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PLAINTIFF
(APPLICANT)

CONNECT FIRST CREDIT UNION

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

SIXTH REPORT OF THE RECEIVER

March 30, 2022

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER

ALVAREZ & MARSAL CANADA INC.

Bow Valley Square IV

Suite 1110, 250 – 6th Avenue SW

Calgary, Alberta T2P 3H7

Attention: Orest Konowalchuk

Telephone: (403) 538-4736

Email: okonowalchuk@alvarezandmarsal.com

COUNSEL TO RECEIVER

BURNET, DUCKWORTH & PALMER LLP

Suite 2400, 525-8th Ave SW

Calgary, Alberta T2P 1G1

Attention: David LeGeyt

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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 (“**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.

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. Throughout the receivership proceedings, the Receiver filed five reports and the Court granted various orders. 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 selection of the asset purchase agreement (the “**Morrison APA**”) and the proposed Sale Approval and Vesting Order. In addition, the court additionally granted an order (the “**Distribution Order**”) approving, *inter alia*, the Receiver's proposed First Interim Distribution and Second Interim Distribution to Connect First Credit Union (“**CFCU**”).
7. The purpose of this sixth report of the Receiver (the “**Sixth Report**” or “**this Report**”) is to provide this Honourable Court with information in respect of the following:
 - a) a brief background of the Company;
 - b) the Receiver's activities, generally, since the Receiver's fifth report, dated November 15, 2021 (the “**Fifth Report**”);
 - c) an update on the closing of the Morrison APA;

- d) an update on the electrical work repairs, litigation matters and the recent water pipe burst at the Apartment Building (defined below);
 - e) the Receiver's request to be discharged as Administrator of the Condo Corporation as a result of the Receiver closing the Morrison APA;
 - f) the cash flow results for the period between November 16, 2021 and March 25, 2022 (the "**Reporting Period**") and for the consolidated results for the period between February 28, 2019 and March 25, 2022 (the "**Receivership Period**");
 - g) to the extent not previously approved, the approval of the Receiver's actions, activities and conduct, and the fees and disbursement of the Receiver and those of its legal counsel for the period covering the Reporting Period;
 - h) the Receiver's ongoing activities and its proposed course of action; and
 - i) the Receiver's conclusions and recommendations in respect of the foregoing.
5. 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.
6. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

7. 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.
8. 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.
9. 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.
 10. Unless expressly stated, forecasts and projections included in this Report do not reflect the potential financial impact of COVID-19 on the Company's operations. Although the Company has taken various measures to increase safety and to mitigate costs, it is impossible to quantify with certainty the true impact of COVID-19 on the Company's future business operations.

BACKGROUND AND OVERVIEW

11. LREIT 34's principal address is 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**"), 27 of which remained in possession of the Receiver (the "**Remaining Town Homes**"). LREIT 34 is registered to carry on its businesses in the Province of Alberta.
12. CFCU, acting as administrative agent to the lender syndicate, is the senior-secured lender of LREIT 34 and is currently owed approximately \$26 million, which includes principal and outstanding accrued interest.
13. Prior to the Receivership Date, Shelter Canadian Properties Ltd. (the "**SCPL**") was the asset manager of LREIT 34. The Receiver has since engaged a property manager, Alberta

Property Management Solutions Inc. (“**APM**”), to manage Woodland Park on a go-forward basis. APM additionally has been retained as the condominium manager for the Condo Corporation.

14. 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

15. Since the date of the Fifth Report, the Receiver’s activities have included, but are not limited to, the following:
 - a) ongoing communication and dealings with the Woodland Park property manager, APM;
 - b) travel and attendance to the Woodland Park property for inspection and meetings with APM and review of stored files;
 - c) continued communication with Lanesborough and SCPL with respect to Woodland Park information and certain financial information;
 - d) monitoring LREIT 34’s cash flow and ensuring rent was being received and suppliers were paid on a timely basis;
 - e) 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;
 - f) 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;
 - g) executing and closing the Morrison APA as discussed further below;

- h) 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;
- i) evaluating the Statement of Claim filed by the Receiver against certain parties and its next steps with respect to the Electrical Work Repairs as previously discussed in the Receiver's prior reports;
- j) 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 SALES PROCESS

