises re: collection of PPE and security check.

Date	Full Name	Hours	Detail
November 6, 2020	Rob Stelzer	2.30	Review of CBRE and Colliers supplemental information; E-mail to Alterna about proposals; Document preparation; Call with P Kouadio; Call with Alterna.
November 9, 2020	Paul Kouadio	2.80	Call with Hamilton fire control department re: annual inspection of fire alarm and the sprinkler systems; Attend to sale process incl. emails to Bennett Jones re: NDA and purchasers; Review bank report.
November 9, 2020	Rob Stelzer	1.20	E-mail with R Jaipargas on sales process; E-mail with PBGT; Review of KLN proof of claim and E-mail their counsel regarding sales process; Call with B Bando; E-mail insurance broker.
November 9, 2020	Valerie Naccarato	0.40	Review mail/couriers and notify Team.
November 10, 2020	Paul Kouadio	1.50	Attend to receivership matters; Review bank report; Call and email to accountant re: invoices, cash flow and bank report.
November 10, 2020	Rob Stelzer	0.60	Call with R Jaipargas; E-mail with team regarding site visit.
November 11, 2020	Ada Shahini	0.10	Requested filing of wage earner protection program extension; communicated with team on WEPP file.
November 11, 2020	Paul Kouadio	0.80	Attend to operational matters; Communication with staff re: termination pay and WEPP.
November 11, 2020	Rob Stelzer	0.60	Call with Anthony of Apex; Review of CRA payment and E-mail with M Springstead; Call from counsel to KLN.
November 12, 2020	Ada Shahini	1.00	Call with accountant re: WEPP workbook clarifications; Responded to accountant email inquiry on the average weekly wages calculation and forwarded the team a copy of the WEPP Q&A.
November 12, 2020	Paul Kouadio	1.30	Communication with accountant re: WEPP workbook; Internal call re: required data to prepare same; Review staff information; Review bank report.
November 12, 2020	Rob Stelzer	0.50	E-mails related to WEPP; Call from R Lotfi.
November 13, 2020	Ada Shahini	0.20	Retrieved WEPP file from accountant and uploaded on server.
November 13, 2020	Paul Kouadio	6.00	Attend site visit re: meeting with secured lender and Hamilton control and inspection department re: annual inspection of fire alarm and the sprinkler systems; Internal communication re: S Martino's compensation; Attend to sale process, emails to prospective buyers.

Date	Full Name	Hours	Detail
November 13, 2020	Rob Stelzer	1.30	Call with Nikos Patiniotis; Call with R Sahni; E-mail with team; Call with P Kouadio; Review of WEPP calculations; E-mail with M Springstead on payment and E-mail to S Martino.
November 16, 2020	Paul Kouadio	2.80	Attend to receivership matters incl. call with Hamilton fire department re: issues with alarm system and Hydro; Email and call to security contractor re: same; Call to and email to utility provider re: power outage.
November 16, 2020	Rob Stelzer	3.50	E-mail with P Kouadio on fire alarms; Review of APEX offer and phone call; Review of Riverview LOI; Update for Alterna on offer and LOI received; start draft of First Report to Court.
November 17, 2020	Bruce Bando	1.50	Review and amend First Report.
November 17, 2020	Jonathan Krieger	0.50	Discussion with Bank, counsel re: alternatives and consideration thereto.
November 17, 2020	Paul Kouadio	1.50	Attend to receivership matters incl. but not limited to call and email to service provider for security system and utilities to resolve alarm system issue; Review bank report.
November 17, 2020	Rob Stelzer	5.60	Drafting of the receiver's report and related review of documents; E-mail to Alterna regarding insurance; E-mail real estate brokers; Review changes by B Bando and make further edits and send to counsel.
November 18, 2020	Ada Shahini	0.50	Call with team to review information provided by the accountant; Updated WEPP eligibility for employee's termination pay owed.
November 18, 2020	Bruce Bando	0.50	Review of comments on the report from counsel; Internal discussion thereof.
November 18, 2020	Paul Kouadio	3.30	Internal discussion with A Shahini on WEPP file; Review WEPP workbook; Review first report to Court, provide comments and call with R Stelzer on same; Review bank report.
November 18, 2020	Rob Stelzer	3.20	Review of J Mighton comments and make further revisions to report and send to Bennett Jones; Call with B Bando; E-mail with insurance broker about coverage; Call from J Krieger to discuss possible credit bid; Review of comments from P Kouadio; Review of Bennett invoice; Update report.
November 19, 2020	Bruce Bando	1.30	Review riders to the report from counsel; Various internal correspondence and discussions thereof; Conference call with counsel on the report.

Date	Full Name	Hours	Detail
November 19, 2020	Paul Kouadio	4.20	Prepare transaction workbook and review same; Internal call and emails on same; Calls and emails with accountant re: same; Review bank report.
November 19, 2020	Rania Erian	1.00	Prepare Affidavit of fees to October 31, 2020.
November 19, 2020	Rob Stelzer	5.20	E-mails and calls to discuss ROFR issue; Update report and later review of Bennett Jones changes to report and related E-mail and calls with Bennett Jones; Call with B Bando; E-mail related to utilities; Call with P Kouadio to discuss transaction review; E-mail to R Jaipargas to discuss transaction review; Provide comments on draft order; Finalize affidavit for report and related call with J Krieger; E-mail to J Lee.
November 20, 2020	Bruce Bando	0.80	Various correspondence from counsel to Alterna; Attend conference call with counsels.
November 20, 2020	Jonathan Krieger	0.50	Correspondence with team re: report; Correspondence re: next steps.
November 20, 2020	Paul Kouadio	3.40	Finalize transaction review; Discuss same with accountant; Email and call to insurance company; Prepare insurance forms for quote; Review bank report.
November 20, 2020	Rob Stelzer	3.90	Call with BLG to discuss report; E-mail with N Patiniotis; Review of Bennett Jones changes and make final changes and sign report and send to Bennett Jones; E-mails regarding report appendices; Review of motion record; Call with O Duguid; Call with J Mighton; Call with R Lotfi.
November 21, 2020	Paul Kouadio	1.50	Attend to site visit with prospective buyer for walk through of the premises; Emails re: same; Meet with accountant re: residents mails.
November 21, 2020	Rob Stelzer	0.10	E-mail.
November 23, 2020	Bruce Bando	0.20	Discussion with counsel to Alterna; Various internal correspondence on issues and Court.
November 23, 2020	Paul Kouadio	4.20	Attend to receivership matters incl. call with CRA officer W Rueger re: payroll, T4's, source deductions and payment received; Call and email to insurance company re: liability coverage; Discussion with A Stancati from Alectra re: utilities and adjustments due to receivership.
November 23, 2020	Rania Erian	0.10	Case website maintenance.

Date	Full Name	Hours	Detail
November 23, 2020	Rob Stelzer	5.60	Review and provide comments on Receiver's factum and calls throughout the day with J Mighton on same; Discussion with M Springstead on future assistance, moving bank accounts, T4's, etc.; Call with R Lotfi; Update website; Call and then E-mail with R Jaipargas; Calls with P Kouadio on various matters; Review of revised factum; Call with O Duguid.
November 23, 2020	Rosa Wilford	0.30	Review internal instructions; Review account ledger; Provide team with Banking instructions; Respond to email.
November 24, 2020	Paul Kouadio	3.50	Attend to various receivership matter incl. dealing with utilities service providers; Review and discuss WEPP workbook, ROE's, 2019 and 2020 T4's, etc. with accountant M Springstead.
November 24, 2020	Rob Stelzer	1.20	Call from Alterna and related E-mail; Call from R Lotfi and update group; E-mails related to employee ROE forms.
November 25, 2020	Ada Shahini	0.10	Followed up with team re: WEPP workbook progress.
November 25, 2020	Paul Kouadio	4.30	Various calls and emails to FCA Insurance re: finalization of liability coverage and to Tru Partners re: cancellation of liability coverage; Call and email to City of Hamilton fire department re: inspection deficiencies.
November 25, 2020	Rob Stelzer	0.70	Cancellation of insurance; E-mail with Apex; E-mail with D Joy.
November 26, 2020	Paul Kouadio	2.20	Prepare cash flow and discuss same with R Stelzer; WEPP; Call with pest control company about further intervention; Email to Enbridge Gas re: bill adjustment due to receivership.
November 26, 2020	Rob Stelzer	1.10	Call from D Joy and related E-mail to City of Hamilton; Call from R Jaipargas; Discussion with P Kouadio about cash flow; E-mail.
November 27, 2020	Paul Kouadio	4.70	Finalize cash flow, calls and emails to R Stelzer re: same; Discussion with utilities service providers and M Springstead re: various matters incl. utilities invoices and adjustments due to receivership, lease agreements between Emerald and service providers; Review bank accounts and discuss residents trust funds with M Springstead; Review insurance bill and approve payment.
November 27, 2020	Rob Stelzer	0.90	E-mail and call with J Mighton; Prepare for Court; Court; Other E-mail.

Date	Full Name	Hours	Detail
November 30, 2020	Bruce Bando	0.20	Review of and discussion re: cash flow.
November 30, 2020	Paul Kouadio	5.80	Review bank account and approve reimbursement of PPE from NALC to operating account; Various discussions and emails with R Stelzer and accountant M Springstead re: various receivership matters incl. outstanding and current invoices, bank account, transactions and balance, property tax, lease agreements; Discuss cash flow and CRA trust exam with R Stelzer; Review same; Email to CRA auditor re: trust exam.
November 30, 2020	Rob Stelzer	3.00	E-mail with Altera; Review of and edits to cash projections and related call with P Kouadio and later B Bando; Send cash projection to Altera; E-mail regarding RCAP leasing payments and resident trust funds; Sign documents for land registry office regarding ROFR.

