



COURT FILE NUMBER

1901-10871

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

COM
June 7, 2021
Justice Jones

APPLICANT

BANK OF MONTREAL

RESPONDENTS

UWAMS SUPPORTIVE LIVING LTD., MAXWELL UWAGA
AND CAROL UWAGA

DOCUMENT

**SECOND REPORT OF THE COURT APPOINTED RECEIVER
AND MANAGER OF UWAMS SUPPORTIVE LIVING LTD.****DATED MAY 31, 2021****PREPARED BY DELOITTE RESTRUCTURING INC.**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**Counsel**Dentons Canada
Suite 1500, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Attention: Derek Pontin

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Email: derek.pontin@dentons.com

File No.: 131048-101

ReceiverDeloitte Restructuring Inc.
700, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Attention: Ryan Adlington / Naomi McGregor

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Introduction and background

1. UWAMS is a private corporation incorporated in the Province of Alberta on March 6, 2009 and is owned by Maxwell Uwaga (30%), Carol Uwaga (30%), Ndubisi Uwaga (30%), Kanayo Uwaga (5%), and Amanda Uwaga (5%) (collectively the "**Uwagas**"). The Company operated a supportive living care facility for seniors and adults who need assistance with their daily activities and is licensed with Alberta Health Services ("**AHS**").
2. UWAMS is located in the owned premises at 9504 2 Street SE, Calgary, Alberta (the "**Premises**"). The Premises was renovated with 12 bedrooms and six washrooms for residents and 24-hour health care staff. UWAMS was able to accept up to 10 residents. At the Date of Receivership there were six (6) residents at UWAMS.
3. On October 11, 2019 (the "**Date of Appointment**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as interim receiver (the "**Interim Receiver**"), without security, of all the assets, undertakings, and properties of every nature and kind, including all proceeds (the "**Property**") of UWAMS Supportive Living Inc. ("**UWAMS**", the "**Company**" or the "**Debtor**") pursuant to the Order of the Court of Queen's Bench of Alberta (the "**Court**") dated October 11, 2019 (the "**Interim Receivership Order**").
4. On October 30, 2019 and December 2, 2019, the Interim Receiver filed its first and second report with the Court (the "**First Interim Receiver's Report**" and the "**Second Interim Receiver's Report**", respectively) which described, among other things, the Interim Receiver's activities and the Company's ongoing operations.
5. On November 8, 2019 and December 12, 2019, this Honourable Court extended the Interim Receivership Order pursuant to two continuation orders (the "**November 8 Order**" and "**December 12 Order**", respectively and together the "**Continuation Orders**") to provide the Debtor time to find alternative financing or other solutions that were acceptable to its primary secured lender, the Bank of Montreal ("**BMO**").
6. On January 17, 2020, the Interim Receiver issued its third report to the Court (the "**Third Interim Receiver's Report**") in support of the January 23, 2020 application to, among other things, appoint a receiver and manager over all the Property of UWAMS.
7. On January 23, 2020 (the "**Date of Receivership**") Deloitte was appointed by order of the Court (the "**Receivership Order**") as the receiver and manager (the "**Receiver**"), without security, of the Property of UWAMS.
8. On March 17, 2021, the First Report of the Receiver (the "**First Report**") along with the confidential supplement of the First Report (the "**Confidential Supplement**") was filed, and on March 26, 2021 a further Supplemental Report was filed, all in support of the Sale Approval and Vesting Order (the "**Sale and Vesting Order**") pronounced on March 26, 2021, approving the sale for the UWAMS Property to Closer to Home Community Services Society (the "**CHCS**"). The Sale and Vesting Order is attached hereto as **Appendix "A"**.
9. As previously mentioned, UWAMS' primary secured lender is BMO, which was owed approximately \$1.1 million from the Debtors (the "**BMO Indebtedness**") at the Date of Receivership. BMO holds security over all of the Debtors' present and after acquired personal property (the "**BMO Security**").
10. The Interim Receivership Order and the Receivership Order, together with related Court documents, the Interim Receiver's Reports, the First Receiver's Report, and this second report (the "**Second Report**") have been posted on the Receiver's website (the "**Receiver's Website**") at www.insolvencies.deloitte.ca/en-ca/Uwams.
11. Unless otherwise provided, all other capitalized terms not defined in this Second Report are as defined in the Receivership Order and First Report.

