

ENTERED

COURT FILE NUMBER 1701-07646
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF CONNECT FIRST CREDIT UNION
DEFENDANTS LREIT HOLDINGS 34 CORPORATION, LANESBOROUGH REAL ESTATE INVESTMENT TRUST, CHARLES K. LOBWEN, 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



\$50.00
COM
June 29, 2023

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Burnet, Duckworth & Palmer LLP
2400, 525 – 8 Avenue SW
Calgary, Alberta T2P 1G1
Lawyer: David LeGeyt / Ryan Algar
Phone Number: (403) 260-0210 / (403) 260-0126
Fax Number: (403) 260-0332
Email Address: dlegeyt@bdplaw.com / ralgar@bdplaw.com
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:	<u>June 29, 2023</u>
TIME:	<u>10:00 AM</u>
WHERE:	<u>Calgary Courts Centre, via Webex</u>
BEFORE WHOM:	<u>The Honourable Justice E.J. Sidnell</u>

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 "**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 as further described in the Seventh Report of the Receiver dated June 19, 2023 (the "**Seventh Report**");
 - (c) approving the fees of the Receiver and those of its counsel as further described in the Seventh Report;
 - (d) granting the discharge of the Receiver upon the conclusion of the remaining duties as described in the Seventh Report;
 - (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; and
 - (f) 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:

2. On February 28, 2019, Connect First Credit Union ("**Connect First**") sought and obtained a Consent Receivership Order appointing the Receiver (the "**Consent Receivership Order**").
3. As set forth in the Seventh Report, the Receiver has duly marketed and arranged for a sale of the Receivership Entities' Property in compliance with the terms of the Consent Receivership Order (as amended).
4. The Receiver has completed, or is about to complete, all aspects concerning the administration of the within receivership proceedings.
5. There are certain funds remaining in the receivership estate, which the Receiver intends on using to pay outstanding obligations of the receivership estate and the estimated costs to complete the administration of the estate.
6. The utilization of the remaining funds realized in the course of the administration of the Receivership Entities' estates as proposed is just, appropriate and in the best interest of the administration of the their estates and the stakeholders affected thereby.

7. Connect First's security is valid, enforceable and properly registered and the distribution to Connect First, as set out and described in the Seventh Report, is just and appropriate.
8. 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.
9. The Receiver is not aware of any reason that it should be required for any further purposes in these proceedings and should be discharged as Receiver of the Property. \$505\$50.00COM
June 29, 2023
10. The discharge of the Receiver as proposed is just, appropriate and in the best interest of the administration of the receivership estate and the stakeholders affected thereby.
11. Connect First, as the Debtor's senior-secured lender, supports the discharge of the Receiver on the terms proposed.
12. The terms as set out in the Discharge Order are necessary to effect the discharge of the Receiver as contemplated herein.
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 Seventh Report of the Receiver, dated June 19, 2023.
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(l)(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. June 29, 2023 before Justice 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 1701-07646
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT CONNECT FIRST CREDIT UNION

Clerk's Stamp:

RESPONDENTS LREIT HOLDINGS 34 CORPORATION, LANESBOROUGH REAL ESTATE INVESTMENT TRUST, CHARLES K. LOBWEN, 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 **ORDER FOR FINAL DISTRIBUTION, APPROVAL OF RECEIVER'S FEES AND DISBURSEMENTS, APPROVAL OF RECEIVER'S ACTIVITIES AND DISCHARGE OF RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Burnet, Duckworth & Palmer LLP
2400, 525 – 8 Avenue SW
Calgary, Alberta T2P 1G1
Lawyer: David LeGeyt / Ryan Algar
Phone Number: (403) 260-0210 / (403) 260-0126
Fax Number: (403) 260-0332
Email Address: dlegeyt@bdplaw.com / ralgar@bdplaw.com
File No. 64793-2

DATE ON WHICH ORDER WAS PRONOUNCED: June 29, 2023
NAME OF JUDGE WHO MADE THIS ORDER: E.J. Sidnell
LOCATION OF HEARING: Calgary Courts Centre

UPON THE APPLICATION of Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of LREIT 34 Holdings 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**") for an Order for the final distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities and discharge of the Receiver;

AND UPON hearing read the Receiver's Seventh Report dated June 19, 2023 (the "**Seventh Report**"); **AND UPON** hearing counsel for the Receiver, counsel for the Debtor and counsel for various creditors; AND UPON being satisfied that it is appropriate to do so, **IT IS 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.
2. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Amended Receivership Order or the Seventh Report.

Approval of Accounts & Activities

3. The Receiver's accounts for fees and disbursements, as set out in the Seventh Report, including the Forecast Fees and Costs, are hereby approved without the necessity of a formal passing of its accounts.
4. The accounts of the Receiver's legal counsel, Burnet, Duckworth & Palmer LLP, for its fees and disbursements, as set out in the Seventh Report, including the Forecast Fees and Costs, are hereby approved without the necessity of a formal assessment of its accounts.
5. The Receiver's actions, activities and conduct as set out in the Seventh Report and in all of its other Reports filed herein, and the Final Statement of Receipts and Disbursements as attached to the Seventh Report, are hereby ratified and approved.

Discharge & Distributions

6. The Receiver is authorized and directed to make the distributions set forth in the Receiver's Report.
7. On the evidence before the Court, the Receiver 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.

8. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct. \$50.00COM
June 29, 2023
9. Upon the Receiver filing a certificate with the Clerk of the Court substantially in the form attached hereto as **Schedule "A"** certifying that:
 - (a) All matters set out in paragraph 6 of this Order have been completed; and
 - (b) The Receiver has completed the steps referenced in paragraphs 40-42 of the Seventh Report,

then the Receiver shall be discharged as Receiver of the Debtor and the Property, provided however, that notwithstanding its discharge herein (i) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (ii) the Receiver 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 in its capacity as Receiver.

General

10. The Receiver is hereby authorized and directed to destroy the corporate books and records and any other relevant corporate documents of the Debtors.
11. 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.
12. 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

COURT COURT OF KING'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
SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Burnet, Duckworth & Palmer LLP

2400, 525 – 8 Avenue SW
Calgary, Alberta T2P 1G1

Lawyer: David LeGeyt / Ryan Algar
Phone Number: (403) 260-0210 / (403) 260-0126
Fax Number: (403) 260-0332
Email Address: dlegeyt@bdplaw.com / ralgar@bdplaw.com
File No. 64793-2

Clerk's Stamp:

- A. This Receiver's Certificate is the Receiver's Certificate referred to in paragraph 9 of the Order of the Honourable Justice E.J. Sidnell dated June 29, 2023 (the "**Discharge Order**") and granted in these proceedings.
- B. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Seventh Report of the Receiver dated June 19, 2023 (the "**Seventh Report**").
- C. 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 (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 Receivership Order.

- D. Pursuant to the Discharge Order, the Receiver was discharged as Receiver 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 Seventh Report, provided however, notwithstanding its discharge:
- i. the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and
 - ii. 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 the Receiver.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Final Distribution, as described in the Seventh Report, with the exception of any minor discrepancies as compared to the estimated future amounts, has been completed;
2. the Receiver has completed the items listed in paragraphs 40-42 of the Seventh Report have been completed; and
3. all documents, accounting records and other papers, records and information related to the business or affairs of the Debtors have been destroyed by the Receiver.

**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