Time Charges and Expenses:

J. Krieger, Sr. Vice President	2.00 hours @	\$ 595.00 per hour	\$ 1,190.00
B. Bando, Vice- President	5.20 hours @	\$ 525.00 per hour	\$ 2,730.00
R. Stelzer, Vice President	52.10 hours @	\$ 475.00 per hour	\$ 24,747.50
R. Wilford, Manager	0.30 hours @	\$ 275.00 per hour	\$ 82.50
P. Kouadio, Sr. Associate	72.60 hours @	\$ 180.00 per hour	\$ 13,068.00
A. Shahini, Sr. Associate	4.90 hours @	\$ 165.00 per hour	\$ 808.50
V. Naccarato, Analyst	0.40 hours @	\$ 145.00 per hour	\$ 58.00
R. Erian, Analyst	1.10 hours @	\$ 145.00 per hour	\$ 159.50
	<u>138.60</u>		<u>\$ 42,844.00</u>

5% Technology and Administration

\$ 2,142.20
\$ 44,986.20

Disbursements

Postage	\$ 37.80
Travel	\$ 141.74
	<u>\$ 179.54</u>

Subtotal time and disbursements \$ 45,165.74

HST \$ 5,871.55

Total Invoice Due **\$ 51,037.29**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

-and-

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondents

BILL OF COSTS

BN 12738 4717 RT0001
Client #293584
Invoice #LSO-6987

To professional services rendered as Receiver and Manager for the period from December 1, 2020 to December 31, 2020.

Date	Full Name	Hours	Detail
December 1, 2020	Paul Kouadio	0.90	Emails re: meeting with fire inspector B Gibson from Hamilton fire department re: control and deficiencies; Emails to accountant M Springstead re: various invoices.
December 2, 2020	Paul Kouadio	2.50	Attend to site visit re: control and meet with B Gibson from Hamilton fire department; Meeting with accountant M Springstead re: invoices and residents mail. Travel to and from premises.
December 2, 2020	Rosa Wilford	0.70	Review internal instructions; Review on-line banking for expecting incoming wires; Respond to emails. Prepare receipt requisition form; Post deposit entries; Review payment requests; Prepare disbursement requisition forms; Post invoice entries; Issue cheque; E-file; General banking administration.
December 2, 2020	Rob Stelzer	0.40	E-mail with Bennett Jones; E-mail with Alterna; E-mail to D Joy.

Date	Full Name	Hours	Detail
December 3, 2020	Paul Kouadio	2.40	Email and call to Hamilton fire control re: deficiencies noted during fire alarm inspection, quote to fix same; Discuss utilities bills with service providers, incl. calls and emails to Enbridge for gas bill, Alectra utilities for electricity and water bills, Bell for telephone bill and Waste Connection for garbage collection.
December 3, 2020	Ada Shahini	0.10	Scheduled review of WEPP workbook with team.
December 3, 2020	Rania Erian	0.10	Case website maintenance.
December 3, 2020	Rob Stelzer	1.00	Call with Alterna; Update to cash flow; Review of tax notice; Review of ROFR documents.
December 4, 2020	Valerie Naccarato	0.20	File administration matters.
December 4, 2020	Rob Stelzer	1.90	Call with Alterna; E-mail to R Jaipargas; E-mail with P Kouadio; E-mail to CBRE and Colliers; E-mail and then call with D Joy; Update team to do list and send.
December 4, 2020	Paul Kouadio	4.00	Attend to various receivership matters incl. call and emails re: prospective buyer's site visit; Several emails and correspondence with accountant M Springstead re: WEPP and additional information for filing; bank account and cash flow; repayment of PPE; Discuss overhead allocation from NALC and net transfer to NALC; Email and call to W Rueger from CRA re: trust exam.
December 7, 2020	Paul Kouadio	4.30	Attend to site visit with potential purchaser; Finalize WEPP with A Shahini; Call to staff; Review bank report.
December 7, 2020	Rob Stelzer	0.20	E-mails related to visit of D Joy.
December 7, 2020	Ada Shahini	4.50	Reviewed WEPP workbook with information retrieved from ROE's, T4's and Payroll report; Calculated and matched Weekly averages as per the Employment Standards Act in Ontario; Filed trustee information forms with WEPP; Prepared letters for employees and renamed and matched files with 2020 T4's and WEPP packages; Call with team to verify details on file; Requested missing T4's from team.
December 8, 2020	Ada Shahini	1.50	Call with team to verify information on T4's; Call with team to arrange mailing of the package; Reviewed and revised WEPP packages for employees; Emailed copies to employees; Updated file.
December 8, 2020	Rob Stelzer	0.20	E-mail.
December 8, 2020	Paul Kouadio	1.40	Call to accountant M Springstead re: transfer of funds to new receivership bank account; Internal discussion with R Wilford re: same; Review bank report and invoices from service providers.

Date	Full Name	Hours	Detail
December 9, 2020	Paul Kouadio	1.00	Various calls and emails to bank and accountant M Springstead and R Wilford re: transfer of funds to new receivership bank account.
December 9, 2020	Ada Shahini	0.20	Call and responded to team's email inquiry on WEPP package documentation required; Responded to employee email inquiry about WEPP package.
December 9, 2020	Valerie Naccarato	1.00	Print WEPP package, assemble, prepare labels and mail.
December 9, 2020	Rosa Wilford	0.40	Review internal instructions; Review on-line banking for expecting incoming wire; Provide assistance to team on transferring funds; Respond to emails/phone calls re same; General banking administration.
December 10, 2020	Paul Kouadio	2.20	Attend to receivership matters incl. call with W Rueger from CRA re: trust exam; Call and email with accountant M Springstead re: payroll; Review invoices from service providers and calls re: invoices.
December 10, 2020	Rosa Wilford	1.20	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officer for approval; On-line banking; Review and print screens for expecting incoming wire; Notify team; Prepare receipt and disbursement requisition forms for signing; Post deposit/invoices, eft entries, print slip and stamp date for signing; Issue cheques; Emails; General banking administration.
December 10, 2020	Rob Stelzer	0.20	E-mail related to insurance and other matters.
December 10, 2020	Valerie Naccarato	0.10	Review mail/couriers; Notify team.
December 11, 2020	Valerie Naccarato	0.20	File administration matters.
December 11, 2020	Ada Shahini	0.50	Received and processed proof of claim for employee with WEPP; Uploaded details on server; Responded to employee inquiries.
December 11, 2020	Rob Stelzer	0.50	Call with Alterna; Review of City of Hamilton forms and E-mail D Joy.
December 11, 2020	Paul Kouadio	1.90	Review of estimate from Hamilton fire control re: deficiencies; Internal email from/to V Naccarato and A Shahini re: WEPP; Follow up call with W Rueger from CRA re: trust exam; Review data room re: sales process.
December 14, 2020	Rob Stelzer	0.30	E-mail with D Joy; E-mail related to insurance.
December 14, 2020	Ada Shahini	0.20	Communicated with employees to request a copy of documents.

Date	Full Name	Hours	Detail
December 15, 2020	Paul Kouadio	1.80	Attend to receivership matters incl. but not limited to call with previous employees re: WEPP and termination pay; Email re: security checks from previous week; Call with Wendy Rueger re: trust exam.
December 15, 2020	Rob Stelzer	1.50	Review of City of Hamilton zoning form and related call with D Joy; Call with Alterna; Call with Apex.
December 16, 2020	Paul Kouadio	1.60	Call with Orkin Canada re: pest control; Review invoices from services providers and call to Enbridge Gas; Review insurance policy and cancellation notice.
December 18, 2020	Paul Kouadio	1.70	Attend to tasks and to do list to complete; Various emails with A Shahini re: WEPP application from previous employees; Review WEPP package sent to employees; Email to security company; Review bank report.
December 18, 2020	Rob Stelzer	0.20	Call from CBRE broker J Merrett.
December 18, 2020	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.
December 20, 2020	Ada Shahini	0.20	Responded to employee details re: WEPP application process and required information confirmation; Corresponded with team re: employee package - address update; Reviewed file folder on server to confirm address.
December 21, 2020	Paul Kouadio	0.10	Call with previous staff re: WEPP.

Time Charges and Expenses:

R. Stelzer, Vice President	6.40	hours @	\$ 475.00	per hour	\$	3,040.00
R. Wilford, Manager	2.30	hours @	\$ 275.00	per hour	\$	632.50
P. Kouadio, Sr. Associate	25.80	hours @	\$ 180.00	per hour	\$	4,644.00
A. Shahini, Sr. Associate	7.20	hours @	\$ 165.00	per hour	\$	1,188.00
V. Naccarato, Analyst	1.60	hours @	\$ 145.00	per hour	\$	232.00
R. Erian, Analyst	0.10	hours @	\$ 145.00	per hour	\$	14.50
	<u>43.40</u>				\$	<u>9,751.00</u>

5% Technology and Administration					\$	487.55
					\$	<u>10,238.55</u>

Disbursements

Locksmith					\$	1,945.00
Travel					\$	308.31
					\$	<u>2,253.31</u>

Subtotal time and disbursements					\$	12,491.86
HST					\$	<u>1,623.94</u>

Total Invoice Due					\$	<u><u>14,115.80</u></u>
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Court File No. CV-20-00648456-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

-and-

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondents

BILL OF COSTS

BN 12738 4717 RT0001
Client #293584
Invoice #LSON-7088

To professional services rendered as Receiver and Manager for the period from January 1, 2021 to January 31, 2021.

