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1702 – 07646

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF
(APPLICANT)

CONNECT FIRST CREDIT UNION

COM
June 29, 2023

DEFENDANTS
(RESPONDENTS)

**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

SEVENTH REPORT OF THE RECEIVER

June 19, 2023

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER
ALVAREZ & MARSAL CANADA INC.
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COUNSEL TO RECEIVER
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File: 64793-2

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INTRODUCTION

1. On February 28, 2019 (the "**Receivership Date**"), an Order was granted by the Court of Queen's Bench of Alberta (the "**Consent Receivership Order**") and, pursuant to section 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C.B-3 ("**BIA**"), section 13(2) of the *Judicature Act*, R.S.A. 2000, C.J-2, and 49 of the *Law of Property Act*, RSA 2000, c L-7, Alvarez & Marsal Canada Inc. was appointed Receiver and Manager (the "**Receiver**") of LREIT Holdings 34 Corporation ("**LREIT 34**" or the "**Debtor**"). The Receiver has been appointed over the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including lands originally legally described as:

Plan 0425943
Block 11
Lot 1
Containing 2.25 Hectares (5.56 Acres) More Or Less
Except Thereout All Mines and Minerals
(The "**Lands**");

and

All of The Right, Title, and Interest of the Debtor, in All Chattels Located on the
Lands
(The "**Chattels**" and together with the Lands, "**Woodland Park**" or the
"**Property**")

2. Lanesborough Real Estate Investment Trust ("**Lanesborough**") is an unincorporated closed-end real estate investment trust created to invest primarily in a portfolio of mostly residential development properties. Lanesborough is the beneficial interest owner of the various holding companies under its umbrella of companies. LREIT 34 is one such company, and is the bare trustee of Woodland Park. Although the Receiver was appointed as the receiver of Lanesborough's interest in Woodland Park, Lanesborough is not in receivership.
3. The Receivership Order empowers and authorizes, but does not obligate, the Receiver to, among other things, manage, operate and carry on the business of the Debtor and to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Debtor, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business.

HISTORY OF RECEIVERSHIP PROCEEDINGS

4. On April 17, 2019, this Honourable Court granted an amended and restated Consent Receivership Order (the "**Amended Receivership Order**"), appointing the Receiver as administrator (the "**Administrator**") of Condominium Corporation No. 1820957 (the "**Condo Corporation**"). The Receiver was empowered and authorized to manage the affairs of the Condo Corporation in all respects under the *Condominium Property Act*, RSA 2000, c C-22. The Amended Receivership Order also corrected and amended the definition of "Property" in the Consent Receivership Order.
5. On July 6, 2021, this Court granted an order (the "**Sales Process Order**") approving, *inter alia*, the Sales Investment and Solicitation Process (the "**SISP**" or the "**Sales Process**") and the Receiver's retention of Avison Young Commercial Real Estate Services, LP (the "**Advisor**"). Pursuant to the terms of the Sales Process Order, the Receiver and the Advisor were authorized to implement and perform all steps and actions required to effect the Sales Process.
6. On November 25, 2021, this Court granted an order (the "**SAVO**") approving, *inter alia*, the results of the SISP and the Receiver's execution of the asset purchase agreement with 238 Alberta (the "**Morrison APA**"). In addition, the court granted an order (the "**Distribution Order**") approving, *inter alia*, the Receiver's proposed First Interim Distribution and Second Interim Distribution to the Debtor's senior-secured lender, Connect First Credit Union ("**CFCU**"). On March 15, 2022, the Receiver filed its Receiver's Certificate with this Court certifying the fulfillment of the conditions pursuant to the Morrison APA. A copy of the Receiver's Certificate is attached as Appendix "A" to this Report.
7. On April 8, 2022, this Court granted an order discharging the Receiver in its capacity as the Administrator of the Condo Corporation pursuant to the Receiver filing a Receiver's Certificate confirming the completion of certain remaining tasks with respect to the Receiver's appointment as Administrator. On February 14, 2023, the Receiver filed its Administrators Discharge Certificate certifying the completion of the Receiver's duties in its capacity as Administrator of the Condo Corporation. A copy of the Administrators Discharge Certificate is attached as Appendix "B" to this Report.