16. The Receiver executed the Morrison APA on November 12, 2021, which obtained Court approval along with the court granting of the SAVO on November 25, 2021. The Receiver obtained a further order of the court on February 7, 2022 (the "**Ex Parte Amending Order**"), which amended the SAVO to correct the legal description of the property sold in the Morrison APA.
17. On February 7, 2022, the Receiver and the purchaser (Mario Morrison) also executed an amending agreement (the "**Morrison APA Amending Agreement**") to extend the closing date of the Morrison APA from February 15, 2022 to March 15, 2022, and designating the purchaser in the Morrison APA to be 238770 Alberta Ltd. ("**238 AB Ltd.**"). A copy of the Morrison APA Amending Agreement is attached at Appendix "**A**" to this Report.
18. On March 18, 2022, the Receiver and 238 AB Ltd. closed the Morrison APA and the net purchase price was delivered to the Receiver. 238 AB Ltd. required an additional three days to fund this transaction and the Receiver agreed to this slight extension of the funding date to March 18, 2022 in exchange for a modest interest charge as a result of this delay. On March 21, 2022, the Receiver filed the Receiver's Certificate ("**RC**") with this Honourable Court and a copy of the RC is attached as Appendix "**B**" to this Report.
19. As a result of the RC now being filed with the Court, the details of the Morrison APA, which was previously sealed pursuant to the Restricted Court Access Order granted by this court on November 9, 2022, are now public information. The purchase price of the

Morrison APA was \$13,200,000, plus sales tax (if applicable), which after certain net closing adjustments resulted in gross proceeds being delivered to the Receiver of \$12,260,471 on close, being cash to close of \$12,255,914 plus late interest of \$4,557. On March 24, 2022, the Receiver delivered approximately \$12.0 million to CFCU as the First and Second Interim Distributions and intends to maintain a hold back of approximately \$1.1 million as approved by the Court in the Distribution Order. A copy of the final statement of adjustments respecting this transaction is attached as Appendix “C” to this Report.

UPDATE ON THE ELECTRICAL WORK REPAIRS, LITIGATION MATTERS AND RECENT WATER PIPE BURST

Electrical Work Repairs

Electrical Work Repairs Claim

20. 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).
21. On November 26, 2020, the Receiver filed its 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 is seeking 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. 31.
22. On March 18, 2021, the Defendants filed a Statement of Defence refuting the allegations in the Electrical Work Repairs Claim. On July 7, 2021, the Receiver provided the Defendants its Affidavit of Records (“**AoR**”) and, on October 15, 2021, the Defendants provided their AoRs. The Receiver continues to evaluate the materials in the Defendants’ AoRs and will provide a further update to this Honourable Court on the Electrical Work Repairs Claim in a subsequent report.

Wawanesa Claim

23. In addition to the Electrical Work Repairs Claim, the Receiver, along with its counsel, evaluated and filed an insurance claim with the Woodland Park's insurance provider, Wawanesa Insurance ("**Wawanesa**"), on June 5, 2019, respecting the Electrical Work Repairs. On December 5, 2019, Wawanesa rejected the Receiver's claim under the policy. In response, on February 17, 2022, the Receiver, with the assistance of its counsel, prepared and filed a Statement of Claim (the "**Wawanesa Claim**") naming Wawanesa as Defendant.
24. Based on further legal analysis conducted by the Receiver and its counsel, the Receiver, with the support of CFCU, decided to discontinue the Wawanesa Claim and the Receiver's counsel is in the process of formally discontinuing and retracting the filed Wawanesa Claim with the Court.

Water Leak Repairs

25. 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 substantially been completed.
26. The total net cost agreed to be paid by the insurer for the direct repair to the Condo Corporation is \$154,398.67 in addition to the previously accepted claim for emergency services of \$91,222.08. Once the Condo Corporation receives a final invoice from Chatman, and Sedgewick remits the insurance payment to the Condo Corporation, the Condo Corporation will remit the final payment to Chatman. Then the only obligation remaining of the Administrator, by and through the Receiver, will be to remit \$50,000 to the Condo Corporation from the funds the Receiver holds as the deductible payment under the insurance policy.