Date	Full Name	Hours	Detail
January 4, 2021	Ada Shahini	1.50	Received and processed POC; Uploaded documentation on server; Email correspondence with team and call with team re: ROE last date issued; Requested the information from accountant.
January 4, 2021	Paul Kouadio	1.80	Emails and call with A Shahini and accountant M Springstead re: WEPP for employees; Call and email with security contractor re: safety of building.
January 4, 2021	Rania Erian	0.80	Administration matters.
January 4, 2021	Rob Stelzer	0.70	E-mail related to break in incident; E-mail to D Joy regarding project status; E-mail to Alterna; Call with interested party G Singh; E-mail to counsel and P Kouadio; Review of M Springstead invoice.
January 5, 2021	Ada Shahini	0.10	Reviewed employee file and responded to employee email re: missing proper proof of claim.
January 5, 2021	Paul Kouadio	0.70	Attend to operations and receivership matters.
January 5, 2021	Rob Stelzer	0.60	E-mail with J Felice of Cushman, CBRE; E-mail with interested party; Call with P Kouadio.

Date	Full Name	Hours	Detail
January 6, 2021	Paul Kouadio	2.30	Attend to calls and emails with security contractor and Hamilton Police re: security incident at premises; Draft recommendations re: same; Internal call with R Stelzer re: to dos.
January 6, 2021	Rob Stelzer	0.50	Update to do list; Call with P Kouadio; E-mails related to second break in.
January 7, 2021	Ada Shahini	0.20	Received returned mail; Reached out to accountant re: additional contact details; Updated the WEPP workbook and uploaded documentation on server.
January 7, 2021	Paul Kouadio	0.50	Emails to accountant re: tasks to be done; Call and email to Bell Canada re: closing of account.
January 7, 2021	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.
January 8, 2021	Ada Shahini	0.20	Received and update WEPP workbook with details on the denial of application; Reached out to employee with missing proof of claim; Responded to accountant re: contact details for employee and updated WEPP workbook.
January 8, 2021	Paul Kouadio	0.80	Email to accountant re: HST. Call to CRA re: same.
January 8, 2021	Rob Stelzer	0.20	E-mail with P Kouadio; E-mail to Alterna.
January 11, 2021	Paul Kouadio	0.90	Call to security contractor re: security at premises; Internal email re: ROE; Discuss trust exam with CRA.
January 12, 2021	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.
January 13, 2021	Ada Shahini	0.10	Email correspondence with employee via email to request revised and cleared proof of claim.
January 13, 2021	Paul Kouadio	0.50	Attend to various receivership matters.
January 14, 2021	Rob Stelzer	0.50	E-mail to D Joy regarding bid status; Review of Bennett invoice and E-mail to Alterna.
January 14, 2021	Rosa Wilford	0.30	On-line banking; Review estate bank account; Print statements; Post EFT entries; Reconcile December statement; Print Summary of Estate Balance Report; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
January 15, 2021	Ada Shahini	0.10	Followed up with accountant to request copies of the revised ROE's.
January 15, 2021	Rob Stelzer	0.60	E-mails with insurance provider and North American.

Date	Full Name	Hours	Detail
January 18, 2021	Ada Shahini	1.00	Email correspondence with accountant re: revised ROE's; Checked revised ROE's and uploaded information on server; Responded to employee email and forwarded a copy of the amended ROE.
January 18, 2021	Rob Stelzer	0.20	E-mails.
January 18, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officer for approval; Provide supporting documentation; Email; Prepare disbursement requisition form; Post invoice entries; Issue cheque.
January 19, 2021	Rob Stelzer	0.20	E-mails.
January 19, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officer for approval; Provide supporting documentation; Email; Prepare disbursement requisition form; Post invoice entries; Issue cheque.
January 19, 2021	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.
January 20, 2021	Ada Shahini	2.00	Reviewed payments and updated WEPP workbook with details; Contacted employees with denied applications and advised to file the proof of claims; Call with employee re: proof of claim clarifications; Received and processed proof of claim with WEPP; Reviewed employee proof of claim and requested corrections; Reviewed employee details on ROE and corresponded with team and employee regarding the errors on the original ROE's; Uploaded information on server.
January 22, 2021	Ada Shahini	0.10	Reviewed employee email and responded to inquiry; Updated WEPP workbook.
January 22, 2021	Valerie Naccarato	0.20	Administration matters.
January 25, 2021	Ada Shahini	0.10	Received and processed proof of claim with WEPP and responded to employee; Uploaded documentation on server.
January 25, 2021	Rob Stelzer	0.10	E-mail.
January 26, 2021	Ada Shahini	0.10	Received and responded to email from employee re: ROE and termination date.
January 26, 2021	Rob Stelzer	0.20	E-mails with D Joy and Alterna.
January 28, 2021	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.

Date	Full Name	Hours	Detail
January 29, 2021	Rob Stelzer	0.60	Call from D Joy; E-mails related to City of Hamilton approval.

Time Charges and Expenses:

R. Stelzer, Vice President	4.40 hours @	\$ 550.00 per hour	\$ 2,420.00
R. Wilford, Manager	0.90 hours @	\$ 280.00 per hour	\$ 252.00
P. Kouadio, Sr. Associate	7.50 hours @	\$ 210.00 per hour	\$ 1,575.00
A. Shahini, Sr. Associate	5.50 hours @	\$ 180.00 per hour	\$ 990.00
V. Naccarato, Associate	0.60 hours @	\$ 150.00 per hour	\$ 90.00
R. Erian, Associate	0.80 hours @	\$ 150.00 per hour	\$ 120.00
	<u>19.70</u>		<u>\$ 5,447.00</u>

5% Technology and Administration	<u>\$ 272.35</u>
	<u>\$ 5,719.35</u>

Disbursements

Courier	<u>\$ 19.88</u>
	<u>\$ 19.88</u>

Subtotal time and disbursements	\$ 5,739.23
HST	<u>\$ 746.10</u>

Total Invoice Due	<u><u>\$ 6,485.33</u></u>
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Court File No. CV-20-00648456-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

-and-

1140402 ONTARIO INC. O/A EMERALD LODGE

Respondents

BILL OF COSTS

BN 12738 4717 RT0001
Client #293584
Invoice #LSON-7198

To professional services rendered as Receiver and Manager for the period from February 1, 2021 to March 12, 2021.

Date	Full Name	Hours	Detail
February 1, 2021	Rob Stelzer	0.30	E-mail to Cushman; E-mail to R Lotfi; E-mail with M Springstead.
February 1, 2021	Paul Kouadio	1.00	Various calls to service providers re: outstanding invoices; Review same and prepare disbursements.
February 2, 2021	Rob Stelzer	0.30	Call with Alterna; E-mail to CBRE.
February 2, 2021	Rosa Wilford	1.20	Review internal email instructions from team re Banking; Review payment requests; Provide directions to team; Post invoices entries; Issue cheques; Attach supporting documentation/reports matching to schedule; Emails; General banking administration.
February 2, 2021	Valerie Naccarato	0.30	File administration.
February 3, 2021	Rania Erian	0.60	Administration matters.
February 3, 2021	Rob Stelzer	0.40	Draft agenda of items to discuss with Alterna and E-mail; E-mail related to insurance; E-mail with P Kouadio.

Date	Full Name	Hours	Detail
February 3, 2021	Paul Kouadio	1.30	Call and email to security contractor and accountant re: snow removal; Emails re: ROE for employees; Communication with CRA re: trust exam.
February 4, 2021	Rob Stelzer	0.50	Updates to funding request calculations and send to Alterna; E-mail.
February 4, 2021	Valerie Naccarato	0.50	Pay various utility invoices at bank.
February 5, 2021	Valerie Naccarato	0.20	File administration.
February 5, 2021	Rob Stelzer	0.90	Preparation; Call with Alterna and BLG.
February 8, 2021	Paul Kouadio	0.40	Calls and emails to utility suppliers Alectra Utilities and Waste Connections re: invoices.
February 8, 2021	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.
February 8, 2021	Ada Shahini	0.50	Call with team to verify the details for employee retention and ROE issues; Reviewed employee original and revised ROE's and identified issues in the revisions; Emailed accountant to request revision of the ROE's.
February 9, 2021	Paul Kouadio	0.50	Discuss trust exam requirements with CRA and accountant, email re: same; Conversation with A Shahini and accountant re: ROEs.
February 10, 2021	Ada Shahini	0.30	Call with accountant and team re: clarification on the ROE's and T4's issued.
February 11, 2021	Ada Shahini	0.80	Reached out to team re: clarification on ROE and T4 issues. Call with team re: ROE and T4 issues; Call and email correspondence with accountant to instruct on changes required on ROE's.
February 11, 2021	Rob Stelzer	0.80	Call with Alterna; Team update.
February 11, 2021	Paul Kouadio	0.80	Conference call with A Shahini and R Stelzer re: ROEs; Email to accountant re: same; Email from Orkin Canada re: pest control.
February 12, 2021	Rob Stelzer	0.30	Call with Alterna; E-mail to Bennett.
February 16, 2021	Paul Kouadio	0.20	Call with A Shahini re: amended ROE; Correspondence with accountant re: documentation required for trust exam;
February 16, 2021	Ada Shahini	1.20	Reviewed amended ROE's received from the accountant and forwarded details to employee; Uploaded details on server.
February 17, 2021	Rob Stelzer	0.20	E-mail from interested party and call from P Kouadio.

