

COURT FILE NUMBER 1701-07646
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF CONNECT FIRST CREDIT UNION

Clerk Stamp:

DEFENDANTS LREIT HOLDINGS 34 CORPORATION, LANESBOROUGH REAL ESTATE INVESTMENT TRUST, CHARLES K. LOBWEEN, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST, ARNI C. THORSTEINSON, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST and EARL S. COLEMAN, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST

DOCUMENT APPLICATION

Burnet, Duckworth & Palmer LLP
2400, 525 – 8 Avenue SW
Calgary, Alberta T2P 1G1
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Lawyer: David LeGeyt / Ryan Algar
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File No. 050164-12

NOTICE TO RESPONDENT

This application is made against you. You are a Respondent.

You have the right to state your side of the matter before a master/judge.

The application will be heard as shown below:

DATE: April 8, 2022
TIME: 11:00 AM
WHERE: Calgary Courts Centre, via Webex –
BEFORE WHOM: The Honourable Justice E.J. Sidnell

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as Court-appointed receiver and manager (in such capacity, the "**Receiver**") of LREIT Holdings 34 Corporation (the "**Debtor**") and of the beneficial interest of Lanesborough Real Estate Investment Trust ("**Lanesborough**" and together with the Debtor, the "**Receivership Entities**") in the "Property" as defined in the Amended and Restated Consent Receivership Order granted April 17, 2019 (the "**Amended Receivership Order**"), seeks an Order (the "**Administrator Discharge Order**"):
 - (a) if necessary, abridging the time for service of this Application and deeming service good and sufficient;
 - (b) approving the activities of the Receiver in such capacity and in its capacity as the administrator (in such capacity, the "**Administrator**") of Condominium Corporation No. 1820957 (the "**Condo Corp**") as further described in the Sixth Report of the Receiver dated March 30, 2022 (the "**Sixth Report**");
 - (c) approving the fees of A&M as Receiver and Administrator and the fees of its counsel;
 - (d) granting the discharge of the Administrator upon the conclusion of the remaining specified and administrative duties as described in the Sixth Report; and
 - (e) granting A&M leave to apply or reapply to this or any court or administrative body in any province of Canada for advice, assistance and directions as may be necessary to carry out the terms of the Order sought.
2. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this Application:

3. On February 28, 2019, Connect First Credit Union ("**Connect First**") sought and obtained a Consent Receivership Order appointing the Receiver (the "**Consent Receivership Order**").
4. Subsequently, the Receiver sought and obtained the Amended Receivership Order, which, among other things, corrected an error in the description of the Property in the Consent Receivership Order and appointed the Receiver as Administrator pursuant to section 58 of the *Condominium Property Act*, RSA 2000 c C-22 (the "**CPA**") until further Order of the Court.
5. Pursuant to its appointment as Administrator and the provisions of the Amended Receivership Order:
 - (a) the Receiver was empowered and authorized to manage the affairs of the Condo Corp, in all respects under the *CPA*; and
 - (b) the Receiver was not obligated to, among other things, hold an annual general meeting, set a budget or prepare a reserve fund study as required by s. 30 of the *CPA*.

Transaction

6. With the assistance of Avison Young Commercial Real Estate Services LP as its agent, the Receiver undertook and completed a marketing process in respect of the land, building and collateral located at 230 Wilson Drive, Fort McMurray, Alberta.
7. The transaction resulting from the court-approved marketing process (the "**Transaction**") was approved by this Court on November 25, 2021 and was subject to an Ex Parte Amending Order dated February 7, 2022.
8. The Transaction closed on March 15, 2022 and thus the purchaser, 238770 Alberta Ltd., has acquired all of the Receivership Entities' interest in the Property.

Discharge of Administrator

9. The discharge of the Administrator as proposed is just, appropriate and in the best interest of the administration of the receivership estate and the stakeholders affected thereby.
10. The terms as set out in the Administrator Discharge Order are necessary to effect the discharge of the Administrator as contemplated herein.
11. The Receiver has substantially completed all of its duties in its capacity as Administrator.
12. All of the actions in respect of the fees and disbursements incurred by the Receiver and its legal counsel during the course of the administration of the within proceedings are reasonable, have been validly incurred in connection with the conduct of the Receiver's obligations herein, and have now been or are about to be completed.
13. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

14. All pleadings and proceedings filed in the within action.
15. The Sixth Report of the Receiver, dated March 30, 2022.
16. The proposed Discharge Order.
17. The inherent jurisdiction of this Honourable Court to control its own process.
18. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

19. Rules 1.3, 6.3(1), 6.47(e) and (f), 6.9(1)(a), 11.27, 11.29, 13.5, and such further and other Rules as counsel may advise and that this Honourable Court may permit.

Applicable Acts and regulations:

20. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, the *Judicature Act*, RSA 2000, c J-2, as amended, the *Condominium Property Act*, RSA 2000 c C-22, and such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

Any irregularity complained of or objection relied on:

21. None.

How the Application is proposed to be heard or considered:

22. April 8, 2022 before Justice E.J. Sidnell on the Commercial List via Webex.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the materials to the Applicant.