APPROVING CONDUCT AND DISCHARGE OF THE ADMINISTRATOR

27. As a result of the transaction closing respecting the Morrison APA, the Receiver understands that 238 AB Ltd., as the new owner of an approximately 92.18% interest in the Condo Corporation, intends to hold a special general meeting (“SGM”) of the Condo Corporation. The purpose of the SGM will primarily be for the appointment of a new board of directors of the Condo Corporation. The Condo Corporation currently has no directors, which was the impetus behind the Receiver being appointed as Administrator in these Receivership Proceedings.
28. The Receiver respectfully requests that this Honourable Court grant an Order (the “**Administrator Discharge Order**”) which, among other things, and subject to the filing of a certificate (the “**Administrator Discharge Certificate**”) confirms the Receiver, acting in its capacity as Administrator, has satisfied its obligations under the Amended Receivership Order, absolutely, forever and unconditionally discharges the Receiver, acting as Administrator, from any claims against the Receiver arising from, relating to, or in connection with, the performance of the Administrator’s duties and obligations as Receiver, save and except for claims based on gross negligence.
29. The Receiver is respectfully of the view that it has conducted itself appropriately in its role as Administrator in these Receivership Proceedings and respectfully requests that this Court approve the actions and conduct of the Receiver since the Fifth Report and throughout the Receivership Proceedings.
30. The Receiver’s administration of the estate is substantially complete. In addition, the Administrator will have some miscellaneous administrative items to attend to post discharge primarily with respect to the transition of the Condo Corp’s accounts, contracts and financials to the management of the new board of directors. The Receiver is of the view these items are administrative in nature and should not prevent this Court from granting an unconditional discharge to the Receiver acting in its capacity as Administrator.
31. The Receiver’s next steps include, but are not limited to:
 - a) effectuating the transition of the Condo Corp’s operations and funds in trust to the new board of directors and their representatives; and

- b) concluding the administration of the outstanding insurance claim matter arising from the Water Leak incident.
- 32. Upon completion, the Receiver will file the Administrator Discharge Certificate with the Court confirming that all outstanding matters of the Administrator reported in this Report have been completed. Upon filing the Administrator Discharge Certificate, the Receiver, acting in its capacity as the Administrator, will be automatically discharged without further order of the Court. A copy of the draft Discharge Administrator Certificate is attached as Appendix “D” to this Report.

RECEIPTS AND DISBURSEMENTS – NOVEMBER 16, 2021 TO MARCH 25, 2022

- 33. The following is the Receiver’s statement of receipts and disbursements (“**R&D**”) for the reporting period of November 16, 2021 to March 25, 2022 (the “**Reporting Period**”) and cumulative R&D from the Receivership Date to March 25, 2022:

LREIT 34 - In Receivership		
Actual Receipts & Disbursements	Reporting Period	Total February 28,
CAD\$, unaudited	November 16/21	2019 to March 25,
	to March 25/22	2022
Opening Cash Balance	\$ 68,201	\$ 9,143
Receipts		
Rental Receipts	833,746	5,631,049
Operating cash from Shelter	-	72,273
Interest	-	129
Borrowings under Receiver's Certificate	-	1,250,000
Total Receipts	833,746	6,953,451
Disbursements		
Condo Corporation fees	142,409	1,295,704
Utilities & facility costs	-	279,081
APMSI Property Management fees	-	86,494
Property manager direct funding	162,373	673,013
Repairs and maintenance	5,168	225,898
Receiver's borrowings interest	30,081	175,919
Insurance	81,734	670,197
Property Tax	-	417,651
Total Operational Disbursements	421,766	3,823,959
Operational Cash Flow	411,980	3,129,492
Net proceeds from sale	12,768,072	12,768,072
Non-Operational Receipts	12,768,072	12,768,072
Electrical work repair costs	-	1,010,686
Interim Distribution to CFCU	11,000,000	11,000,000
Receiver's Fees and Costs	128,794	1,072,906
Receiver's Counsel's Fees and Costs	77,002	530,659
Repayments under Receiver's Certificate	1,000,000	1,250,000
Non-Operational Disbursements	12,205,796	14,864,251
Ending Cash Balance	\$ 1,042,455	\$ 1,042,455
Receiver's borrowings		
Maximum Receiver's Certificate	2,000,000	2,000,000
Opening Utilization	1,000,000	-
Amount borrowed	-	1,250,000
Amount Repaid	(1,000,000)	(1,250,000)
Availability	2,000,000	2,000,000

34. Opening cash of \$68,201 was available at November 16, 2021, the start of the Reporting Period.
35. During the Reporting Period, the Receiver collected positive net cash flow from operations of approximately \$411,980, which consists of the following:
- a) operating rental receipts from tenants of approximately \$833,746;