Date	Full Name	Hours	Detail
February 17, 2021	Ada Shahini	0.20	General WEPP administration: Received WEPP statements and updated payments on WEPP workbook; Uploaded information on server.
February 17, 2021	Rosa Wilford	0.30	On-line banking; Review estate bank account/print screens; Post EFT entries and reconcile January statement.
February 17, 2021	Paul Kouadio	0.10	Call to R Stelzer and email to interested buyer re: sale of property.
February 18, 2021	Paul Kouadio	1.00	Call with previous employee and A Shahini re: T4, ROE and amended; Various correspondence with accountant re: payroll letter from CRA; Draft letter to CRA.
February 18, 2021	Rob Stelzer	0.20	Review of CRA PIER request and respond; E-mail to Alterna.
February 18, 2021	Valerie Naccarato	0.20	Administration matters; Review mail; Notify team.
February 19, 2021	Rob Stelzer	0.60	E-mail with KLN; E-mail to Bennett Jones and Alterna.
February 19, 2021	Paul Kouadio	0.40	Attend to receivership matters, incl. various emails re: sale and funding request.
February 22, 2021	Paul Kouadio	0.40	Attend to receivership matters re: snow removal, security matters; Emails and calls to snow removal and security contractors.
February 22, 2021	Rosa Wilford	0.30	Review internal instructions from team re Banking; Respond to phone call re HST; Review account ledger; Follow instructions and notify team with direction on providing pre account details; Email.
February 22, 2021	Rob Stelzer	0.40	E-mail with City of Hamilton planning department; Call with R Wilford on HST account.
February 23, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officer for approval; Provide supporting documentation; Email; Prepare disbursement requisition form; Post invoice entries; Issue cheque; General banking administration.
February 23, 2021	Rob Stelzer	0.50	Call from Alterna; E-mails with City of Hamilton; E-mail to Bennett Jones; E-mail regarding insurance.
February 23, 2021	Paul Kouadio	0.30	Internal correspondence re: CAFO insurance and payment of premiums; Call and email to Tru Partners re: policy and premiums.
February 24, 2021	Rosa Wilford	0.10	On-line banking; Review and print screens for expecting incoming wire; Notify team; Email.

Date	Full Name	Hours	Detail
February 24, 2021	Rob Stelzer	0.80	Call with City of Hamilton regarding zoning; Call with Alterna.
February 24, 2021	Paul Kouadio	0.20	Call and email to contractor re: snow removal; Internal correspondence re: same.
February 25, 2021	Paul Kouadio	0.40	Internal correspondence re: funding request. Emails to CAFO and FCA insurance.
February 26, 2021	Paul Kouadio	1.30	Various emails to bank re: sale of property and funding request; Review lease agreements of service providers; Call to accountant re: trust exam and lease agreements; Call with CRA officer re: trust exam.
February 26, 2021	Rosa Wilford	0.10	On-line banking; Review and print screens for expecting incoming wire; Notify team; Email.
February 26, 2021	Valerie Naccarato	0.80	Prepare Purolator courier receipt; Drive to the Purolator Depot in Pickering and drop off envelope.
February 26, 2021	Rob Stelzer	0.90	Review of assessments of value and respond to Alterna; Updates to draft APA and send to Alterna; E-mail with P Kouadio; Funding request.
March 1, 2021	Rosa Wilford	0.50	On-line banking; Review and print screens for expecting incoming wire; Notify team; Prepare receipt and disbursement requisition forms for signing; Post deposit/invoice eft entries, print slip and stamp date for signing; Emails; General banking administration.
March 1, 2021	Paul Kouadio	0.80	Various emails to bank and internally re: funding request; Correspondence to service providers re: bills for respective services incl. PasWord Protection, Landform Landscaping, security contractor, accountant
March 1, 2021	Rob Stelzer	0.30	E-mail regarding funding request; Updates to APA and send to D Joy.
March 2, 2021	Rob Stelzer	0.30	E-mail with Alterna; Update APA and send to D Joy.
March 2, 2021	Paul Kouadio	3.60	Call and email to accountant re: bank account and bank report, lease agreement between previous officer and Equilease re: lighting retrofit; Emails to Bell Canada re: outstanding invoice, review such and instruct payment; Call to Alectra Utilities and instruct payment of outstanding invoice; Emails to CAFO and Tru Partners, instruct payment of outstanding invoices and internal emails re: same; Call to security contractor and instruct payment of outstanding invoices; Email PasWord Protection re: invoice and instruct payment of same; Internal communication re: Landform Landscaping invoice for snow removal, email to owner and instruct payment; Call Enbridge re: invoice and internal communication re: same.

Date	Full Name	Hours	Detail
March 2, 2021	Rosa Wilford	2.00	Review internal email instructions from team re Banking: Review account ledger; Review various payment requests: Prepare multiple disbursement requisition forms/match to payment schedule: Notify signing officer for review and approval; Post invoice entries; Issue multiple cheques; Correspondences with team on review of invoices; Emails; General banking administration.
March 3, 2021	Paul Kouadio	0.30	Follow up emails to accountant re: bank account and bank report, lease agreement between previous officer and Equilease and lease payment; Emails with Equilease re: lighting retrofit.
March 3, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking: Review account ledger; Review payment requests: Prepare disbursement requisition forms: Notify signing officer for review and approval; Post invoice entries; Issue cheque; Email; General banking administration.
March 3, 2021	Rob Stelzer	0.20	E-mail.
March 3, 2021	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.
March 4, 2021	Valerie Naccarato	0.40	File administration.
March 4, 2021	Rob Stelzer	0.30	E-mail with D Joy on APA.
March 7, 2021	Rosa Wilford	0.20	On-line banking; Review estate bank account/print screens; Post EFT entries and reconcile February statement.
March 8, 2021	Paul Kouadio	3.70	Call with R Stelzer re: second report to Court; Review first report and draft outline of second report; Call with Vault Credit for Equilease re: lighting retrofit; Discuss GSA, lease agreement and invoices.
March 9, 2021	Paul Kouadio	4.20	Initial draft of second report to Court; Various emails to R Stelzer re: same.
March 9, 2021	Rob Stelzer	0.20	Follow up with D Joy; E-mail to Alterna.
March 10, 2021	Paul Kouadio	5.60	Review Alectra Utilities bill; Calls and emails to security contractor and accountant re: residents mail; Continue draft of second report to Court; Various emails with J Mighton from Bennett Jones re: same; Call and email with R Stelzer re: same; Prepare professional fees schedule.
March 10, 2021	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.
March 10, 2021	Rob Stelzer	1.00	E-mail with Bennett Jones and Alterna; Call with P Kouadio to review the report outline.

Date	Full Name	Hours	Detail
March 11, 2021	Rob Stelzer	3.50	Review of second report and made edits; Call with P Kouadio; E-mail with Bennett Jones; Review of APA provided by purchaser; E-mails with purchaser on leases.
March 11, 2021	Paul Kouadio	6.80	Review and amend second report to Court; Various emails and calls with R Stelzer re: same; Various emails with J Mighton and R Stelzer re: lease agreements from Equilease, Vault Credit, RCAP Leasing and Reliance Home Comfort, Call and email to accountant re: same; Review lease agreements; Attend to receivership matters incl. obtaining HST number from CRA and internal emails re: same.
March 12, 2021	Jonathan Krieger	0.50	Review of correspondence from team; Team call re: discussion of matters related to Court reporting, go forward plan.
March 12, 2021	Rob Stelzer	1.70	Call with J Krieger to discuss report matters; Edits to report; Review of R&D; E-mails regarding HST on closing issue; call with P Kouadio; E-mail regarding receiver certificate.
March 12, 2021	Paul Kouadio	7.20	Call with J Krieger and R Stelzer re: second report to Court; Review and amend same; Email to bank re: balance outstanding; Draft statement of receipts and disbursements, and various emails and calls with R Stelzer re: same; Call and email to accountant re: transfer of remaining funds and closure of bank account; Review bank account and save bank statements for audit trail purposes; Call to CRA re: payroll exam.

Time Charges and Expenses:

J. Krieger, Sr. Vice President	0.50	hours @	\$ 640.00	per hour	\$ 320.00
R. Stelzer, Vice President	14.60	hours @	\$ 550.00	per hour	\$ 8,030.00
R. Wilford, Manager	5.30	hours @	\$ 280.00	per hour	\$ 1,484.00
P. Kouadio, Sr. Associate	40.50	hours @	\$ 210.00	per hour	\$ 8,505.00
A. Shahini, Sr. Associate	3.00	hours @	\$ 180.00	per hour	\$ 540.00
V. Naccarato, Analyst	2.70	hours @	\$ 150.00	per hour	\$ 405.00
R. Erian, Analyst	0.60	hours @	\$ 150.00	per hour	\$ 90.00
	<u>67.20</u>				<u>\$ 19,374.00</u>

5% Technology and Administration

\$ 968.70
\$ 20,342.70

Disbursements

Postage and courier

\$ 74.14
\$ 74.14

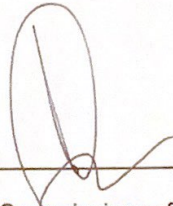
Subtotal time and disbursements

\$ 20,416.84

HST

\$ 2,654.19
Total Invoice Due
\$ 23,071.03

Exhibit "B" to the Affidavit of Robert Stelzer,
sworn before me this 21st day of March 2021.

A handwritten signature in dark ink, consisting of a large, stylized 'J' followed by a series of loops and a horizontal stroke.