8. The purpose of this seventh report of the Receiver (the "**Seventh Report**" or "**this Report**") is to provide this Honourable Court with information in respect of the following:
- a) the Receiver's activities generally since the Receiver's Sixth Report, dated March 30, 2022 (the "**Sixth Report**");
 - b) an update on the electrical work repairs, litigation matters and the recent water pipe burst at the Apartment Building (defined below);
 - c) an update on the Receiver's discharge as the Administrator of the Condo Corp;
 - d) the final statement of receipts and disbursements from the Receivership Date to June 15, 2023 (the "**Receivership Period**");
 - e) the Receiver's application for an order (the "**Discharge Order**") approving:
 - (i) the Receiver's undertaken and remaining actions, activities and conduct,
 - (ii) the Receiver's fees and disbursements and those of the Receiver's Counsel, including its forecast fees and costs, (iii) the Receiver's final distribution to the secured lender, CFCU (the "**Final Distribution**"), (iv) the final statement of receipts and disbursements; (v) the destruction of records relating to the LREIT 34 Receivership and (vi) the discharge of the Receiver;
 - f) the settlement of the Electrical Work Repairs Claim; and
 - g) the Receiver's conclusions and recommendations in respect of the foregoing.
9. Capitalized words or terms not otherwise defined in this Report are as defined in the Amended Receivership Order or the Receiver's prior reports filed with this Honourable Court.
10. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

11. Prior to the Receivership Date, Alvarez & Marsal Canada ULC ("**A&M ULC**") was engaged as consultant to CFCU, which was consented to by the Debtor and Lanesborough. The engagement commenced on or around February 16, 2016 and was terminated immediately prior to the Receivership Date. In that role, A&M ULC reviewed, assessed

and reported to CFCU from time to time on the operations, ongoing viability and security position of LREIT 34, as well as Lanesborough and its other holding companies.

12. In preparing this Report, the Receiver has relied upon: (i) information obtained prior to the Receivership Proceedings through A&M ULC; (ii) the representations of certain management, employees and management company of Lanesborough that managed and operated LREIT 34; (iii) financial and other information contained in the Debtors' books and records, which were produced and maintained principally by the Debtor and its property manager; and (iv) financial and other information provided to the Receiver from its contractors.
13. The Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Company's financial information that would wholly or partially comply with Canadian Auditing Standards ("CASs") pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information. Future oriented financial information relied upon in this Report is based on the Receiver's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND AND OVERVIEW

14. LREIT 34's principal address was located at 230 Wilson Drive, Fort McMurray, Alberta, commonly referred to as "**Woodland Park**" or the "**Property**". Woodland Park is a 107-unit residential condominium complex located within the Wood Buffalo Estates area of Thickwood Heights in Fort McMurray, Alberta, comprised of 75 apartment units in a single apartment building (the "**Apartment Building**") and 32 separate townhomes (the "**Town Homes**"). LREIT 34 is registered to carry on its businesses in the Province of Alberta.
15. CFCU, acting as administrative agent to the lender syndicate, is the senior-secured lender of LREIT 34. As at the Receivership Date, the CFCU was owed approximately \$26 million. After the sale of the Property and distributions made by the Receiver in the Receivership Proceedings, as at June 19, 2023, CFCU is owed approximately \$15.9 million, which includes principal and outstanding accrued interest. Notwithstanding the proposed final distribution to be made to CFCU (as discussed below), CFCU will experience a significant shortfall on its outstanding loan and, as such, is considered the fulcrum creditor.

16. Prior to the Receivership Date, Shelter Canadian Properties Ltd. (the "SCPL") was the asset manager of LREIT 34. The Receiver engaged a new property manager, Alberta Property Management Solutions Inc. ("APM"), to manage Woodland Park in the Receivership Proceeding and was also retained as the condominium manager for the Condo Corporation. APMs services were terminated shortly after the sale of the Property was completed.
17. Further background on LREIT 34, Lanesborough and their operations are contained in the materials filed in support of the Consent Receivership Order. These documents, together with the Receiver's previously filed reports and other public filed Court materials in these proceedings have been posted on the Receiver's website at: www.alvarezandmarsal.com/LREIT34 (the "Receiver's Website").

