

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

DONALD DAL BIANCO

Applicant

- and -

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondents

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*
and Section 101 of the *Courts of Justice Act*

MOTION RECORD
Approval of Sales Process
(returnable June 11, 2018)

June 8, 2018

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Tab 1

Court File No.: CV-18-598657-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*
and Section 101 of the *Courts of Justice Act*

NOTICE OF MOTION
Approval of Sale Process
(returnable June 11, 2018)

Crowe Soberman Inc. (“**Crowe**”), in its capacity as receiver (the “**Receiver**”) of Deem Management Services Limited (“**Deem Management**”) and The Uptown Inc. (“**Uptown**” and collectively, the “**Companies**”), will make a motion to a Judge presiding over the Commercial List at 330 University Ave., Toronto, Ontario, on **Monday, June 11, 2018 at 8:30 a.m.** or as soon as after that time as the motion can be heard.

THE PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is made without notice;
- in writing as an opposed motion under subrule 37.12.1(4); or
- orally.

THE MOTION IS FOR AN ORDER:

- (a) abridging the time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
- (b) approving the Receiver's proposed sales process of the Companies assets (the "**Sale Process**") as set out in the first report of the Receiver dated June 8, 2018 (the "**First Report**");
- (c) approving the First Report and the activities of the Receiver set out therein;
- (d) sealing Confidential Appendices 1, 2 and 3 to the First Report; and
- (e) such further and other relief as counsel may request and this Honourable Court deem just;

THE GROUNDS FOR THE MOTION ARE:**Background**

- (a) on May 31, 2018 Crowe was appointed as Receiver over the property, assets and undertakings of the Companies, pursuant to an order of the Honourable Mr. Justice Wilton-Siegel (the "**Receivership Order**");
- (b) Deem Management is a property holding and real estate development company and is the registered owner of the property municipally known as 229 Lexington Road, Waterloo, Ontario (the "**Property**");
- (c) a portion of the Property is vacant land and the remaining land contains an operating nursing home known as Pinehaven Nursing Home ("**Pinehaven**");
- (d) Deem Management's business involves the collection of rent from Pinehaven;
- (e) The Uptown operates a presentation centre located on the Property and is engaged in planning related to the redevelopment of the Property as a seniors retirement residence project called the Uptown Residences (the "**Project**");

- (f) there is currently no active construction or development work on the Project as the general contractor on the Project, Maxion Management Services Inc. (“**Maxion**”) was advised to cease construction by Rob Dal Bianco, owner of both Deem Management and Uptown;
- (g) shortly after construction ceased, various service providers registered construction liens against title to the Property and in addition to the amounts claimed by the construction lien claimants, there are various mortgages and loans registered against title to the Property;

Marketing Efforts

- (h) prior to the appointment of the Receiver, the Receiver understands that Maxion held discussions with the C&W Seniors Housing Group in March 2018 to assist with arranging an equity partner for the Project in order for construction to continue;
- (i) C&W was not successful in locating an interested equal equity partner;
- (j) C&W Seniors Housing Group was later approached at the end of March 2018 by Deem Management to locate a purchaser to sell its interest in the Property and the Project;
- (k) the Receiver was advised by C&W that they began softly marketing the Project and the Property in early April, prior to entering into a formal listing agreement with Deem Management on April 24, 2018 (the “**Listing**”);
- (l) the Receiver has held a series of meetings with C&W to review the marketing efforts carried out to date since the Listing;
- (m) a detailed summary of these efforts are set out in more detail in the First Report;

Sale Process

- (n) C&W advised the Receiver that there have been challenges in marketing the Project and negative feedback to the pricing guidance that was offered by C&W, but

despite the challenges experienced, C&W advised there are groups that recognize the opportunity to purchase zoned retirement land, with a site plan, building permit, work in place and significant development fees paid;

- (o) the sales process undertaken by C&W to date is a worthwhile contribution to realization efforts for the Property and that, with amendment, the Receiver should continue;
- (p) the specific terms and conditions of the recommended sale process are set out in more detail in the First Report;
- (q) given the commercial sensitivity and possible prejudice to the marketing of the Property, the details of the responses from the C&W data base and confidential marketing materials are contained in the Confidential Appendices 1, 2 and 3 to the First Report, which the Receiver asks be sealed pending the closing of a transaction to sell the Property as evidenced by a Receiver's Certificate;

Receiver's Report and Activities

- (r) the First Report sets out the activities of the Receiver and provide useful information to the Court;
- (s) the activities of the Receiver have been in accordance with the Receivership Order and have provided assistance to the Court;

General

- (t) Rules 3 and 37 of the *Rules of Civil Procedure*; and
- (u) such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the First Report of the Receiver; and

(b) such further and other evidence as counsel may advise and this Honourable Court may permit.