Commissioner for Taking Affidavits, etc.
Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2023

1140402 ONTARIO INC. O/A EMERALD LODGE

Summary of Fees of the Receiver and Manager

For the period from November 1, 2020 to March 12, 2021

**Exhibit "B"**

Period	Hours	Fees	Disbursements	Subtotal	HST	Total
November 1 - November 30, 2020	138.60 \$	42,844 \$	2,322 \$	45,166 \$	5,872 \$	51,037
December 1 - December 31, 2020	43.40 \$	9,751 \$	2,741 \$	12,492 \$	1,624 \$	14,116
January 1 - January 31, 2021	19.70 \$	5,447 \$	292 \$	5,739 \$	746 \$	6,485
February 1 - March 12, 2021	67.20 \$	19,374 \$	1,043 \$	20,417 \$	2,654 \$	23,071
	268.90 \$	77,416 \$	6,398 \$	83,814 \$	10,896 \$	94,709

Average Rate per Hour \$ **352.21**

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

ALTERNA SAVINGS AND CREDIT UNION LIMITED

- and -

1140402 ONTARIO INC. O/A EMERALD LODGE

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

AFFIDAVIT OF ROBERT STELZER**BENNETT JONES LLP**

Suite 3400
First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Raj Sahni

Tel: (416) 777-4804

Email: SahniR@bennettjones.com**Jesse Mighton**

Tel: (416) 777-6255

Email: MightonJ@bennettjones.com

*Lawyers for Grant Thornton Limited in its capacity as Receiver of
the Respondent*

TAB I

APPENDIX "9"
FEE AFFIDAVIT OF RAJ SAHNI
(see next page)

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

B E T W E E N:

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

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**

**AFFIDAVIT OF RAJ SAHNI
(sworn March 21, 2021)**

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

1. I am a lawyer qualified to practice law in the Province of Ontario and am a partner of Bennett Jones LLP ("**Bennett Jones**"), counsel for Grant Thornton Ltd., in its capacity as Court-appointed Receiver (in such capacity, the "**Receiver**") in these proceedings and as such have knowledge of the matters hereinafter deposed. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. I make this affidavit in support of a motion by the Receiver for, among other things, approval of the fees and disbursements of the Receiver and its counsel.

3. Attached hereto as Exhibit "A" are true copies of the accounts rendered by Bennett Jones counsel to the Receiver for the period between November 1, 2020 and March 13, 2021. I confirm that these accounts accurately reflect the services provided by Bennett Jones in this matter for this period and the fees and disbursements claimed by it for the period.

4. Attached hereto as Exhibit "B" is a schedule summarizing the accounts of Bennett Jones rendered to the Receiver for the fees and disbursements incurred by Bennett Jones in connection with these proceedings for the period between November 1, 2020 and March 13, 2021.

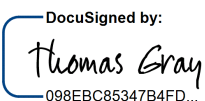
5. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the professionals at Bennett Jones that rendered services to the Receiver, the hours worked by each such individual and the blended hourly rate for the file.

6. To the best of my knowledge, the rates charged by Bennett Jones throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services. I believe that the total hours, fees and disbursements incurred to date by Bennett Jones on this matter are reasonable and appropriate in the circumstances.

SWORN before me over videoconference)
on this 21st day of March, 2021. The affiant)
was located in the City of Toronto, in the)
Province of Ontario. This Affidavit was)
Commissioned remotely as a result of)
COVID-19 and was commissioned in)
Accordance with Ontario Regulation 431/20)



RAJ SAHNI

DocuSigned by:

098EBC85347B4FD...

Commissioner for Taking Oaths

THIS IS EXHIBIT "A" REFERRED TO IN THE

AFFIDAVIT OF RAJ SAHNI

SWORN

THE 21st DAY OF MARCH, 2021

DocuSigned by:

Thomas Gray

098EBC85347B4ED

A Commissioner for taking affidavits, etc.

**Bennett Jones**

Bennett Jones LLP **141**
Suite 3400
1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Grant Thornton LLP
200 King Street West, 11th Floor
Toronto, ON M5H 3T4

Re: 1140402 Ontario Inc. O/A Emerald Lodge
Our File Number: 090735.00001

Date: January 14, 2021
Invoice: 1377648

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	52,239.00
Disbursements	\$	445.41
Disbursements Incurred As Your Agent (Non Taxable)	\$	320.00
Other Charges	\$	951.50
Total Due before GST/HST	\$	53,955.91
GST/HST	\$	6,972.67
Total Due in CAD	\$	60,928.58

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com. GST/HST number: 119346757



January 14, 2021
Page 2

Client: 090735.00001
Invoice No.: 1377648

Date	Name	Description	Hours
01/11/20	Thomas Gray	Continuing to research contractual issues for A. Nelms	2.30
02/11/20	Thomas Gray	Summarizing research findings and sending to A. Nelms	0.70
02/11/20	Raj Sahni	Reviewing emails regarding purported cancellation of insurance coverage by insurer; conference call with the Receiver and R. Jaipargas; email to J. Mighton regarding preparation of letter to insurer	0.90
03/11/20	Aiden Nelms	Reading and responding to file related emails; Reviewing scheduled regarding unremitted source deductions; Drafting emails to GT	0.70
03/11/20	Jesse Mighton	Phone conference with R. Sahni regarding insurance matters; Receive and review correspondence from R. Seltzer regarding same; Draft letter to MacMillan Insurance regarding policy cancellation; Phone conferences with R. Seltzer regarding same	4.20
03/11/20	Raj Sahni	Call with J. Mighton regarding purported cancellation of insurance company contrary to Court order and Receiver's position; follow-up conference call with R. Seltzer and J. Mighton regarding same; review and comment on draft letter to insurer; follow-up call with J. Mighton regarding same; emails with A. Nelms regarding source deductions claims of CRA	1.50
04/11/20	Raj Sahni	Review letter from City of Hamilton; considering issues regarding termination of right of first refusal against property in light of Hamilton's position regarding non-renewal of license; reviewing caselaw provided by research student regarding termination of contractual rights in receivership sale	1.20
17/11/20	Jesse Mighton	Email correspondence regarding motion materials; Receive and review draft receiver's report	1.60
18/11/20	Aiden Nelms	Reading and responding to file related emails; Phone call with J. Mighton regarding miscellaneous research items; Reviewing certain correspondence relating to same	0.70
18/11/20	Jesse Mighton	Phone conference with R. Stelzer regarding motion preparation; Review and revise draft Receiver's report; Draft Notice of Motion and Order	4.20



January 14, 2021
Page 3

Client: 090735.00001
Invoice No.: 1377648

Date	Name	Description	Hours
18/11/20	Jelena Petrovic	Downloading PIN and title instruments for 83-85 Emerald Street South, Hamilton, as requested by J. Mighton	0.40
19/11/20	Julien Sicco	Performing research for J. Mighton regarding a sale of process matter; Drafting a research email for J. Mighton regarding the same	5.80
19/11/20	Jesse Mighton	Drafting Receiver's first report; Phone conference with R. Sahni regarding same; Phone conference with R. Stelzer and B. Bando regarding same; Drafting motion record materials	3.50
19/11/20	Raj Sahni	Reviewing and commenting on draft Receiver's report; call with J. Mighton regarding same	0.80
20/11/20	Aiden Nelms	Reading and responding to file related emails; Reviewing emails for Application materials; Coordinating the swearing of R. Sahni fee affidavit	0.70
20/11/20	John van Gent	Reviewing draft order approving sale process, and first report of the receiver; Telephone call with J. Mighton to discuss same and to consider strategy for court order discharging right of first refusal	0.70
20/11/20	Jesse Mighton	Finalize and serve Receiver's motion record regarding sale process approval; Draft affidavit of service regarding same; Phone conferences with R. Stelzer and R. Jaipargas regarding same; Phone conference with J. van Gent regarding sale process matters	8.50
20/11/20	Raj Sahni	Reviewing and commenting on draft Order and motion record; call with J. Mighton regarding same; call with R. Jaipargas regarding Alterna's position on motion and draft order as secured creditor; emails with R. Jaipargas.	1.30
21/11/20	Jesse Mighton	Drafting Receiver's factum regarding sale process approval motion; Researching regarding same	7.50
21/11/20	John van Gent	Emails to and from J. Mighton concerning strategy to prepare factum requesting discharge of right of first refusal	0.10
21/11/20	Raj Sahni	Review draft factum; discussion with J. Mighton regarding motion and strategy on behalf of Receiver.	0.80
22/11/20	Julien Sicco	Conducting case law research re: sale process and fee approval matters for J. Mighton reviewing draft	3.60



January 14, 2021
Page 4

Client:
Invoice No.:

090735.00001
1377648

Date	Name	Description	Hours
		factum	
22/11/20	Aiden Nelms	Reading and responding to file related emails; Revising affidavit	0.30
22/11/20	Jesse Mighton	Drafting Receiver's factum; Reviewing and conducting research regarding same	5.50
22/11/20	Preet Bell	Reviewing and providing comments on factum for sale process approval and vesting order for J. Mighton; Reviewing case law cited therein in respect of same; Correspondence to J. Mighton	1.90
23/11/20	Julien Sicco	Researching regarding sale process matters; Reviewing and revising factum; drafting book of authorities regarding same	4.70
23/11/20	Aiden Nelms	Reading and responding to file related emails; Coordinating the filing of a Motion Record and Affidavit of Service with the Court	0.60
23/11/20	Jesse Mighton	Email correspondence regarding Receiver's factum; Drafting factum; Correspondence with J. Sicco regarding brief of authorities; Phone and email correspondence with R. Stelzer regarding strategic matters; Phone conference with O. Duguid regarding sales process motion; Finalizing and serving factum	6.30
24/11/20	John van Gent	Email from J. Mighton forwarding factum in support of motion to discharge right of first refusal; Reviewing same	0.20
24/11/20	Aiden Nelms	Reading and responding to file related emails; Finalizing and filing materials with the Court	0.40
24/11/20	Jesse Mighton	Prepare for sale process motion	1.20
25/11/20	Raj Sahni	Emails with the Receiver and Alterna's counsel regarding motion and withdrawal of objection regarding right of first refusal; discussion with J. Mighton regarding submissions and strategy for motion	0.70
26/11/20	Jesse Mighton	Prepare for sale process motion	2.70
27/11/20	Leslie Stacey	Emails to and from J. Mighton; Review and revise Order: Emails to and from J. Petrovic regarding preparing Teraview supporting documents to register order	0.30