Purpose

12. The purpose of this Second Report is to:

- a) Provide the Court with an update of the Receiver's activities since the date of the First Report; and
- b) Respectfully recommend that this Honourable Court:
 - i. Approve the activities, fees, and disbursements of the Receiver as described in this Second Report, including the payment of estimated fees to be incurred up to the completion of the administration of the estate as set out herein and, without limitation, the steps taken by the Receiver pursuant to the Receivership Order;
 - ii. Approve the fees of the Receiver's legal counsel including the payment of estimated fees to be incurred up to the completion of the administration of the estate, as set out herein;
 - iii. Approve the Receiver's Statement of Receipts and Disbursements for the period from January 23, 2019 to May 27, 2021 (the "**SRD**") attached hereto as **Appendix "B"**;
 - iv. Approve the final distribution of funds to BMO as the primary secured creditor of UWAMS;
 - v. Approve the Assignment Agreement entered into by the Receiver, attached hereto as **Appendix "C"**;
 - vi. Approve the discharge of the Receiver after disbursement of all funds held and concluding all administrative matters, subject only to the potential Shareback (defined herein); and
 - vii. Provide such further and other relief that the Court considers just and warranted in the circumstances

Terms of reference

- 13. In preparing this Second Report, the Receiver has relied upon unaudited financial information prepared by the Debtors' management ("**Management**"), the Debtors' books and records, and discussions with Management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this Second Report.
- 14. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the Second Report. Any use, which any party makes of the Second Report, or any reliance or decision to be made based on the Second Report, is the sole responsibility of such party.
- 15. All dollar amounts in this Second Report are in Canadian dollars, unless otherwise indicated.

Receiver's Activities

16. Since the date of the First Report, the Receiver has undertaken and performed the following activities:
- a) Corresponded with various creditors, service providers and interested parties with respect to the receivership proceedings;
 - b) Continued to monitor and maintain the vacant Premises until the sale of the Property to CHCS concluded;
 - c) Completed the transition of the Property to CHCS and closed the sale of the Property effective April 13, 2021;
 - d) Terminated the License Agreement with CHCS and returned the security deposit;
 - e) Addressed insurance matters, including policy renewals, settling outstanding claims, and terminating the policy upon the closing of the sale of the Property;
 - f) Corresponded with the Uwagas' legal counsel with respect to a potential claim of UWAMS, discussed below;
 - g) Prepared, reviewed and finalized the Second Report; and
 - h) Addressed additional matters of a general and specific nature as they arose from time to time.

Closing of the sale and return of the deposit

17. Following the granting of the Approval and Vesting Order, the sale of the Premises was completed and the title to the lands has vested in CHCS.
18. It was a term of the CHSC APA that CHCS be permitted to access and commence renovation work on the Premises prior to closing and possession. The Receiver took a security deposit from CHCS in connection with the License Agreement, which became releasable back to CHCS after the closing of the sale.
19. The sale has closed, and the security deposit has been released and paid back to CHCS.

Insurance claim

20. On February 17, 2021, the Receiver initiated an insurance claim as a result of significant water loss damage to the Premises due to a boiler failure causing freezing and plumbing damages. The Receiver negotiated a settlement of the insurance claim for approximately \$28,000, which was paid to CHCS pursuant to the assignment of such funds included in the CHCS APA.

Assignment of UWAMS claim and potential litigation

21. Shortly before, and unrelated to, the closing of the sale of the Premises, the Receiver was contacted by counsel for the Uwagas and was advised the Uwagas have observed grounds to substantiate a claim on behalf of UWAMS, which could result in litigation and damages being payable to the UWAMS' estate. The claim includes allegations of unlawful interference with economic relations, conspiracy, defamation, and related business torts, alleged against Alberta Health Services ("**AHS**") (hereafter, the "**Claim**"). The Uwagas, with assistance of counsel, are presently reviewing the matter and undertaking preliminary investigations.