June 8, 2018

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Lawyers for the Receiver, Crowe Soberman Inc.

TO: The Attached Service List

Court File No. CV-18-598657-00CL

DONALD DAL BIANCO

Applicant

and

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced TORONTO**

**NOTICE OF MOTION
Approval of Sale Process
(returnable June 11, 2018)**

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Lawyers for the Receiver, Crowe Soberman Inc.

Tab 2

File No. CV-18-598657-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

DONALD DAL BIANCO

Applicant

- and -

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondent

**FIRST REPORT OF CROWE SOBERMAN INC. in its capacity as Court-
appointed Receiver of DEEM MANAGEMENT SERVICES LIMITED
and THE UPTOWN INC.**

DATED JUNE 8, 2018

File No. CV-18-598657-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

DONALD DAL BIANCO

Applicant

- and -

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondent

**APPLICATION UNDER SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY
ACT AND SECTION 101 OF THE COURTS OF JUSTICE ACT**

**FIRST REPORT OF THE RECEIVER
DATED JUNE 8, 2018**

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File No. CV-18-598657-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

DONALD DAL BIANCO

Applicant

- and -

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondent

APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT* AND SECTION 101 OF THE COURTS OF JUSTICE ACT

FIRST REPORT OF RECEIVER

DATED JUNE 7, 2018

APPENDICES

Appendix A- Receivership Order of Justice Wilton- Siegel- May, 31, 2018

Confidential Appendix 1- Cushman & Wakefield- Confidential Information Memorandum

Appendix B- Cushman & Wakefield- Broker Blast

Confidential Appendix 2- Cushman & Wakefield- Data Base

Confidential Appendix 3- Project Costs

File No. CV-18-598657-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

DONALD DAL BIANCO

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Respondent

**APPLICATION UNDER SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY
ACT AND SECTION 101 OF THE COURTS OF JUSTICE ACT**

FIRST REPORT OF THE RECEIVER

JUNE 7, 2018

INTRODUCTION

1. On May 31, 2018, pursuant to an order of the Honourable Mr. Justice Wilton-Siegel, made on an application by Donald Dal Bianco (“**Donald**”), Crowe Soberman Inc. was appointed as Receiver (the “**Receiver**”) over the property, assets and undertakings of Deem Management Services Limited (“**Deem Management**”) and the Uptown Inc. (the “**Uptown**”), together (the “**Companies**”). A copy of Justice Wilton-Siegel’s Order dated May 31, 2018 (the “**Receivership Order**”) is attached hereto as **Appendix “A”**.

PURPOSE OF RECEIVER’S FIRST REPORT

2. The Receiver prepared and filed its First Report to the Court (the “**First Report**”) for the primary purpose of:

- a) providing the Court with an update of the actions and activities of the Receiver since its appointment, primarily as it relates to the Receiver's review and recommendations of the marketing and the sales process carried out to date; and in support of the Receiver's motion for an order:
 - a. approving the proposed sales process of the Companies assets (the "**Sale Process**"), and the marketing efforts that have been carried out to date by Cushman & Wakefield ULC ("**C&W**") ; and
 - b. approving the activities of the Receiver described herein.
- b) support the Receiver's request for the approval of the Receiver's First Report and the activities of the Receiver described therein;

TERMS OF REFERENCE

- 3. In developing this Report, the Receiver has relied upon certain unaudited financial information prepared by the Company's management and staff, the Company's books and records and discussions with its management, staff, agents and consultants, including C&W. The Receiver has not performed an audit or other verification of such information. The Receiver expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Receiver in preparing this Report.