January 14, 2021
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Client: 090735.00001
Invoice No.: 1377648

Date	Name	Description	Hours
27/11/20	John van Gent	Emails to and from J. Mighton confirming receipt of order and strategy to register same in order to discharge instruments concerning the right of first refusal	0.10
27/11/20	Jesse Mighton	Prepare for and attend motion regarding sale process approval; Email correspondence with L. Stacey regarding administrative matters; Attending to post-hearing matters; Draft email to Service List regarding service of order and endorsement	4.50
27/11/20	Jelena Petrovic	Drafting Application for the electronic registration of the Court Order and Acknowledgment and Direction for same, as requested by J. Mighton	1.60
30/11/20	Leslie Stacey	Review and approve draft documentation to register order; Emails to and from J. Petrovic	0.20
30/11/20	Jesse Mighton	Email correspondence regarding registration of Sale Process Order on title to subject property; Review Authorization and Direction regarding same	0.70
01/12/20	Mike O'Grady	Signing registration materials for court order on Teraview; Keeping up with and conducting various email correspondence regarding the same	0.20
01/12/20	Jesse Mighton	Email correspondence regarding registration of Sale Process Order on title to Property	0.40
02/12/20	Jesse Mighton	Review Monitor's website; Email correspondence with R. Stelzer	0.20

Total Hours	84.40
Total Professional Services	\$ 52,239.00

Name	Title	Hours	Rate	Amount Billed
Raj Sahni	Partner	7.20	\$ 925.00	\$ 6,660.00
Preet Bell	Partner	1.90	\$ 755.00	\$ 1,434.50
John van Gent	Partner	1.10	\$ 835.00	\$ 918.50
Mike O'Grady	Associate	0.20	\$ 465.00	\$ 93.00
Aiden Nelms	Associate	3.40	\$ 465.00	\$ 1,581.00
Jesse Mighton	Associate	51.00	\$ 710.00	\$ 36,210.00
Thomas Gray	Student	3.00	\$ 270.00	\$ 810.00
Julien Sicco	Student	14.10	\$ 270.00	\$ 3,807.00
Leslie Stacey	Paralegal	0.50	\$ 450.00	\$ 225.00
Jelena Petrovic	Paralegal	2.00	\$ 250.00	\$ 500.00



Bennett Jones

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January 14, 2021

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Client:

090735.00001

Invoice No.:

1377648

Disbursements		Amount
Courier	\$	216.47
SoundPath Legal Conferencing	\$	13.19
Land Title - Search	\$	139.55
Teraview Filing	\$	76.20
Total Disbursements	\$	445.41
Disbursements Incurred As Your Agent (Non Taxable)		Amount
Government Filing	\$	320.00
Total Disbursements Incurred as Your Agent	\$	320.00
Other Charges		Amount
Library Computer Search - WestlawNext Canada	\$	195.00
Library Computer Search - Quick Law	\$	430.00
Printing	\$	245.50
Colour Printing	\$	81.00
Total Other Charges	\$	951.50
GST/HST	\$	6,972.67
TOTAL DUE	\$	60,928.58



Bennett Jones

Grant Thornton LLP
200 King Street West, 11th Floor
Toronto, ON M5H 3T4

Re: 1140402 Ontario Inc. O/A Emerald Lodge
Our File Number: 090735.00001

Date: January 14, 2021
Invoice: 1377648

Remittance Statement

Professional Services	\$	52,239.00
Disbursements	\$	445.41
Disbursements Incurred As Your Agent (Non Taxable)	\$	320.00
Other Charges	\$	951.50
Total Due before GST/HST	\$	53,955.91
GST/HST	\$	6,972.67
Total Due in CAD	\$	60,928.58

Remit by Wire Transfer

Beneficiary Name: Bennett Jones LLP
Beneficiary Address: 4500, 855 - 2nd Street SW Calgary, AB T2P 4K7 Canada
Beneficiary Bank: Royal Bank of Canada
Bank Address: 339 - 8th Avenue SW Calgary, AB T2P 1C4 Canada
Account Details: Bank Code: 003, Branch/Transit 00009,
CAD Acct 000091725811 [5 digit transit no + 7 digit account no]
USD Acct 000094005534 [5 digit transit no + 7 digit account no]
SWIFT Code: ROYCCAT2

When wiring funds from the USA

Intermediary Bank JP Morgan Chase Bank New York
Intermediary Swift Code CHASUS33
Intermediary ABA Routing Code 021000021

Wire notifications can be emailed to: bennettjonesft@bennettjones.com
For ease of processing, please include the invoice(s) number in the Details section

Remit By Interac e-Transfer

Email: bennettjonesft@bennettjones.com
For ease of processing, please include the invoice(s) number in the Message Field
Note: e-transfers are CAD only and are subject to daily limits set by the sender's bank

Remit By Visa/Mastercard or General Inquiries

Contact the Accounts Receivable Department by email at AR@bennettjones.com

**Bennett Jones**

Bennett Jones LLP **148**
Suite 3400
1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Grant Thornton LLP
200 King Street West, 11th Floor
Toronto, ON M5H 3T4

Re: 1140402 Ontario Inc. O/A Emerald Lodge
Our File Number: 090735.00001

Date: March 17, 2021
Invoice: 1384960

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	10,845.50
Disbursements	\$	3.00
Total Due before GST/HST	\$	10,848.50
GST/HST	\$	1,410.31
Total Due in CAD	\$	12,258.81

Due upon receipt. Bennett Jones reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices over 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com. GST/HST number: 119346757



March 17, 2021
Page 2

Client: 090735.00001
Invoice No.: 1384960

Date	Name	Description	Hours
12/02/21	Jesse Mighton	Email correspondence regarding process update	0.10
19/02/21	Jesse Mighton	Phone conference with R. Stelzer regarding prospective transaction and timing; Email correspondence with Commercial List Office regarding court availability; internal conferences regarding definitive documents; Receive and Review same	1.80
20/02/21	Leslie Stacey	Emails to and from J. Mighton and J. van Gent regarding measurements of property; Obtain aerial photo of property and complete online measuring of boundaries; Obtain copy of registrar's compiled plan and colour code property on plan; Email summarizing property measurements as shown on registrar's compiled plan	0.40
21/02/21	Jesse Mighton	Internal email correspondence regarding asset purchase agreement considerations	0.30
21/02/21	John van Gent	Numerous emails to and from J. Mighton, L. Stacey and L. Seath concerning precedent OREA commercial agreement of purchase and sale, and assistance to confirm area of property from registrars compiled plan and other mapping tools	0.30
22/02/21	Jesse Mighton	Draft asset purchase agreement; Email correspondence regarding same	1.50
23/02/21	John van Gent	Reviewing from of agreement of purchase and sale; Detailed email to J. Mighton with comments on same	0.50
23/02/21	Jesse Mighton	Internal correspondence regarding draft purchase agreement and revising same; Email correspondence with R. Stelzer regarding status update	0.80
26/02/21	Jesse Mighton	Receive and review amended purchase agreement; Email correspondence regarding same	0.50
02/03/21	Leslie Stacey	Emails to and from J. Mighton; Obtain municipal address information and confirm legal description	0.20
02/03/21	Aiden Nelms	Phone call with J. Mighton regarding CRA deemed trust issue; Reviewing and considering past correspondence and research in respect of same	0.30
02/03/21	Jesse Mighton	Email and phone correspondence with R. Stelzer regarding purchase and sale agreement considerations; Review research regarding tax	0.80



Bennett Jones

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March 17, 2021
Page 3

Client:
Invoice No.:

090735.00001
1384960

Date	Name	Description	Hours
		claims in real property	
03/03/21	Jesse Mighton	Review research regarding priority claims; Internal email correspondence regarding same	1.20
04/03/21	Jesse Mighton	Phone conference and email correspondence with purchaser's counsel	0.50
04/03/21	Hennadiy Kutsenko	Researching tax issues;	1.00
05/03/21	Hennadiy Kutsenko	Discussing tax issues with J. Mighton;	0.40
08/03/21	Hennadiy Kutsenko	Researching tax issues;	0.50
09/03/21	Hennadiy Kutsenko	Discussing tax issues with J. Mighton;	0.10
10/03/21	Jesse Mighton	Email correspondence with R. Stelzer regarding process update and coordination for motion materials	0.30
11/03/21	John van Gent	Emails to and from J. Mighton concerning HST questions	0.10
11/03/21	Jesse Mighton	Receive and review revised APA and equipment leases; Prepare summary regarding same; Internal correspondence regarding purchase agreement matters and closing coordination; Email correspondence with R. Stelzer regarding various process matters; Research regarding sale approval motion; Internal correspondence regarding motion for sale approval	1.80
12/03/21	Jesse Mighton	Phone conference with S. Rosenfarb regarding purchase agreement; Email correspondence regarding same; Email correspondence regarding file administrative matters	1.00
13/03/21	Jesse Mighton	Email correspondence re: transaction issues	0.50
Total Hours			14.90
Total Professional Services			\$ 10,845.50

Name	Title	Hours	Rate	Amount Billed
John van Gent	Partner	0.90	\$ 875.00	\$ 787.50
Aiden Nelms	Associate	0.30	\$ 545.00	\$ 163.50
Hennadiy Kutsenko	Associate	2.00	\$ 670.00	\$ 1,340.00