22. The Receiver has considered the possibility of the estate pursuing the Claim and determined the Claim is speculative. The Claim can likely only be monetized through litigation, which the Receiver views as likely to be lengthy and expensive. The Receiver is aware a positive result would not be assured, even if litigation to support the Claim is commenced. The Receiver does not view the pursuit of this litigation by the estate as being reasonable at this juncture.
23. Whereas the Receiver does not consider it to be commercially reasonable for the Receiver to pursue the Claim, the Receiver understands the Uwagas are inclined to pursue the Claim on behalf of themselves and UWAMS. The Uwagas are current or former directors of UWAMS, are creditors of UWAMS (through loans owing to shareholders) and have particular (including historical) knowledge that may assist them in pursuing and monetizing the Claim. The Uwagas have provisionally agreed to an assignment of the claim for \$1.00 plus a shareback of a percentage of net proceeds to the estate, should the Claim be successful.
24. The Receiver is supportive of the assignment of the Claim to the Uwagas for the following reasons:
 - a) the Receiver is not in a strong position to monetize the Claim, particularly given the anticipated significant cost that would need to be incurred by the Receiver to gather the necessary historical and present information to commence litigation and pursue the matter;
 - b) the Uwagas have an existing commercial interest in the Claim, including as equity stakeholders and creditors of UWAMS;
 - c) the Uwagas are well-positioned to pursue the Claim, particularly given their personal knowledge of the Claim;
 - d) the proposed shareback to the estate is directly beneficial to estate creditors;
 - e) the proposed shareback, in the Receiver's view, is commercially reasonable; and
 - f) the proposed assignment supports the interests of a broad contingent of stakeholders, including BMO, unsecured creditors, UWAMS and the Uwagas.
25. The Receiver notes a public sale process has not been undertaken with respect to the Claim, but the Receiver does not view the Claim as an asset of the estate that could reasonably be monetized in such a manner.
26. The proposed shareback percentage is fifty percent (50%) of net proceeds of the Claim. Proceeds would include funds received by way of any demand, litigation, settlement or otherwise. Proceeds would be net only of the legal fees and disbursements incurred by legal counsel pursuing the Claim on behalf of the Uwagas.
27. The percentage of the shareback appears reasonable to the Receiver, given the uncertainty of the matter, amount of work that is anticipated to be required, lack of available market for immediate sale of the Claim, and the inability of the Receiver to pursue the matter itself.
28. The terms of the proposed Assignment are set out in the form of Assignment Agreement attached hereto as **Appendix "C"**. In the event of a shareback, the Receiver's discharge would be subject to the Receiver's authority to administer and distribute the shareback proceeds to creditors on a priority basis, without necessity of reappointment or further order.
29. The Receiver relies upon this Report and its concurrent application for discharge as notice to the parties that are subject of the proposed Assignment.

Fees and disbursements of the Receiver

30. The Receiver's professional fees are calculated based on hours spent at rates established by each professional based on their qualifications and experience.
31. The Receiver's fees and disbursements in relation to the administration of the Receivership up to and including May 21, 2021 total approximately \$92,000 (excluding GST). This total comprises four (4) interim invoices for the period January 23, 2020 to May 21, 2021. The Receiver estimates additional costs to complete the receivership administration of approximately \$15,000 (excluding GST).
32. In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to required and necessary duties of the Receiver hereunder and are fair and reasonable in the circumstances. A summary of the invoices is attached hereto as **Appendix "D"**.

Fees and disbursements of legal counsel

33. The Receiver's legal counsel's cumulative fees and disbursements on this matter total approximately \$64,000 (excluding GST) to May 21, 2021. This total comprises five (5) interim invoices totalling approximately \$52,000 (excluding GST) for the period January 23, 2020 to April 21, 2021, work-in-progress of \$6,000 (excluding GST), and estimated costs to complete these receivership proceedings of \$6,000 (excluding GST).
34. The accounts of the Receiver's legal counsel are calculated based on hours spent at rates established by each professional based on their qualifications and experience. The Receiver is of the opinion that legal counsel's fees are fair, reasonable and appropriate in the circumstances. A summary of the invoices is attached hereto as **Appendix "E"**.