BACKGROUND

- 4. Deem Management is a company that has been working for many decades in the Ontario nursing home and retirement home sector. It is the registered owner of the property municipally known as 229 Lexington Road, Waterloo, Ontario (the "**Property**").
- 5. A portion of the Property is vacant land, the remaining land contains an operating nursing home known as the Pinehaven Nursing Home ("**Pinehaven**"). Deem Management's business involves the collection of rent from Pinehaven. Pinehaven is operated by an unrelated third party nursing home business.
- 6. The Uptown operates a presentation centre located on the Property and is engaged in planning related to the redevelopment of the Property as a seniors retirement residence project called the Uptown Residences (the "**Project**"). There is currently no active construction or development work on the Project. The work done to date has primarily

been in the nature of obtaining approvals relative to Phase 1 of the project, and the excavation and installation of caissons necessary for that part of the development. There is consequently a large hole next door to the Pinehaven home at present.

7. Both Deem Management and the Uptown are owned by Rob Dal Bianco (“**Rob**”), who is the sole director of the Companies, and the son of Donald.
8. Maxion Management Services Inc. (“**Maxion**”) is the general contractor on the Project. The Receiver understands that Maxion is owned by Paul Michelin (“**Michelin**”). The Receiver was also advised by counsel for Michelin and Maxion that its clients assert a joint venture ownership claim, is a shareholder in Uptown, and therefor have a beneficiary interest in the Project.
9. The Receiver understands that Maxion was advised to cease construction by Rob in the early winter of 2018. Shortly after construction ceased, various service providers registered construction liens against title to the Property commencing on March 7, 2018 totalling \$7,673,672.48.
10. In addition to the amounts claimed by the construction lien claimants, the Application Record dated May 30, 2018, outlined various mortgages and loans registered against title to the Property which exceed \$20 million.

EARLY MARKETING OF THE PROJECT AND THE PROPERTY

11. Prior to the appointment of the Receiver, the Receiver understands that Maxion held discussions with the C&W Seniors Housing Group in March to assist with arranging an equal equity partner for the Project, in order for construction to continue. Over the course of this engagement C&W presented the Project to various parties in the nursing home industry as operators, lenders, and developers. C&W ceased their efforts at the end of March, and was not successful in locating an interested equal equity partner.
12. The C&W Seniors Housing Group was later approached at the end of March by Deem to locate a purchaser to sell its interest in the Property and the Project. The Receiver was advised by C&W that although it did not enter into a formal listing agreement with Deem

until April 24th, 2018 (the “**Listing**”), it began softly marketing the Project and the Property in early April.

13. The C&W Seniors Housing Group is in a unique position to market and advertise the Property and the Project, as they appear to be one of the few brokerage houses in Canada that has a department established for the needs of the seniors industry. In establishing this group the Receiver understands that C&W has developed a proprietary data base of over 100 stakeholders in the seniors housing industry in Canada that are existing operators, developers, and lenders (the “**C&W Database**”). Prior to the Listing being finalized, the Receiver was advised that C&W received a Letter of Interest (“**LOI**”) from an interested party, but the terms and conditions were not acceptable to Deem and were not signed back.

POST-LISTING MARKETING EFFORTS OF C&W

14. The Receiver has held a series of meetings with C&W to review the marketing efforts carried out to date since the Listing. C&W advised the Receiver that its strategy was to exhaustively canvass the senior housing community by targeting the existing operators, builders, institutional capital and private equity groups that are on the C&W Database, and to utilize other divisions and offices of C&W to assist in the marketing.
15. A summary of the sales and marketing efforts undertaken by C&W is set out below:
 - i. C&W created its own Confidential Information Memorandum (“**CIM**”) and broker blast (the “**Broker Blast**”);
 - ii. The CIM was distributed to the C&W Database and over 70 direct calls were made to introduce the opportunity;
 - iii. C&W initiated internal marketing involving staff from C&W’s Waterloo and Vancouver offices;
 - iv. The CIM and Broker Blast were circulated to C&W’s U.S. Healthcare Practice Group;

- v. C&W had agreed to cooperate with other brokers on the listing, the Broker Blast was circulated to approximately 938 brokers;
- vi. The CIM was circulated to approximately 46 retirement home developers that were not previously contacted directly by C&W;
- vii. The opportunity was marketed through C&W's investor data base which contains over 5,000 parties;
- viii. C&W established and maintained an online data room (the "**Data Room**"), where interested parties could remotely complete their due diligence upon execution of a Non-Disclosure Agreement. The Receiver was advised that the materials in the Data Room include architectural drawings, an appraisal report of Phase One of the Project, building permits, site plan agreements, zoning bylaws, confirmation of fees paid to the City of Waterloo, and environmental and feasibility reports. The Receiver was granted access to review the Data Room;
- ix. C&W advised the Receiver that presently they have provided 23 companies and 29 individuals with access to the Data Room;
- x. The opportunity to purchase the Property is posted on C&W's website;
- xi. C&W placed advertisements in the national edition of the Globe & Mail to appear on June 5th and June 7th;
- xii. C&W toured 4 separate groups through the Property; and
- xiii. C&W has established and marketed a due date for offers of June 12, 2018, at 3:00pm (the "**Due Date**").