ACTIVITIES OF THE RECEIVER

18. Since the date of the Sixth Report, the Receiver's activities have included, but are not limited to, the following:
 - a) continued communication with Lanesborough and SCPL with respect to Woodland Park information and certain financial information;
 - b) monitoring LREIT 34's cash flow and ensuring rent was being received and suppliers were paid on a timely basis;
 - c) communicating with the insurance broker respecting the claim initiated by the Receiver regarding the burst water pipe in the Property as discussed in the Receiver's Fifth Report and settling the outstanding insurance claim and distribution of insurance proceeds accordingly to the contractor and new owner of the building;
 - d) multiple communications and dealings with the Receiver's sales agent (Avison Young), the purchaser (Mario Morrison) and its counsel respecting closing matters on the Morrison APA and finalizing the conditions of the Morrison APA;
 - e) completion of the Receiver's duties, in its capacity as Administrator to the Condo Corporation;

- f) communicating and continuing to provide instructions to the Receiver's independent and primary legal counsel, Burnet, Duckworth & Palmer LLP ("**BDP**"), in respect of the Receivership Proceedings and litigation efforts;
- g) continued evaluation of the estate's litigation rights against certain parties with respect to the Electrical Work Repairs as previously discussed in the Receiver's prior reports;
- h) entering into a settlement agreement with the parties to the Statement of Claim and withdrawing the Statement of Claim filed by the Receiver, with the support of CFCU; and
- i) attending various meetings and communications with CFCU, as the main creditor stakeholder, and BDP with respect to operational and financial updates of LREIT 34.

UPDATE ON THE LITIGATION MATTERS AND THE WOODLAND PROPERTY WATER PIPE BURST

Electrical Work Repairs Claim

- 19. As discussed in prior reports, the Receiver paid approximately \$1.2 million in direct repair costs with respect to Electrical Work Repairs (defined in the Receiver's Second Report).
- 20. On November 26, 2020, the Receiver filed a Statement of Claim regarding the Electrical Work Repairs Claim against SCPL and its directors, Larry J. Beeston, Shandra G. Sheedy, and Cathy Goodman-White (the "**Defendants**"). The Receiver sought damages of approximately \$1.2 million from the previous property manager, SCPL and its directors for negligence and breach of contract and for failure to act in accordance within the meaning of s.28(2)(b), s.28(3), s. 37(2)(a), s. 38(1), s. 47(1) and s.67(1)(a) of the *Condominium Property Act* (Alberta).
- 21. The Receiver, with the support of CFCU, and the Defendants have entered into a Full and Final Mutual Release and Settlement Agreement, settling any or all claims as against each other, which such settlement was supported by CFCU. As a result, the Statement of Claim and Statement of Defence have now been withdrawn by the Receiver and Defendants, respectively.

Water Leak Repairs

22. As discussed in the Receiver's Fifth Report, the Receiver was notified of a burst water pipe in the Apartment Building (the "**Water Leak**") on October 20, 2021. The Water Leak resulted in a significant amount of drywall and restoration repair in the front entrance and first level of the Apartment Building, which required the Receiver to contact its current insurance provider to initiate a claim for these particular repairs. The Condo Corporation, through the Administrator, engaged a contractor, Chatman Restoration Ltd. ("**Chatman**"), which was approved by the insurance adjuster, Sedgewick Canada, and the repair work has now been completed.
23. On February 13, 2023, the Administrator transferred \$422,164.58 to counsel of 238 AB Ltd. (in trust), as the owner, pursuant to the Morrison APA, of an approximately 92.18% interest in the Condo Corporation and representative of the Condo Corp, which comprised of:
- a) condo operating funds and reserve funds held for the benefit of 238 AB Ltd. in the amount of \$217,765.90; and
 - b) the insurance proceeds collected by the Administrator as a result of the Water Leak totaling \$204,398.68, inclusive of the \$50,000 deductible payable by the Administrator. A copy of the letter delivered to the 238 AB Ltd. (the "**Condo Fund Letter**") is attached as Appendix "C".
24. The Administrator also delivered \$91,222.08 to Chatman respecting insurance proceeds collected for the Water Leak. The Receiver, is no longer in possession of any funds pertaining to the Condo Corporations.