Statement of Receipts and Disbursements

35. The Receiver has prepared the SRD for the period of January 23, 2020 to May 27, 2021, attached as **Appendix "B"**, which outlines the administration of the receivership. Total receipts were approximately \$912,000 and total disbursements were approximately \$318,000. It is anticipated that a final distribution in the amount of approximately \$565,000 will be made to BMO.

Remaining Activities and Discharge of Receiver

36. The Receiver has concluded the majority of its administration of the receivership. The remaining tasks to conclude the receivership proceedings are as follows:
 - a) Settle any remaining estate liabilities and payment of professional fees in the discretion of the Receiver;
 - b) Prepare a final statutory report and file same with the Office of the Superintendent of Bankruptcy in accordance with subsection 246(3) of the Bankruptcy and Insolvency Act; and
 - c) Close the Receiver's trust accounts.
37. Other than the matters addressed in this Second Report, the Receiver has completed its administration of the estate in accordance with the terms of the Receivership Order and the various other orders rendered by the Court in the course of this proceeding. The Receiver is not aware of its services being required for any further purpose other than as set out herein.
38. Accordingly, the Receiver is seeking its discharge which will be effective upon completion of the remaining tasks outlined in paragraph 35 above.

Conclusions and Recommendations

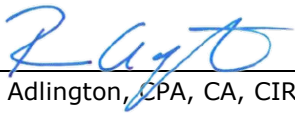
39. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in section 12 b) of this Second Report and such further and other relief as this Honourable Court deems appropriate in the circumstances.

* * *

All of which is respectfully submitted at Calgary, Alberta this 31st day of May 2021.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as Court-appointed Receiver and Manager
of UWAMS Supportive Living Ltd.
and not in its personal or corporate capacity

Per:



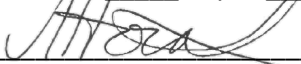
Ryan Adlington, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix "A"

I hereby certify this to be a true copy of
the original Order

45035

Dated this 26 day of March, 2021



for Clerk of the Court

Clerk's Stamp: 



COURT FILE NUMBER

1901-10871

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

THE BANK OF MONTREAL

RESPONDENTS

UWAMS SUPPORTIVE LIVING LTD., MAXWELL

UWAGA and CAROL UWAGA

DOCUMENT

SALE APPROVAL AND VESTING ORDER

(Sale by Receiver)

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

DENTONS CANADA LLP

1500, 850 – 2nd St SW

Calgary, Alberta T2P 0R8

Attn: Derek Pontin

Ph: (403) 268-6301

Fx: (403) 268-3100

DATE ON WHICH ORDER WAS PRONOUNCED: **March 26, 2021**

LOCATION WHERE ORDER WAS PRONOUNCED: **Calgary, Alberta**

NAME OF JUSTICE WHO MADE THIS ORDER: **The Honourable Justice D.B. Nixon**

UPON THE APPLICATION by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of Uwams Supportive Living Ltd. (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 Closer to Home Community Services Society (the "**Purchaser**") dated March 11, 2021 and appended to the Report of the Receiver dated March 15, 2021 and Confidential Supplement dated March 15, 2021 (together, the "**Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated January 23, 2020 (the "**Receivership Order**"), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser, Bank of Montreal, and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF SALES PROCESS AND TRANSACTION

2. The sales process undertaken by the Receiver as described in the Report is commercially reasonable and is approved.
3. The Transaction is hereby approved and 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 completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

4. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
 - (d) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

5. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title No. 131 148 847 for those lands and premises legally described as:

PLAN 577JK
BLOCK 45
LOT 24
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "Lands")

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, Closer to Home Community Services Society;
- (iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule "C"**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule "C"**; and
- (iv) discharge and expunge the Encumbrances listed in **Schedule "B"** to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;

- (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
6. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
7. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
8. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
9. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from 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. In the Receiver's sole discretion, unless otherwise ordered by this Court, the Receiver may make distributions of net proceeds to Bank of Montreal, subject to such holdbacks as the Receiver deems appropriate for purposes of payments to Canada Revenue Agency, repayment of amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order (if any), and payment of the Receiver's final professional fees and costs and those of its legal counsel.

10. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
11. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
12. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
13. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
14. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

15. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal or provincial statute,


the vesting of the Purchased Assets in the Purchaser (or its nominee) 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 transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or

other reviewable transaction under the BIA 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.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.
18. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at:
<https://www.insolvencies.deloitte.ca/en-ca/Pages/Uwams-Supportive-Living-Ltd.aspx?searchpage=Search-Insolvencies.aspx>

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of Queen's Bench of Alberta

Schedule "A" to the Sale Approval and Vesting Order
Form of Receiver's Closing Certificate

Clerk's Stamp:

COURT FILE NUMBER	1901-10871
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	THE BANK OF MONTREAL
RESPONDENTS	UWAMS SUPPORTIVE LIVING LTD., MAXWELL UWAGA and CAROL UWAGA
DOCUMENT	RECEIVER'S CLOSING CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DENTONS CANADA LLP 1500, 850 – 2 nd St SW Calgary, Alberta T2P 0R8 Attn: Derek Pontin Ph: (403) 268-6301 Fx: (403) 268-3100

RECITALS

- A. Pursuant to an Order of the Honourable Justice Jones of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated January 23, 2020, Deloitte Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of UWAMS Supportive Living Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated March 26, 2021, the Court approved the agreement of purchase and sale made as of March 11, 2021 (the "**Sale Agreement**") between the Receiver and Closer to Home Community Services Society (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 by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 6.1, 6.2 and 6.3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received 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 sections 6.1, 6.2 and 6.3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); 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]**.

DELOITTE RESTRUCTURING INC., in its capacity as Court-appointed receiver and manager of the undertakings, property and assets of UWAMS SUPPORTIVE LIVING LTD., and not in its personal or corporate capacity.

Per; _____

Name:

Title:

Schedule "B" to the Sale Approval and Vesting Order
Encumbrances

<u>Registration Number</u>	<u>Date</u> (Day/Month/Year)	<u>Particulars</u>
151 246 595	23/09/2015	MORTGAGE MORTGAGEE - BANK OF MONTREAL. 6550 MACLEOD TRAIL SW CALGARY ALBERTA T2H0K6 ORIGINAL PRINCIPAL AMOUNT: \$620,000
171 209 843	19/09/2017	AMENDING AGREEMENT AMOUNT: \$1,200,000 AFFECTS INSTRUMENT: 151246595

Schedule "C" to the Sale Approval and Vesting Order
Permitted Encumbrances

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other person and any implied conditions set out in s.61 of the *Land Titles Act* (Alberta) as amended, replaced or restated from time to time;
2. All rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Lands in any manner;
3. Rights of expropriation, access or use or any similar right conferred or reserved by or in any statute of Alberta or Canada;
4. Applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements;
5. Any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land (including easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables) that are not financial encumbrances;
6. Any Encumbrances permitted by an order of the Court and acceptable to the Purchaser;
7. The following specific instruments registered against the title(s) to the Lands:

Instrument Number

Particulars

Nil.

Appendix “B”

**IN THE MATTER OF THE RECEIVERSHIP OF
UWAMS SUPPORTIVE LIVING LTD.
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 23, 2020 TO MAY 27, 2021**

	Total (\$)
Receipts	
Sales proceeds	744,732
Receiver's Certificates	128,000
Cash on Hand	25,710
Self Managed Care & Rent	10,850
Insurance Refund	1,958
WCB Refund	845
Interest	18
Total Receipts	912,113
Disbursements	
Receiver's Fees	92,133
Third party management and care giver fees	44,342
Transfer to Interim Receiver	51,253
Maintenance	29,691
Insurance	15,771
Legal	52,196
Property taxes	12,576
GST	9,619
Operating Expenses	6,420
Utilities	4,333
Locks	85
Filing fees paid to Official Receiver	70
Total Disbursements	318,487
Estate Balance as at May 25, 2021	593,626
Accrued professional fees	
Receiver's fees	(15,000)
Legal fees	(12,000)
GST on professional fees	(1,350)
Final distribution to BMO	(565,276)
Estimated surplus (deficit)	-