Copies of the CIM, the Broker Blast and the responses from the C&W Data Base are attached hereto as **Confidential Appendix "1"**, **Appendix "B"**, and **Confidential Appendix "2"**.

INITIAL FEEDBACK TO THE PROPERTY

16. C&W advised the Receiver that there are some unique factors in marketing the Project. These related to the amount of value that potential purchasers may recognize for the work in place, the scope of the Project, and the location and zoning restrictions.

Work in Place

17. Included in the CIM, is a break-down of the costs associated with the Project and total work in place. To date, approximately \$6.7 million has been spent on construction hard costs, approximately \$7.6 million has been spent on construction soft costs, approximately \$1.7 million has been spent on development management fees, and approximately \$3.6 million has been paid for development charges, permits and fees to the City of Waterloo, for a total of approximately \$19.7 million (the “**Project Costs**”). C&W advised the Receiver that the parties they have marketed the Project to have ascribed varying value to the Project Costs. Details of the Project Costs are attached hereto as **Confidential Appendix “3”**.

Scope of the Project

18. The Project calls for three separate phases of development. Phase One is a six storey building that calls for 95 senior’s apartments and 95 assisted living suites with 35,000 sq. feet of underground parking. Phase One is approved by the City of Waterloo, construction of Phase One had commenced with the excavation work being completed. Phase Two calls for an eight storey building with an additional 140 units. Phase Three calls for a second eight storey building with 173 units and 6,000 square feet available for commercial/retail space. C&W advised the Receiver that the parties they have marketed the Project to have expressed varying views on the value of the three phases of proposed development.

Location and Zoning Restrictions

19. The Property is situated in the Colonial Acres neighborhood of Waterloo, an area that currently has a small amount of retirement residences, but is one of the oldest and most desirable parts of the city, but with less exposure to retail and amenities within walking distance at present. The current zoning of the Property is site specific to redeveloping a

retirement residence. The Property is on hi-density zoned land, with a requirement to be re-zoned if it is not going to be developed for seniors housing. A new site plan which does not include a retirement component will likely require a full zoning amendment, which can take over a year and further delay any development. C&W has advised the Receiver that these issues militate against a purchaser contemplating a development of multi-units for students and families.

RECCOMENDATION OF C&W

20. C&W has advised the Receiver that despite the unique factors in marketing the Property and the Project, there are groups that have been contacted in the existing C&W marketing efforts and who recognize the opportunity to purchase zoned retirement land, with a site plan, building permit, work in place, and significant development fees paid to the City of Waterloo. There is also potential flexibility for a group to modify the plans for Phase 2 and Phase 3 to include multi-unit or commercial space, if re-zoned with the city.
21. Over the series of meetings and discussions with C&W, the Receiver was advised that C&W believes that the highest sale price for the Property and the Project will come from a group that is in the senior care industry, shares the vision of Phase 1, are willing to take Phase 1 as is, and be able to justify some of the Project Costs in an offer to purchase. C&W advised the Receiver that they have had discussions with potential purchasers that meet this criteria.

RECEIVER'S REVIEW OF THE SALES PROCESS

22. The Receiver is cognizant that the Property and the Project are nuanced assets, with a smaller list of potential purchasers than other properties available for sale in Ontario. The Receiver has reviewed in detail the marketing efforts of C&W to date, and is satisfied that they have done a significant amount of work to properly expose the Property and the Project to prospective purchasers, both prior to, and after the Listing was finalized. The Receiver acknowledges that the C&W Senior's Housing Group is in a unique position to continue to market the Property and the Project, due to their expertise in this area, their

extensive knowledge of the Property and the Project, and the market momentum they have acquired since the Listing was finalized.