FINAL STATEMENT OF RECEIPTS DISBURSEMENTS – FEBRUARY 28, 2019 TO JUNE 15, 2023

25. The following is the Receiver's final statement of receipts and disbursements for the reporting period from the Receivership Date to June 15, 2023 (the "**Final Statement of Receipts and Disbursements**"):

LREIT 34 - In Receivership Final Statement of Receipts & Disbursements CAD\$, unaudited		Total February 28, 2019 to June 15, 2023
Opening Cash Balance	\$	9,143
Sale of Property (Net)		12,742,427
Rental Receipts		5,552,618
Receiver's Borrowings		1,250,000
Insurance Claim Proceeds		245,621
Fund Transfer (SCPL)		72,273
Other		348
Total Receipts		19,872,430
Disbursements		
Condo Corp. Common Element Fees		1,295,704
Property Manager Fees & Funding		747,355
Insurance		670,197
Property Tax		417,651
Utilities & Facility Costs		284,930
Repairs and Maintenance		225,898
Bank Charges & Interest		169,611
<i>Total Operating Disbursements</i>		<i>3,811,347</i>
Non-Operating Disbursements		
Interim Distribution to CFCU		11,607,280
Repayment of Receiver's Borrowings		1,250,000
Receiver's Fees and Costs		1,146,998
Electrical Work Repair Costs		1,010,686
Receiver's Counsel's Fees and Costs		584,142
Insurance Claim Proceeds Reimbursements		295,651
<i>Total Non-Operating Disbursements</i>		<i>15,894,756</i>
Total Disbursements		19,706,104
Ending Cash Balance	\$	166,326

26. Opening cash of \$9,143 was available at the Receivership Date.

27. During the Reporting Period, the Receiver collected total receipts of approximately \$19.87 million and paid approximately \$19.71 million in operating and non-operating disbursements as outlined above and discussed in the Receiver's prior reports to this Honourable Court.
28. The Receiver borrowed \$1,250,000 from CFCU through issued Receiver's Certificates and these amounts were fully paid back by the Receiver.
29. As at June 15, 2023, total ending available cash is \$166,326.

FINAL DISTRIBUTION TO THE SECURED LENDER

30. The Receiver has provided CFCU, as senior secured lender to the debtor, with three interim distributions totalling \$11,607,280 towards LREIT's total outstanding debt, which does not include the repayment of the Receiver's borrowings as discussed above. The Receiver anticipates making a Final Distribution of approximately \$101,000 from its cash on hand as follows:

LREIT 34 - In Receivership Proposed Final Distribution CAD\$	
Cash on Hand, June 15, 2023	\$ 166,326
Expected Receivership Disbursements	
Professional Fees	(55,000)
Contingency	(10,000)
Total Remaining Holdback	(65,000)
Estimated Final Distribution	\$ 101,326

31. The Receiver is of the respectful view that this Honourable Court should approve the Final Distribution to CFCU. The Receiver believes that the proposed holdback of \$65,000 (the "**Holdback**") will provide sufficient funds in the estate to address the remaining costs in these Receivership Proceedings, including those fees and costs of the Receiver and the Receiver's Counsel.

32. Should the Receiver not require some or all of the proposed Holdback above, the Receiver intends to make a further distribution to CFCU for the remaining funds held in the Receiver's trust account at the conclusion of its duties.