Appendix “C”

ASSIGNMENT AGREEMENT

THIS AGREEMENT IS MADE EFFECTIVE THE ____ DAY OF ____, 2021 AMONG:

**DELOITTE RESTRUCTURING INC., in its capacity as Court-appointed receiver
and manager of UWAMS Supportive Living Ltd.**

(the “**Assignor**”)

-and-

MAXWELL UWAGA and CAROL UWAGA

(together, the “**Assignee**”)

WHEREAS:

- A. The Assignor is Court-appointed receiver and manager of all property and undertaking of UWAMS Supportive Living Ltd. (the “**Debtor**”).
- B. The Debtor possesses rights including a chose in action relating to a claim against Alberta Health Services (and/or its affiliates) for, among other things, unlawful interference with economic relations, conspiracy, defamation, and related business torts (the “**Claim**”).
- C. The Assignee has requested that the Assignor assign absolutely to the Assignee all of the right, title and interest of the Debtor in and to the Claim.
- D. The Assignor has agreed to the assignment to the Assignee all of its rights and interest in the Claim, on the terms set out herein.
- E. The Assignee appears to be legitimately interested in the Claim as both a creditor and shareholder of the Debtor.
- F. The proposed assignment appears to be in the best interest of the Assignor and Assignee and commercially reasonable in the circumstances.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

ARTICLE 1 INTERPRETATION

- 1.1 The recitals form an integral part of this Agreement and the parties agree that the recitals are true and correct in all respects, to the best of their respective knowledge, information and belief.
- 1.2 Words importing the singular include the plural and vice versa; and words importing gender include all genders.

- 1.3 This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. All references to currency are to Canadian currency.
- 1.4 The Article and section headings contained in this Agreement are not intended to be full or accurate descriptions of the contents thereof.

ARTICLE 2

ASSIGNMENT OF ASSIGNED RIGHTS

- 2.1 In consideration of the payment of \$1.00, the receipt and sufficiency of which is hereby acknowledged, and the payment of the Shareback Amount (defined below), the Assignor hereby bargains, sells, assigns, transfers and sets over absolutely unto the Assignee all of the right, title and interest of the Debtor in and to the Claim.
- 2.2 The Assignee acknowledges it is acquiring the Claim on "as is, where is" basis and that there is no representation, warranty or covenant, express or implied, of any kind by the Assignor, without limitation including with respect to the feasibility, collectability, title, validity, enforceability or suitability for any purpose of the Claim.
- 2.3 The Assignee covenants and agrees:
- a) it will take reasonable steps to pursue and realize upon the Claim;
 - b) it will report to the Receiver periodically, and in any event not less than annually or about the date of court-approval of this Agreement, as to the progress of pursuit and realization upon the Claim;
 - c) in the event proceeds from the Claim, without limitation including any monies or value realized by way of demand, litigation, judgment, settlement, payment, resolution or otherwise ("**Proceeds**"), are obtained by the Assignee (or any successor or further assign of the Assignee), the Assignee shall forthwith advise the Receiver of the amount of Proceeds recovered;
 - d) the Assignee's legal fees and disbursements shall be paid first from Proceeds and the balance thereafter ("**Net Proceeds**") will be divided equally among the Assignee and Assignor (the Assignor's 50% share of Net Proceeds herein referred to as the "**Shareback Amount**");
 - e) the Assignee will forthwith pay to the Receiver the Shareback Amount .