RECEIVER'S RECOMMENDED SALES PROCESS

23. The Receiver believes that the sales process undertaken by C&W to-date is a worthwhile contribution to realization efforts for the Property and that, with amendment, the Receiver should continue. C&W appears well placed to market the Property to its list of contacts, and the amount of interest generated in a unique asset over the relatively short (since April 24) listing period corroborate that.
24. As C&W has previously advertised the Due Date in its marketing materials, and all potential purchasers are aware of that timeline, C&W should continue to market the Due Date, but should advise parties that offers should be in the form of a non-binding LOI.
25. Due to the nature of the Companies' assets, and the efforts of C&W to date, the Receiver is recommending a two phase sales process which would require interested parties to submit their non-binding LOI's to C&W on the Due Date.
26. In Phase 2 of the proposed process, the Receiver will contact all parties that have submitted an LOI and engage with one or more parties it feels have submitted appropriate offers, and work with them to finalize an offer, in the proper form, it intends to recommend for Court Approval. The Receiver will not accept an offer or recommend it to the Court without either the approval of Institutional Mortgage Capital Canada Inc. and the Applicant or further Order.
27. While Phase 2 takes place, in order to ensure that market exposure for the Property is maximized, C&W will continue to market the Project and the Property for sale, including a listing on MLS, and via the C&W network.
28. During Phase 2 the Receiver will continue to accept expressions of interest prior to finalizing an agreement with the proposed purchaser that the Receiver intends to recommend to the Court, subject to any exclusivity that the Receiver may choose to grant to a proposed purchaser in order to further negotiations. Further marketing efforts will

indicate that LOI's are due on June 12, 2018 or as soon as possible after that time, and that the seller may deal with any potential purchasers at its discretion starting on that date.

29. The primary purpose of this receivership proceeding is to market and sell the Companies' assets in connection with the Property in order to maximize recoveries for all economic stakeholders. The Receiver is of the view that the timeframe is commercially reasonable given the nature of the asset, the marketing efforts done by C&W, and the market of potential purchasers.

RECEIVER'S ACTIVITIES

30. The following is a summary of the Receiver's activities from the date of its appointment:

- a) Shortly following its appointment, the Receiver attended at the Property and the showroom of The Uptown to review and inspect the premises.
- b) The Receiver attended at Pinehaven to advise of the proceeding and their involvement.
- c) The Receiver met with staff of Deem Management in order to collect the monthly rental payments from Pinehaven for the balance of 2018. The Receiver has opened its own trust account for this proceeding.
- d) The Receiver held a series of calls and meetings with C&W Senior's Housing Group to understand the sales process carried out to date.
- e) The Receiver received certain of the Companies available books and records.
- f) The Receiver has dedicated a portion of its website to advise stakeholders of this proceeding.
- g) Drafted the First Report to the Court.

RECEIVER'S REQUEST FOR APPROVAL

31. We submit this First Report to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to:

- a) Approve this First Report, and the activities and actions of the Receiver described herein;
- b) Approve the Sales Process;

All of which is respectfully submitted this 8th day of June 2018

**Crowe Soberman Inc.
in its capacity as Court-appointed
Receiver of Deem Management Services Limited
and The Uptown Inc., and not in its personal capacity**

L. B. Rizari

for

Per: Hans Rizarri CPA, CA, CIRP

Tab A

Court File No.

CV-17-598657-
DOC L

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.
JUSTICE H. J. WILTON-SIBBOLD

WEDNESDAY, THE 30th *May*

DAY OF MAY, 2018



DONALD DAL BIANCO

Applicant

- and -

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondents

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*
and Section 101 of the *Courts of Justice Act*

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 Crowe Soberman Inc. ("Crowe Soberman") as receiver (in such capacity, the "Receiver") without security, of the real property known as 215 and 229 Lexington Road, Waterloo, Ontario N2K 2E1, the legal description of which is further set out in the title search attached hereto and marked as **Schedule "A"** to the Receiver's Certificate (hereinafter referred to as the "Real Property") and all other property, assets and undertakings of Deem Management Services Limited (the "Deem Management") related thereto, and the property, assets and undertakings The Uptown Inc. ("Uptown") (collectively, the "Property"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Donald Dal Bianco, sworn May 27th, 2018, and the exhibits thereto, and, on hearing the submissions of counsel for the Applicant and all other counsel listed on the counsel slip, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Ariyana Botejue, filed;

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, Crowe Soberman is hereby appointed Receiver, without security, of the Property, including all proceeds thereof.