THE RECEIVER'S AND RECEIVER'S COUNSEL'S FEES AND DISBURSEMENTS

33. Pursuant to the terms of the Amended Receivership Order, the Receiver seeks approval from this Court of its fees and disbursements and those of its counsel from March 1, 2022 to May 31, 2023, including certain expenses incurred by the Receiver that were not previously captured invoices issued by the Receiver before March 1, 2023 (the "**Interim Period Billings**"). As detailed in the previous reports, the Receiver previously obtained court approval for its fees and those of BDP and Field Law from the Receivership Date to February 28, 2022.
34. The Interim Period Billings of the Receiver and its legal counsel (BDP) fees and disbursements total \$71,009.50 and \$59,940.64, respectively, (excluding GST). A summary of the Receiver's and BDP's fees and disbursements are attached as **Appendix "D"** and **"E"**, respectively, to this Report.
35. The accounts of the Receiver and its counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the Receiver's and its counsel invoices will be made available to the Court, if requested, at the Receiver's application set for June 29, 2023.
36. The Receiver and the Receiver's Counsel's estimated fees and costs to complete this engagement (June 1, 2023 to filing of the Receiver's Discharge Certificate) are estimated at approximately \$55,000 (the "**Forecast Fees and Costs**"), which include fees and costs incurred but not paid.
37. The Receiver is respectfully of the view that its fees and those of its counsel fees are fair and reasonable in the circumstance and respectfully requests that this Honourable Court approve the Interim Period Billings, and the Forecast Fees and Costs of the Receiver and its counsel.

APPROVAL OF CONDUCT AND DISCHARGE OF THE RECEIVER

38. The Receiver respectfully requests that this Honourable Court grant an Order which, among other things, and subject to filing a certificate which confirms the Receiver has satisfied its obligations under the Receivership Order (the "**Discharge Certificate**"), discharges A&M as Receiver, absolutely, forever and unconditionally releases the Receiver from any claims arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as Receiver, save and except for claims based on fraud, gross negligence or wilful misconduct.
39. The Receiver is respectfully of the view that it has conducted itself appropriately in its role as Receiver in these Receivership Proceedings and respectfully requests that this Court approve the actions and conduct of the Receiver since the Sixth Report and throughout the Receivership Proceedings.
40. The Receiver's administration of the estate is substantially complete, subject but not limited to:
- a) arranging for the payment of the Final Distribution;
 - b) closing the receivership trust accounts;
 - c) Destruction of the Receivership books and records (discussed below); and
 - d) Filing the Discharge Certificate with the Court to indicate completion of the remaining actions and discharge of the Receiver.
41. In addition, the Receiver may have certain miscellaneous administrative items to attend to post discharge. The Receiver is of the view that these items are administrative in nature and should not prevent this Court from granting a discharge.
42. Further, the Receiver is in custody of certain records relating to the Debtor (the "**Records**"). The Receiver is seeking authorization from this Honourable Court to allow the Receiver to destroy any and all such Records in its custody relating to the debtor, as set forth in the Discharge Order.

43. Upon completion of the above, the Receiver will file the Discharge Certificate with the Court confirming the same. The Receiver is requesting an order that provides that upon filing the Discharge Certificate, the Receiver will be automatically discharged without further order of the Court.

RECEIVER'S RECOMMENDATIONS

44. The Receiver respectfully recommends that this Honourable Court grant an Order approving:
- a) the actions, activities and conduct of the Receiver and as Administrator as described in this Report and throughout these Receivership Proceedings;
 - b) the Final Distribution of Receivership funds to CFCU and the Holdback;
 - c) the Final Statement of Receipts and Disbursements;
 - d) the Receiver's discharge;
 - e) the destruction of Records; and
 - f) the Interim Period Billings as well as the Forecast Fees and Costs of the Receiver and BDP, as set out in this Report;

All of which is respectfully submitted this 19th day of June, 2023

ALVAREZ & MARSAL CANADA INC.,

**in its capacity as the court-appointed Receiver of
the LREIT Holdings 34 Corporation., and not in
its personal or corporate capacity**