Bennett Jones

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March 17, 2021
Page 4

Client: 090735.00001
Invoice No.: 1384960

Name	Title	Hours	Rate	Amount Billed
Jesse Mighton	Associate	11.10	\$ 745.00	\$ 8,269.50
Leslie Stacey	Paralegal	0.60	\$ 475.00	\$ 285.00

Disbursements	Amount
Land Title - Search	\$ 3.00
Total Disbursements	\$ 3.00
GST/HST	\$ 1,410.31
TOTAL DUE	\$ 12,258.81



Bennett Jones

Grant Thornton LLP
200 King Street West, 11th Floor
Toronto, ON M5H 3T4

Re: 1140402 Ontario Inc. O/A Emerald Lodge
Our File Number: 090735.00001

Date: March 17, 2021
Invoice: 1384960

Remittance Statement

Professional Services	\$	10,845.50
Disbursements	\$	3.00
Total Due before GST/HST	\$	10,848.50
GST/HST	\$	1,410.31
Total Due in CAD	\$	12,258.81

Remit by Wire Transfer

Beneficiary Name: Bennett Jones LLP
Beneficiary Address: 4500, 855 - 2nd Street SW Calgary, AB T2P 4K7 Canada
Beneficiary Bank: Royal Bank of Canada
Bank Address: 339 - 8th Avenue SW Calgary, AB T2P 1C4 Canada
Account Details: Bank Code: 003, Branch/Transit 00009,
CAD Acct 000091725811 [5 digit transit no + 7 digit account no]
USD Acct 000094005534 [5 digit transit no + 7 digit account no]
SWIFT Code: ROYCCAT2

When wiring funds from the USA

Intermediary Bank JP Morgan Chase Bank New York
Intermediary Swift Code CHASUS33
Intermediary ABA Routing Code 021000021

Wire notifications can be emailed to: bennettjonesoft@bennettjones.com
For ease of processing, please include the invoice(s) number in the Details section

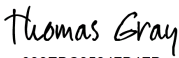
Remit By Interac e-Transfer

Email: bennettjonesoft@bennettjones.com
For ease of processing, please include the invoice(s) number in the Message Field
Note: e-transfers are CAD only and are subject to daily limits set by the sender's bank

Remit By Visa/Mastercard or General Inquiries

Contact the Accounts Receivable Department by email at AR@bennettjones.com

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF RAJ SAHNI
SWORN
THE 21st DAY OF MARCH, 2021**

DocuSigned by:

098EBC85347B4ED

A Commissioner for taking affidavits, etc.

Exhibit "B"

Invoice #	Period Ending	Date of Account	Fees	Expenses/Disbursements	GST/HST	Total
1377648	2-Dec-20	14-Jan-21	\$52,239.00	\$1,716.91	\$6,972.67	\$60,928.58
1384960	13-Mar-21	17-Mar-21	\$10,845.50	\$3.00	\$1,410.31	\$12,258.81
TOTAL			\$63,084.50	\$1,719.91	\$8,382.98	\$73,187.39

**THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF RAJ SAHNI**

SWORN

THE 21st DAY OF MARCH, 2021

DocuSigned by:
Thomas Gray
008EBC85347B4FD...

A Commissioner for taking affidavits, etc.

Exhibit "C"

Timekeeper	Year of Call (if applicable)	2020 Hourly Rate	2020 Total Time	Fees
Raj Sahni	2000	\$925.00	7.2	\$6,660.00
Preet Bell	2007	\$755.00	1.9	\$1,434.50
John van Gent	2002	\$835.00	1.1	\$918.50
Jesse Mighton	2012	\$710.00	51	\$36,210.00
Mike O'Grady	2017	\$465.00	0.2	\$93.00
Aiden Nelms	2018	\$465.00	3.4	\$1,581.00
Thomas Gray	n/a	\$270.00	3	\$810.00
Julien Sicco	n/a	\$270.00	14.1	\$3,807.00
Leslie Stacey	n/a	\$450.00	0.5	\$225.00
Jelena Petrovic	n/a	\$250.00	2	\$500.00
TOTALS			84.4	\$52,239.00

2020 Blended Rate (excluding expenses and HST) \$52,239 ÷ 84.4 hours =	\$618.95
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Timekeeper	Year of Call (if applicable)	2021 Hourly Rate	2021 Total Time	Fees
John van Gent	2002	\$875.00	0.9	\$787.50
Jesse Mighton	2012	\$745.00	11.1	\$8,269.50
Aiden Nelms	2018	\$545.00	0.3	\$163.50
Hennadiy Kutsenko	2015	\$670.00	2	\$1,340.00
Leslie Stacey	n/a	\$475.00	0.6	\$285.00
TOTALS			14.9	\$10,845.50

2021 Blended Rate (excluding expenses and HST) \$10,845.50 ÷ 14.9 hours =	\$727.89
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Court File No.: CV-20-00643158-00CL

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

FEE AFFIDAVIT

BENNETT JONES LLP
3400 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Raj Sahni (LSO #42942U)
Tel: (416) 777-4804
Email: SahniR@bennettjones.com

Jesse Mighton (LSO#62291J)
Tel:(416) 777-6255
Email: mightonj@bennettjones.com

Counsel to Grant Thornton Ltd. in its
capacity as the Receiver of the Applicant

TAB J

APPENDIX "10"
RECEIVER'S CERTIFICATES
(see next page)

APPENDIX 10 - SCHEDULE OF RECEIVER'S CERTIFICATES TO ALTERNA

Emerald Lodge

22-March-2021



Receiver's Certificate	Payment Date	Description	Amount
1 Bennett Jones	07-October-2020	Invoice # 1357300	\$ 18,505.90
2 GT Invoice	31-October-2020	Invoice #: LSON-6841	\$ 121,727.39
3 Bennett Jones	18-November-2020	Invoice # 1364071	\$ 21,486.27
4 GT Invoice	10-December-2020	Invoice #: LSON-6931	\$ 310.75
5 GT Invoice	30-November-2020	Invoice #: LSON-6983	\$ 51,037.29
6 GT Invoice	31-December-2020	Invoice #: LSON-6987	\$ 14,115.80
7 Bennett Jones	14-January-2021	Invoice # 1377648	\$ 60,928.58
8 Estate Funding	19-February-2021	Invoice #: 19/02/2020	\$ 50,000.00
			\$ 338,111.98

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 29TH
	)	
JUSTICE HAINEY	)	DAY OF MARCH, 2021

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**

APPROVAL AND VESTING ORDER

THIS MOTION, made by Grant Thornton Ltd. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of 1140402 Ontario Inc. o/a Emerald Lodge (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 83 Emerald Inc. (the "**Purchaser**") dated March 12, 2021 and appended to the Second Report of the Receiver dated March 22, 2021 (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale

WSLEGAL\090735\00001\26829054v3

DOCSTOR: 1201927\14

Agreement (the "**Purchased Assets**"), was heard this day via videoconference due to the COVID-19 pandemic.

ON READING the Report and on hearing the submissions of counsel for the Receiver, counsel to Alterna Savings and Credit Union Limited, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Jesse Mighton sworn March 22, 2021, filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated September 25, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) any claims of lessors of equipment to the Debtor which equipment is not a Purchased Asset under the Sale Agreement; and (iv) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office #62 of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. 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.

Schedule A – Form of Receiver's Certificate

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

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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hailey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 25, 2020, Grant Thornton Ltd. was appointed as the receiver (in such capacity, the "**Receiver**") of the undertaking, property and assets of 1140402 Ontario Inc. o/a Emerald Lodge (the "**Debtor**").

B. Pursuant to an Order of the Court dated March 29, 2021, the Court approved the agreement of purchase and sale made as of March 12, 2021 (the "**Sale Agreement**") between the Receiver and 83 Emerald Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming the delivery by the Receiver or the Purchaser, as the case may be, of

the documents contemplated by Section 7 of the Sale Agreement and the confirmation of receipt by the Receiver's solicitor of the purchase price; and (ii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has satisfied the Purchase Price for the Purchased Assets pursuant to the Sale Agreement;
2. The Purchaser has delivered the documents contemplated by section 7 of the Sale Agreement; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**GRANT THORNTON LTD., in its capacity
as Receiver of the undertaking, property and
assets of 1140402 ONTARIO INC. o/a
EMERALD LODGE, and not in its personal
capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360; HAMILTON; 17176-0014 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

- Instrument No. WE1081631 being a notice of right of first refusal in favour of Riverview Pharmacy Inc.
- Instrument No. WE1387288 being a postponement whereby Riverview Pharmacy Inc. postponed Instrument No. WE1081631 to Instrument No. WE13876262
- Instrument No. WE1416699 being a postponement whereby Riverview Pharmacy Inc. postponed Instrument No. WE1081631 to Instrument No. WE1416590
- Instrument No. WE1430135 being a notice registered by Riverview Pharmacy Inc. relating to Instrument No. WE1081631
- Instrument No. WE1387262 being a charge in favour of Alterna Savings and Credit Union Limited
- Instrument No. WE1387263 being an assignment of rents in favour of Alterna Savings and Credit Union Limited
- Instrument No. WE1416590 being charge in favour of KLN Holdings Inc.
- Instrument No. WE1416593 being an assignment of rents in favour of KLN Holdings Inc.
- Instrument No. WE1457238 being an Order of the Court approving the appointment of Grant Thornton Limited as Receiver

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

None.