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, in consultation with the Applicant, do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, property managers, real estate agents, brokers, listing agent, counsel and such other persons (each a “**Consultant**”) 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;
- (d) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets as the Receiver deems reasonably necessary in order to carry out the powers conferred on the Receiver in this Order;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Deem Management or Uptown (collectively, the “Debtors”) with respect to the Property, and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors, including, as may be necessary, to collect funds currently or hereafter in the hands of the Debtors or any Person (as defined below) related thereto;
- (f) 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 Debtors, for any purpose pursuant to this Order;
- (g) 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 in consultation with the Applicant;
- (h) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court, 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;

- (i) 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;
- (j) to report to, meet with, consult and discuss with the Applicant and or Institutional Mortgage Capital Canada Inc. ("IMC"), and such other 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;
- (k) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (l) 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 Debtors;
- (m) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any Property owned or leased by the Debtors; and
- (n) 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (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 Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding, against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court. This paragraph 8 shall not prevent IMC from enforcing its rights and remedies, if any, against 209 Lexington Road, Waterloo, Ontario (PIN 22291-0011 LT), including commencing any Proceedings against the Debtors in connection with the same.

9. **THIS COURT ORDERS** that no party other than the Receiver or its Consultants shall advertise, market for sale or sell all or any part of the Property, without the written consent of the Receiver and Applicant, or further order of this Court.

10. **THIS COURT ORDERS** that nothing in paragraph 9, above, shall require Cushman & Wakefield ULC ("C&W") to withdraw any marketing materials in connection with the Property or to delist the Property for sale, provided that, without in any way limiting paragraphs 5 and 6, above, C&W shall provide full disclosure of all information and documents relating to its marketing efforts to the Receiver and that C&W shall further comply with any directions given by the Receiver pending the return of a motion by the Receiver for an order regarding a sales process for the Property, which the Receiver shall bring and make returnable on June 8, 2018 on *Attn:-* no less than three days' notice to the Service List.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against the Debtors, 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 Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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, (iv) prevent the registration of a claim for lien or (v) prevent IMC from enforcing its rights and remedies in respect of the Real Property in the event Deem Management defaults in its obligation to make payments when due with respect to IMC's mortgage of the Real Property with Deem Management (the "**IMC Mortgage**"), upon IMC providing 5 days prior written notice of such default to the Receiver.

NO INTERFERENCE WITH THE RECEIVER

12. **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 Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors 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 Debtors or in respect of the Property 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 Debtors'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 Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. **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

15. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors'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.

PIPEDA

16. **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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **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

18. **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

19. **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, limited to the amount of \$250,000 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.

20. **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

21. **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

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable provided that the outstanding principal amount does not exceed \$500,000 (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: i) the purpose of funding amounts which fall due hereafter under the IMC Mortgage (a "Mortgage Payment Loan") or ii) the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures (a "Expenses Loan"). 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 Mortgage Payment Loan, together with interest and charges thereon (provided the interest is in no event greater than 5% without the consent of IMC), 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. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Subordinate Receiver's Borrowings Charge**") as security for the payment of the Expenses Loan, together with interest and charges thereon, subordinate to the right of IMC pursuant to the IMC Mortgage, but in priority to all other security interests, trusts, liens, charges

and encumbrances, statutory or otherwise, in favour of any Person, and 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 and the Receiver's Borrowing Charge.

23. **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.

24. **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.

25. **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

26. **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.

27. **THIS COURT ORDERS** that the Applicant, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time in accordance with the Protocol, and the Receiver may post a copy of any or all such materials on its website, *at*. 

28. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver be at liberty to serve 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 Debtors's creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or notice 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.

GENERAL

34. **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.

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

36. **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.

29. **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.

37. **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

- 13 -

to be paid by the Receiver from the Debtors's estate with such priority and at such time as this Court may determine.

38. **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.

W. Korn-Wil J.

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

MAY 31 2018

PER/PAR:

NB

SCHEDULE "A"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

THIS IS TO CERTIFY that Crowe Soberman LLP, the receiver (the "**Receiver**") of certain real property registered on title as being owned by Deem Management Services Limited (the "**Debtors**") and that is listed on Schedule "A" hereto (collectively, the "**Real Property**") and of all the assets, undertakings and properties of the Debtors acquired for or used in relation to the Real Property (together with the Real Property, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 30th day of May, 2018 (the "**Order**") made in an action having Court file number •, 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 \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.