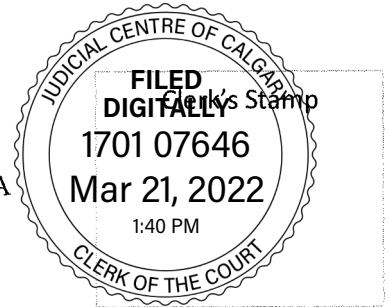


Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX A - Receiver's Certificate (Morrison APA)

Receiver's Certificate

COURT FILE NUMBER 1701-07646
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF
(APPLICANT) CONNECT FIRST CREDIT UNION LTD.
DEFENDANTS
(RESPONDENTS) 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 **Burnet, Duckworth & Palmer LLP**
AND CONTACT 2400, 525 - 8 Avenue SW
INFORMATION OF PARTY Calgary, Alberta T2P 1G1
FILING THIS DOCUMENT Lawyer: David LeGeyt / Ryan Algar
Phone Number: (403) 260-0210 / 0126
Fax Number: (403) 260-0332
Email address: dlegeyt@bdplaw.com / ralgar@bdplaw.com
File no.: 64793-2

RECITALS

- A. Pursuant to Orders of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated February 28, 2019 and April 17, 2019, Alvarez & Marsal Canada Inc. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of LREIT 34 Holdings Corporation and certain assets of Lanesborough Real Estate Investment Trust (together the "**Debtor**").
- B. Pursuant to an Order of the Court dated November 25, 2021, the Court approved the agreement of purchase and sale made as of November 12, 2021 (the "**Sale Agreement**") between the Receiver and Mario Morrison and provided for the vesting in Mario Morrison's nominee, 2387770 Alberta Ltd. (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 section 7 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 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 section 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at 12:00 PM on March 15, 2022.

**ALVAREZ & MARSAL CANADA
INC., in its capacity as the court-
appointed Receiver of LREIT
Holdings 34 Corporation., and not in
its personal or corporate capacity.**

Per:  _____

Name: Orest Konowalchuk

Title: Senior Vice President

APPENDIX B – Executed Administrator Discharge Certificate

COURT FILE NUMBER 1701 – 07646

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CONNECT FIRST CREDIT UNION

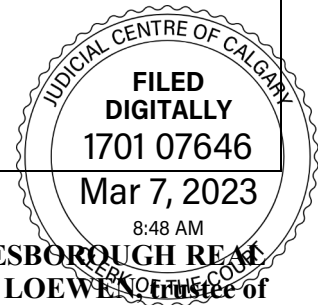
DEFENDANTS **LREIT HOLDINGS 34 CORPORATION, LANESBOROUGH REAL ESTATE INVESTMENT TRUST, CHARLES K. LOEWEN, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST, ARNI C. THORSTEINSON, trustee of LANESBOROUGH REAL ESTATE INVESTMENT TRUST and EARL S. COLEMAN, trustee of LANESBOROUGH REAL ESTATE INVESTMENT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

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

ADDRESS FOR
SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Burnet, Duckworth & Palmer LLP
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

Clerk's Stamp:



- 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 09:00amMT on February 14, 2023.

**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

APPENDIX C - Condo Fund Letter

Reply to: David LeGeyt
Direct Phone: (403) 260-0210
Direct Fax: (403) 260-0332
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: (403) 267-1611
Our File: 64793-2

Via E-Mail - JFortier@bmlp.ca

February 13, 2023

Bishop & McKenzie LLP
Suite 2300, 10180 - 101 Street
Edmonton, AB T5J 1V3

Attention: Josh Fortier

Re: LREIT Holdings 24 Corporation and Condominium Corporation 1820952

We act for Alvarez & Marsal Canada Inc. in its capacities as both Court appointed Receiver of LREIT Holdings 34 Corporation and Court appointed administrator of Condominium Corporation 1820952.

Earlier today our client executed a wire transfer to your firm in the amount of \$422,164.58 (the "**Funds**"). The confirmation/reference number for this wire payment is #0191920230213163.

The Funds are sent to you on the following express trust condition:

1. The Funds may only be disbursed to or as directed by Condominium Corporation No. 1820952.

If you cannot comply with this trust condition the Funds must be returned to Burnet, Duckworth & Palmer LLP.