TAB 4

~~Revised: January 21, 2014~~

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE ~~_____~~ MR.) ~~WEEKDAY~~ MONDAY, THE #29TH
JUSTICE ~~_____~~ HAINES)
) DAY OF ~~MONTH~~ MARCH, ~~20YR~~ 2021

B E T W E E N:

~~PLAINTIFF~~

~~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

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ Grant Thornton Ltd. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of

~~[DEBTOR]~~1140402 Ontario Inc. o/a Emerald Lodge (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and ~~[NAME OF PURCHASER]~~83 Emerald Inc. (the "**Purchaser**") dated ~~[DATE]~~March 12, 2021 and appended to the Second Report of the Receiver dated ~~[DATE]~~March 22, 2021 (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day ~~at 330 University Avenue, Toronto, Ontario~~via videoconference due to the COVID-19 pandemic.

ON READING the Report and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~counsel to Alterna Savings and Credit Union Limited, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~Jesse Mighton sworn ~~[DATE]~~March 22, 2021, filed¹:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets

¹ ~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

² ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³ ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

described in the Sale Agreement ~~[and listed on Schedule B hereto]~~⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~ Hainey dated ~~[DATE]~~ September 25, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) any claims of lessors of equipment to the Debtor which equipment is not a Purchased Asset under the Sale Agreement; and ~~(iiiiv)~~ those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office ~~for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver~~ ~~[Land Titles Division of {LOCATION}] #62~~ of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

⁴ To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(e) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

6. ~~7.~~ THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

⁷ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

~~8. — THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

7. ~~9.~~ 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.

~~Revised: January 21, 2014~~

Schedule A – Form of Receiver’s Certificate

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

PLAINTIFF

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

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ September 25, 2020, Grant Thornton Ltd. was appointed as the receiver (in such capacity, the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ 1140402 Ontario Inc. o/a Emerald Lodge (the "Debtor").

B. Pursuant to an Order of the Court dated ~~[DATE]~~March 29, 2021, the Court approved the agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~March 12, 2021 (the "Sale Agreement") between the Receiver ~~[Debtor]~~ and ~~[NAME OF PURCHASER]~~83 Emerald Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming ~~(i)~~ the ~~payment~~delivery by the Receiver or the Purchaser, as the case may be, of the ~~Purchase Price for the Purchased Assets;~~ ~~(ii) that the conditions to Closing as set out in section 7 of the Sale Agreement have been satisfied or waived~~ documents contemplated by Section 7 of the Sale Agreement ~~have been satisfied or waived~~ and the confirmation of receipt by the Receiver ~~and~~ 's solicitor of the ~~Purchaser~~purchase price; and ~~(iii)~~ ii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has ~~paid and the Receiver has received~~ satisfied the Purchase Price for the Purchased Assets ~~payable on the Closing Date~~ pursuant to the Sale Agreement;
2. The ~~conditions to Closing as set out in~~ Purchaser has delivered the documents contemplated by section ~~7~~ 7 of the Sale Agreement ~~have been satisfied or waived by the Receiver and the Purchaser;~~ and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~{NAME OF RECEIVER}~~GRANT
THORNTON LTD., in its capacity as Receiver
of the undertaking, property and assets of
~~{DEBTOR}~~1140402 ONTARIO INC. o/a
EMERALD LODGE, and not in its personal
capacity

Per: _____

Name:

Title:

Schedule B – Purchased Assets

[LTS 9, 10, 11 & 12, REGISTRAR'S COMPILED PLAN 1360; HAMILTON; 17176-0014 \(LT\)](#)

Schedule C – Claims to be deleted and expunged from title to Real Property

- Instrument No. WE1081631 being a notice of right of first refusal in favour of Riverview Pharmacy Inc.
- Instrument No. WE1387288 being a postponement whereby Riverview Pharmacy Inc. postponed Instrument No. WE1081631 to Instrument No. WE13876262
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- Instrument No. WE1416593 being an assignment of rents in favour of KLN Holdings Inc.
- Instrument No. WE1457238 being an Order of the Court approving the appointment of Grant Thornton Limited as Receiver

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

None.

Document comparison by Workshare 10.0 on Monday, March 22, 2021 2:09:50 PM

Input:	
Document 1 ID	file:///C:/Users/grayt/Documents/Articling/Insolvency/Jesse Mighton/Emerald Lodge/Motion Record/Model AVO.doc
Description	Model AVO
Document 2 ID	iManage:///bjwork.legal.bjlocal/WSLegal/26829054/3
Description	#26829054v3<bjwork.legal.bjlocal> - Emerald Lodge - Approval and Vesting Order
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	86
Deletions	81
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	167

TAB 5

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

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

THE HONOURABLE	)	MONDAY, THE 29TH DAY
	)	
JUSTICE HAINEY	)	OF MARCH, 2021

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
(Receiver Discharge Order)**

THIS MOTION, made by Grant Thornton Ltd. ("GTL"), in its capacity as receiver (in such capacity, the "**Receiver**") of 1140402 Ontario Inc. o/a Emerald Lodge (the "**Debtor**") for an order, among other things:

- i. Approving the activities of the Receiver as set out in the Second Report of the Receiver dated March 22, 2021 (the "**Second Report**");
- ii. Approving the professional fees incurred by the Receiver and its legal counsel as described in the affidavit of Rob Stelzer and Raj Sahni appended to the Second Report (collectively, the "**Fees Affidavits**"), including the estimated fees of the Receiver and its legal counsel in connection with the completion of these proceedings; and

iii. Upon the filing of a certificate;

- (a) Discharging GTL as Receiver of the Debtor; and
- (b) Subject to paragraph 6 herein, releasing GTL from any and all liability arising in connection with its acts or omissions in its capacity as Receiver,

was heard on this day by way of videoconference due to the COVID-19 pandemic.

ON READING the Notice of Motion of the Receiver, the Second Report and the Fees Affidavits and on hearing submissions of counsel to the Receiver, counsel for the Applicant, no one else appearing although duly served as appears from the affidavit of service of Jesse Mighton sworn March 22, 2021, filed:

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

2. **THIS COURT ORDERS** that the purchase price of the RHG APS, as defined and described in the Second Report, and the Confidential Appendices to the Second Report be and are hereby sealed and shall not form part of the public record for these proceedings until further Order of this Court.

3. **THIS COURT ORDERS** that the Receiver's R&D, as defined and described in the Second Report, be and is hereby approved, and the Receiver is authorized and directed to administer the Receiver's R&D in a manner consistent with the sources and uses for such funds as contemplated by the Second Report, with such amendments as the Receiver may determine are necessary or appropriate.

4. **THIS COURT ORDERS** any residual funds remaining in the Receiver's accounts at the time of the filing of the Discharge Certificate (defined below) are to be issued to the Applicant in partial satisfaction of the unpaid portion of its secured debt.

5. **THIS COURT ORDERS** that upon the Receiver filing a certificate substantially in the form attached as Schedule "A" hereto (the "**Discharge Certificate**") certifying that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, the Receiver shall be discharged as receiver of the Debtor, provided however that notwithstanding its discharge herein, (a) the Receiver shall remain Receiver in respect of the performance of such incidental duties as may be required to complete the administration of the

receivership herein, and (b) the Receiver shall continue to have the benefit of all Orders made in these proceedings, including, without limitation, all approvals, protections and stays of proceedings in favour of GTL in its capacity as Receiver.

6. **THIS COURT ORDERS AND DECLARES** that, upon the filing of the Discharge Certificate, GTL is hereby released and discharged from any and all liability that GTL now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of GTL while acting in its capacity as Receiver herein, save and except for any liability arising from the gross negligence or willful misconduct on the Receiver's part. Without limiting the generality of the foregoing, GTL is hereby released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or willful misconduct on the Receiver's part.

7. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the Second Report, are hereby approved; provided, however that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel, as set out in the Fees Affidavits, and including the Final Fees, as defined and described in the Second Report, are hereby approved.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date that it is made without any need for entry and filing.

SCHEDULE "A"

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

**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****RECEIVER'S DISCHARGE CERTIFICATE****RECITALS**

A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 25, 2020, Grant Thornton Ltd was appointed receiver (in such capacity, the "**Receiver**") of the property, assets and undertakings of 1140402 Ontario Inc. o/a Emerald Lodge (the "**Debtor**").

B. Pursuant to an Order of the Court dated March 29, 2021, the Court ordered the discharge of the Receiver to become effective (and conditional) upon the filing with the Court by the Receiver of a certificate confirming that all matters to be attended to in connection with the Receivership of the Debtor have been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

1. All matters to be attended to in connection with the Receivership of the Debtor have been completed to the satisfaction of the Receiver.

This Certificate was filed by the Receiver with the Court on the _____ day of _____, 2021.

**GRANT THORNTON LTD., in its capacity
as Receiver of the undertaking, property and
assets of 1140402 ONTARIO INC. o/a
EMERALD LODGE, 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

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

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

Proceedings commenced in Toronto

DISCHARGE ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4

Raj Sahni (LSO #42942U)
Tel: 416-777-4804
Email: SahniR@bennettjones.com

Jesse Mighton (LSO #62291J)
Tel: 416-863-6255
Email: MightonJ@bennettjones.com

Fax: 416-863-1716

Lawyers for the Receiver

ALTERNA SAVINGS AND CREDIT UNION LIMITED

-and-

1140402 ONTARIO INC. O/A EMERALD LODGE

Applicant

Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

MOTION RECORD
(Returnable March 29, 2021)

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4

Raj Sahni (LSO #42942U)
Tel: 416-777-4804
Email: SahniR@bennettjones.com

Jesse Mighton (LSO #62291J)
Tel: 416-863-6255
Email: MightonJ@bennettjones.com

Fax: 416-863-1716

Lawyers for Grant Thornton Limited, in its capacity as
Receiver