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

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. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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.

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 _____, 2018.

CROWE SOBERMAN LLP, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:

Name:

Title:

**SCHEDULE "A" TO THE RECEIVER'S CERTIFICATE
LEGAL DESCRIPTION OF THE REAL PROPERTY**

PIN: 22291-0628 (LT)

Property Description: PT. BLOCK A PLAN 1313, BEING PTS. 1,4,5 ON 58R-6774 & PT.3 ON 58R-2194. S/T EASEMENT IN GROSS OVER PT. 1 ON 58R-17857, AS IN WR853469; CITY OF WATERLOO

Address: 215 and 229 Lexington Road, Waterloo, Ontario, N2K 2E1

DONALD DAL BIANCO

Applicant

and

**DEEM MANAGEMENT SERVICES LIMITED and THE
UPTOWN INC.**

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Appointing Receiver)**

BLANEY MCMURTRY LLP

Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

David T. Ullmann (LSUC #423571)

Tel: (416) 596-4289
Fax: (416) 594-2437

John Wolf (LSUC [insert])

Tel: (416) 596-4289
Fax: (416) 594-2969

Alexandra Teodorescu (LSUC #63889D)

Tel: (416) 596-4279
Fax: (416) 594-2437

Lawyers for the Applicant, Donald Dal Bianco

Tab B

FOR SALE

**215 - 229 LEXINGTON ROAD
WATERLOO, ONTARIO**

**RETIREMENT / RESIDENTIAL DEVELOPMENT LAND
HIGH DENSITY ZONING (450 BEDS/HECTARE)**



CONTACT:

BJ Bhal*

Senior Associate
416 359 2585
bj.bhal@cushwake.com

Dave Kalinowsky*

Associate
416 359 2363
david.kalinowsky@cushwake.com

CUSHMAN & WAKEFIELD ULC

161 Bay Street | Suite 1500
Toronto, ON M5J 2S1
www.cushmanwakefield.com



THE SENIORS HOUSING GROUP

FOR SALE

215 - 229 LEXINGTON ROAD

WATERLOO, ONTARIO



THE OPPORTUNITY:

On behalf of Deem Management Services Ltd., Cushman & Wakefield ULC (“CW”), is pleased to offer for sale a 4.93 acre, high-density development located at 215-229 Lexington Road in Waterloo, Ontario.

DEVELOPMENT OVERVIEW:

- Currently envisioned as 3-phase seniors housing campus with 503 units over 507,000 Sq. Ft.
- Phase 1 proposes 190 units (95 Assisted Living, 95 Seniors Apartments)
- Short return horizon - developer estimates ~ 20 months of construction to complete
- Significant value in work completed to date. Excavation of phase one is complete and full suite of development drawings are available
- 84-bed Pinehaven nursing home, operated by Schlegel Villages, to remain operational during construction of Phase 1, generating lease income to land owner

LAND OVERVIEW:

- Located in affluent Colonial Acres neighborhood
- Excellent visibility from Conestoga Parkway, and direct access to public transit on Lexington Road
- Close proximity to green space (Camelot Park, Lexington Park) and luxury retail (Conestoga Mall) destinations

MARKET OVERVIEW:

The Tri-City area of Waterloo, Kitchener, and Cambridge is the 4th largest metropolitan area in Ontario, with a population of 583,500. Significant growth is forecast, with 185,000 new residents settling over the coming 15 years. Local demand for qualified Assisted / Independent Living specifically is set to increase by 39% over the next 10 years. In addition:

- Northeastern Waterloo is underserved with retirement options in immediate vicinity
- Feasibility report completed in July 2017 projects a DSR of 2.13 for ISL/AL beds and 6.00 for Seniors Apartments in 2019
- Comparable high-end assisted living rents range from \$4,800 to over \$6,000 (1 bedroom)

ZONING:

- Official Plan = City Urban Area
- Site specific zoning bylaw permits 450 beds per hectare for development of retirement/ LTC
- Draft zoning bylaw proposing conversion to Mixed-Use Residential (Final draft expected by June)
- Condo registration possible through Region of Waterloo