Please contact the writer if you wish to discuss this further.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP



David LeGeyt
Partner

DLG/agt

cc: Orest Konowalchuk - via email (okonowalchuk@alvarezandmarsal.com)

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APPENDIX D - Receiver's Fees and Disbursements

Receiver's Invoices

Appendix D

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
LREIT - 30	March 1, 2022 - March 31, 2022	36,800.00	1,258.04	38,058.04	1,902.90	39,960.94
LREIT - 31	April 1, 2022 - April 30, 2022	6,415.00	-	6,415.00	320.75	6,735.75
LREIT - 32	May 1, 2022 - May 31, 2022	1,392.50	25.00	1,417.50	70.88	1,488.38
LREIT - 33	July 1, 2022 - July 31, 2022	2,495.00	-	2,495.00	124.75	2,619.75
LREIT - 34	August 1, 2022 - August 31, 2022	9,205.00	-	9,205.00	460.25	9,665.25
LREIT - 35	September 1, 2022 - September 30, 2022	1,162.50	-	1,162.50	58.13	1,220.63
LREIT - 36	December 1, 2022 - December 31, 2022	1,937.50	-	1,937.50	96.88	2,034.38
LREIT - 37	January 1, 2023 - January 31, 2023	387.50	-	387.50	19.38	406.88
LREIT - 38	February 1, 2023 - February 28, 2023	4,882.50	-	4,882.50	244.13	5,126.63
LREIT - 39	March 1, 2023 - March 31, 2023	2,015.00	-	2,015.00	100.75	2,115.75
LREIT - 40	May 1, 2023 - May 31, 2023	3,022.50	11.46	3,033.96	151.70	3,185.66
Additional historical disbursements that need to be approved in Court ¹						993.15
TOTAL INVOICES SUBJECT TO COURT APPROVAL		\$ 69,715.00	\$ 1,294.50	\$ 71,009.50	\$ 3,550.48	\$ 75,553.12

Appendix E – Receiver's Counsel's Fees and Disbursements

Receiver's Counsel Invoices

Appendix E

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
203467920	February 1, 2022 to February 28, 2022	1,067.82	-	1,067.82	53.39	1,121.21
203468809	March 1, 2022 - March 31, 2022	22,203.00	95.75	22,298.75	1,114.84	23,413.59
203469432	April 1, 2022 - April 30, 2022	6,983.50	290.89	7,274.39	358.92	7,633.31
203471624	May 1, 2022 - May 31, 2023	312.50	-	312.50	15.63	328.13
203471624	June 1, 2022 - June 30, 2022	199.50	-	199.50	9.98	209.48
203471624	July 1, 2022 - July 31, 2022	916.50	-	916.50	45.83	962.33
203471624	August 1, 2022 - August 30, 2022	5,202.50	254.75	5,457.25	272.86	5,730.11
203471922	September 1, 2022 - September 30, 2022	1,039.00	-	1,039.00	51.95	1,090.95
203474978	October 1, 2022 - October 31, 2022	133.00	-	133.00	6.65	139.65
203474978	November 1, 2022 - November 31, 2022	157.00	-	157.00	7.85	164.85
203474978	December 1, 2022 - December 31, 2022	2,373.50	-	2,373.50	118.68	2,492.18
203476127	January 1, 2023 - January 31, 2023	2,964.00	1.75	2,965.75	148.29	3,114.04
203477285	February 1, 2023 - February 28, 2023	2,606.00	2.00	2,608.00	130.30	2,738.30
203477285	March 1, 2023 - March 31, 2023	146.00	-	146.00	7.30	153.30
203478525	May 1, 2023 - May 31, 2023	3,967.50	24.18	3,991.68	199.58	4,191.27
Additional historical disbursements that need to be approved in Court ¹						95.97
TOTAL INVOICES SUBJECT TO COURT APPROVAL		\$ 50,271.32	\$ 669.32	\$ 50,940.64	\$ 2,542.03	\$ 53,578.65