SCHEDULE "A"

Discharge Order

See Attached

COURT FILE NUMBER 1702 – 07646

Clerk's Stamp:

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTFF CONNET FIRST CREDIT UNION

DEFENDANTS LREIT HOLDINGS 34 CORPORATION, LANESBOROUGH REAL ESTATE INVESTMENT TRUST, CHARLES K. LOEWEN, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST, ARNI C. THORSTEINSON, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST and EARL S. COLEMAN, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST

DOCUMENT **DISCHARGE ORDER (DISCHARGE OF ADMINISTRATOR)**

ADDRESS FOR
SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Burnet, Duckworth & Palmer LLP
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Email Address: dlegeyt@bdplaw.com / ralgar@bdplaw.com
File No. 050164-12

DATE ON WHICH ORDER WAS PRONOUNCED: April 8, 2022

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice E.J. Sidnell

LOCATION OF HEARING: Calgary Courts Centre (via Webex)

UPON THE APPLICATION of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as Court-appointed receiver and manager (in such capacity, the "**Receiver**") of LREIT Holdings 34 Corporation (the "**Debtor**") and of the beneficial interest of Lanesborough Real Estate Investment Trust ("**Lanesborough**") and together with the Debtor, the "**Receivership Entities**") in the "Property" as defined in the Amended and Restated Consent Receivership Order granted April 17, 2019 (the "**Amended Receivership Order**");

AND UPON being advised that the Receiver was appointed as by this Court as the administrator (the "**Administrator**") of Condominium Corporation 1820957 (the "**Condo Corp**") pursuant to the terms of the Amended Receivership Order;

AND UPON having read the Receiver's Sixth Report dated March 30, 2022 (the "**Sixth Report**");

AND UPON hearing counsel for the Receiver and counsel for any other parties present; **AND UPON** being satisfied that it is appropriate to do so, **IT IS HEREBY ORDERED THAT:**

Service

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and 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 Activities, Fees & Disbursements

2. The Receiver's accounts for fees and disbursements, as set out in the Sixth Report are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver's legal counsel Burnet, Duckworth & Palmer LLP, for its fees and disbursements, as set out in the Sixth Report are hereby approved without the necessity of a formal assessment of its accounts.
4. The Receiver's activities, as both Receiver and Administrator, as set out in the Sixth Report and the Statement of Receipts and Disbursements as attached to the Sixth Report, are hereby ratified and approved.

Discharge of Administrator

5. On the evidence before the Court, the Receiver, in its capacity as Administrator has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
6. The Receiver, including in its capacity as Administrator, is not liable for any of the debts or liabilities of the Receivership Entities howsoever arising.

7. No action or other proceedings shall be commenced against the Administrator in any way arising from or related to its capacity or conduct as Receiver or Administrator, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
8. Upon the Receiver filing a certificate with the Clerk of the Court in the form attached hereto as **Schedule "A"** certifying that it has delivered an executed copy of the Certificate to Condo Corp and 238770 Alberta Ltd., the Administrator is discharged as Administrator of the Condo Corp provided however, that notwithstanding its discharge herein:
 - (a) the Administrator shall remain Administrator for the performance of such incidental duties as may be required to complete the administration of the Condo Corp as the Administrator deems necessary in its discretion;
 - (b) the Administrator shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver;
 - (c) the Receiver shall continue as Receiver until further Order of this Court.
9. The Receiver, including as Administrator, is at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to, and in carrying out the terms of, this Order.

Service of Order

10. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
11. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

COURT FILE NUMBER 1702 – 07646

Clerk's Stamp:

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CONNECT FIRST CREDIT UNION

DEFENDANTS **LREIT HOLDINGS 34 CORPORATION, LANESBOROUGH REAL ESTATE INVESTMENT TRUST, CHARLES K. LOEWEN, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST, ARNI C. THORSTEINSON, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST and EARL S. COLEMAN, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST**

DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR
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AND CONTACT
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DOCUMENT **Burnet, Duckworth & Palmer LLP**
2400, 525 – 8 Avenue SW
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File No. 050164-12

- A. Effective February 28, 2019, pursuant to a Consent Order granted by the Court of Queen's Bench of Alberta (the "Court") in Action No. 1702 – 07646 (the "**Consent Receivership Order**") as amended by an Amended and Restated Consent Receivership Order granted April 17, 2019 (the "**Amended Receivership Order**") Alvarez & Marsal Canada Inc. ("**A&M**") was appointed the receiver of LREIT Holdings 34 Corporation (the "**Debtor**") and of the beneficial interest of Lanesborough Real Estate Investment Trust ("**Lanesborough**" and together with the Debtor, the "**Receivership Entities**") in the "Property" as defined in the Amended and Restated Consent Receivership Order granted April 17, 2019 (the "**Amended Receivership Order**").
- B. Pursuant to the terms of the Amended Receivership Order, the Receiver was appointed as by this Court as the administrator (the "**Administrator**") of Condominium Corporation 1820957 (the "**Condo Corp**") pursuant to the terms of the Amended Receivership Order.

- C. Pursuant to an Order of the Court dated March 30, 2022 (the "**Administrator Discharge Order**") A&M was discharged as Administrator of the Condo Corp to be effective upon the filing by the Receiver with the Court of a certificate confirming that the Receiver has completed the activities described in the Sixth Report of the Receiver dated March 30, 2022 ("**Sixth Report**"), provided, however, notwithstanding its discharge: (a) the Receiver shall remain Administrator for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver, including as Administrator shall continue to have the benefit of all provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of A&M in its capacity as Receiver.

THE RECEIVER HEREBY CERTIFIES the following:

1. On March 30, 2022, the Receiver obtained the Discharge Order, which granted the Receiver its ability to be discharged upon the delivery of this Certificate to the Condo Corp and 238770 Alberta Ltd. (the "**Recipients**").
2. This Certificate was delivered by the Receiver to the Recipients at [**Time**] on [**Date**].

**ALVAREZ & MARSAL CANADA INC.,
IN ITS CAPACITY AS THE COURT-
APPOINTED RECEIVER OF THE LREIT
HOLDINGS 34 CORPORATION. AND
COURT-APPOINTED
ADMINISTRATOR AND NOT IN ITS
PERSONAL OR CORPORATE
CAPACITY**

Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President