OFFERING PRICE:

Unpriced

FOR SALE**215 - 229 LEXINGTON ROAD
WATERLOO, ONTARIO**

Located in Colonial Acres, one of Waterloo's oldest and wealthiest neighborhoods. Average household income within 1 km of the site is \$118k, well above Waterloo average of \$78,000



FOR SALE

215 - 229 LEXINGTON ROAD WATERLOO, ONTARIO



OFFERING GUIDELINES:

- Cushman & Wakefield ULC ("The Advisor") has been retained by Deem Management Services to be the exclusive advisor for the potential disposition of the development site located at 215-229 Lexington Road, Waterloo Ontario (the "Property")
- Following execution of a Confidentiality Agreement ("CA"), interested buyers will be provided with additional property information via access to an online data room

CONTACT:

BJ Bhal*
Senior Associate
416 359 2585
bj.bhal@cushwake.com

Dave Kalinowsky*
Associate
416 359 2363
david.kalinowsky@cushwake.com

CUSHMAN & WAKEFIELD ULC
161 Bay Street | Suite 1500
Toronto, ON M5J 2S1
www.cushmanwakefield.ca

Cushman & Wakefield ULC., Brokerage
CW makes no representations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective purchasers without independent investigation or verification. *Sales Representative

Tab 3

Court File No. CV-18-598657-00CL

DONALD DAL BIANCO

Applicant

and

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced TORONTO

MOTION RECORD
Approval of Sales Process
(returnable June 11, 2018)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto ON M5G 1V2
Fax: 416-597-3370

R. Brendan Bissell (LSUC No. 40354V)
Tel: 416-597-6489
Email: bissell@gsnh.com

Lawyers for the Receiver, Crowe Soberman Inc.

Court File No.: CV-18-598657-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) MONDAY, THE 11TH
)
JUSTICE) DAY OF JUNE, 2018
)

DONALD DAL BIANCO

Applicant
- and -

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondents

ORDER
(Approval of Sale Process)

THIS MOTION made by Crowe Soberman Inc. (“**Crowe**”), in its capacity as receiver (the “**Receiver**”) of Deem Management Services Limited (“**Deem Management**”) and The Uptown Inc. (“**Uptown**” and collectively, the “**Companies**”), for an Order substantially in the form enclosed in the Motion Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Motion Record in respect of this motion, including the notice of motion and the first report of the Receiver dated June 8, 2018 (the “**First Report**”).

AND UPON hearing the submissions of counsel for the Receiver, and no one else appearing for any other person on the service list, although duly served as appears from the affidavit of service of • sworn June • , 2018; filed;

NOTICE AND SERVICE

1. THIS COURT ORDERS that the time for service of the Motion Record in respect of this motion and the First Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

SALE PROCESS

2. THIS COURT ORDERS that the sale process as described in the First Report (the “**Sale Process**”), be and is hereby approved.
3. THIS COURT ORDERS that the Receiver is hereby authorized to carry out the Sale Process and to take such steps and execute such documentation as may be necessary or incidental to the Sale Process.

APPROVAL OF RECEIVER’S REPORT AND ACTIVITIES

4. THIS COURT ORDERS that the First Report and the activities described therein be and are hereby approved.

SEALING

5. THIS COURT ORDERS that Confidential Appendices 1, 2 and 3 are hereby sealed pending the closing of a transaction to sell the Property (as defined in the First Report) and the filing of a Receiver’s Certificate.

MISCELLANEOUS

6. THIS COURT ORDERS AND REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province to act in aid of and to be complementary to this Court 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 as may be necessary or desirable to give effect to the Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Tab 4

Court File No. CV-18-598657-00CL

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

B E T W E E N:

DONALD DAL BIANCO

Applicant

- and -

DEEM MANAGEMENT SERVICES LIMITED and THE UPTOWN INC.

Respondents

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*
and Section 101 of the *Courts of Justice Act*

**SERVICE LIST
(as of June 7, 2018)**

TO: **BLANEY MCMURTRY LLP**
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

David T. Ullmann
Tel: (416) 596-4289
Fax: (416) 594-2437
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Applicant

and

Court File No. CV-18-598657-00CL
**DEEM MANAGEMENT SERVICES LIMITED and THE
UPTOWN INC.**
Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced TORONTO**

**ORDER
(Approval of Sale Process)**

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