ARTICLE 3

GENERAL

- 3.1 Each provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the validity of the remainder hereof.
- 3.2 This Agreement is subject to and not effective until Court approval.
- 3.3 Time shall be of the essence hereof.
- 3.4 This Agreement shall enure to the benefit of each of the parties hereto and their respective successors and assigns and shall remain binding on the successors and assigns of the parties hereto.
- 3.5 This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and may not be amended or modified in any respect except by written instrument signed by the parties. This Agreement may be executed in any number of counterparts, all of which shall, collectively, constitute one Agreement. This Agreement may be executed and delivered by any one or more of the parties by transmitting a copy of this Agreement (executed by such delivering party) by e-mail or similar means of electronic communication.
- 3.6 This Agreement is made in and shall be governed by the laws of the Province of Alberta.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the effective date stated herein.

**DELOITTE RESTRUCTURING INC.,
in its capacity as Court-appointed
receiver and manager of UWAMS
Supportive Living Inc.**

MAXWELL UWAGA

CAROL UWAGA

Appendix “D”

**IN THE MATTER OF THE RECEIVERSHIP OF
UWAMS SUPPORTIVE LIVING LTD.
SUMMARY OF RECEIVER'S FEES
AS AT MAY 27, 2021**

Invoice	Date	Fees	Disbursements	GST	Total	Paid	Outstanding Balance
Interim Receivership							
Deloitte - INV8000908479	6-Dec-19	19,342.50	-	967.13	20,309.63	(20,309.63)	-
Deloitte - INV8001048579	5-Mar-20	12,455.00	-	622.75	13,077.75	(13,077.75)	-
Total Interim Receivership		31,797.50	-	1,589.88	33,387.38	(33,387.38)	-
Receivership							
Deloitte - INV8001048577	6-Mar-20	19,625.02	-	981.25	20,606.27	(20,606.27)	-
Deloitte - INV8001324586	18-Aug-20	37,197.50	-	1,859.88	39,057.38	(39,057.38)	-
Deloitte - INV8001622263	19-Feb-21	12,615.00	-	630.75	13,245.75	(13,245.75)	-
Deloitte - INV8001861129	12-May-21	22,695.00	-	1,134.75	23,829.75	(23,829.75)	-
<i>Estimated costs to complete</i>		<i>15,000.00</i>	<i>-</i>	<i>750.00</i>	<i>15,750.00</i>	<i>-</i>	<i>15,750.00</i>
		107,132.52	-	5,356.63	112,489.15	(96,739.15)	15,750.00

Appendix “E”

**IN THE MATTER OF THE RECEIVERSHIP OF
UWAMS SUPPORTIVE LIVING LTD.
SUMMARY OF RECEIVER'S LEGAL COUNSEL'S FEES
AS AT MAY 27, 2021**

Invoice	Date	Fees	Disbursements	GST	Total	Paid	Outstanding Balance
Interim Receivership							
Dentons - Invoice 3451342	30-Aug-19	3,961.00	1.80	198.14	4,160.94	(4,160.94)	-
Dentons - Invoice 3465999	15-Nov-19	6,726.00	201.30	346.37	7,273.67	(7,273.67)	-
Dentons - Invoice 3477518	31-Dec-19	2,695.00	25.20	136.01	2,856.21	(2,856.21)	-
Dentons - Invoice 3486168	31-Jan-20	3,404.50	-	170.23	3,574.73	(3,574.73)	-
Total Interim Receivership		16,786.50	228.30	850.75	17,865.55	(17,865.55)	-
Receivership							
Dentons - Invoice 3486168	31-Jan-20	9,079.50	48.99	456.42	9,584.91	(9,584.91)	-
Dentons - Invoice 3493136	29-Feb-20	2,500.00	1.89	125.09	2,626.98	(2,626.98)	-
Dentons - Invoice 3501581	31-Mar-20	516.50	0.90	25.88	543.28	(543.28)	-
Dentons - Invoice 3505984	30-Apr-20	4,220.00	-	211.00	4,431.00	(4,431.00)	-
Dentons - Invoice 3580552	21-Apr-21	35,639.50	188.70	1,791.42	37,619.62	(37,619.62)	-
<i>Work-in-progress</i>		6,000.00	-	300.00	6,300.00	-	6,300.00
<i>Estimated costs to complete</i>		6,000.00	-	300.00	6,300.00	-	6,300.00
		63,955.50	240.48	3,209.82	67,405.80	(54,805.80)	12,600.00