- b) operating disbursements of approximately \$421,766, which primarily relate to:
 - i. common element fees, property management, direct funding to the property manager of approximately \$304,783;
 - ii. insurance funding of approximately \$81,734 paid by LREIT on behalf of the Condominium Corporation; and
 - iii. general repairs and maintenance, capital improvements, bank charges and LREIT insurance policy costs of approximately \$35,249;
36. The Receiver collected total net proceeds from the closing of the transaction of approximately \$12,768,072, net of commissions payable to the Advisor of approximately \$346,500.
37. The Receiver incurred non-operating disbursements largely relating to:
- a) professional fees and costs paid of the Receiver and its legal counsel totalling \$205,796, which are further discussed below; and
 - b) the first and second interim distributions to CFCU previously approved by this Court totaling \$12,000,000, consisting of:
 - i. \$11,000,000 relating to the permanent payment towards CFCU's outstanding loan balance of approximately \$26 million; and
 - ii. repayment of \$1,000,000 towards the outstanding balance owed by Receiver to CFCU towards the Receiver's Borrowings. As a result of this payment, the funds borrowed by the Receiver in the Receivership Proceedings pursuant to the Receiver's Certificate, including any outstanding interest, has now been full paid.
38. As at March 25, 2022, total ending available cash (excluding the \$2,000,000 available under the Receiver's Certificate) is \$1,042,455.

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

39. Pursuant to the terms of the Amended Receivership Order, the Receiver seeks approval from this Court of its fees and disbursements and those from its counsel, BDP, from November 1, 2021 to February 28, 2022 (the “**Interim Period Billings**”). As detailed in the Fifth Report, the Receiver previously obtained court approval for its fees and those of BDP and Field Law from the Receivership Date to October 31, 2021.
40. The Interim Period Billings of the Receiver and BDP's fees and disbursements total \$103,028 and \$63,938 (excluding GST), respectively. A summary of the Receiver's and BDP's fees and disbursements are attached as **Appendix “A”** and **“B”**, respectively, to this Report.
41. 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 April 8, 2022.
42. 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 Court approve the Interim Period Billings of the Receiver and its counsel.

RECEIVER'S ONGOING ACTIVITIES AND FUTURE COURSE OF ACTION

43. The Receiver's anticipated next steps include, but are not limited to:
 - a) continuing to evaluate with its counsel, and in consultation with CFCU, the Electrical Work Repairs Claim and further advancement of such claim as against the Defendants;
 - b) concluding the remaining tasks of the Administrator; and
 - c) finalizing the remaining tasks of the Receiver to obtain the Receiver's final discharge.

RECEIVER'S RECOMMENDATIONS

44. The Receiver respectively recommends that this Honourable Court grant the following relief:

- a) an Order:
 - i. approving the actions, activities and conduct of the Receiver as described in this Report and throughout these Receivership Proceedings;
 - ii. approving the actions, activities and conduct of the Receiver in its capacity as the Administrator of Condominium Corporation No. 1820957, throughout the Receivership Proceedings and the discharge of the Administrator of its duties; and
 - iii. approving the Interim Period Billings of the Receiver and BDP, as set out in this Report;

All of which is respectfully submitted this 30th day of March, 2022.

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



Steven Chu, CPA
Manager

Appendix A – Morrison APA Amending Agreement

AMENDING AGREEMENT
(this "Agreement")

This Agreement made as of January 28, 2022 (the "**Effective Date**").

AMONG:

**LREIT HOLDINGS 34 CORPORATION and LANESBOROUGH
REAL ESTATE INVESTMENT TRUST** (collectively, the "**Vendor**"),
by their court appointed receiver, **ALVAREZ & MARSAL CANADA
INC.**

AND

MARIO MORRISON

(the "**Morrison**")

AND

2387770 ALBERTA LTD.

(the "**Nominee**")

RECITALS:

- A. The parties entered into a Definitive Agreement Pursuant to Sales Process Order dated October 29, 2021 (the "**Sale Agreement**").
- B. The Sale Agreement provided that Morrison or his nominee would act the Purchaser under the Sale Agreement and Morrison has appointed the Nominee as its nominee to complete the transactions contemplated in the Sale Agreement, as purchaser.
- C. The parties wish to amend the Sale Agreement as provided for herein.

NOW THEREFORE in consideration of TWO (\$2.00) DOLLARS paid by each party to the other, the mutual covenants and agreements between the parties contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
RECITALS

1.1 Recitals

The recitals to this Agreement are true and correct in all respects and form a part of this Agreement.

ARTICLE 2 AMENDMENT

2.1 Nominee

The Parties acknowledge and agree that Morrison has appointed the Nominee as its nominee to complete the transactions contemplated in the Sale Agreement, as purchaser.

2.2 Closing Date

Section 4 – "Closing Date" of the Sale Agreement is hereby deleted in its entirety and replaced with:

"Unless the parties otherwise agree in writing, "**Closing Date**" means March 15, 2022. The purchase and sale of the Property shall be completed at 12:00 noon local Alberta time on the Closing Date, at which time vacant possession of the Property (subject to the rights of any tenants pursuant to the Leases) shall be given by Vendor to Purchaser in accordance with this Agreement."

2.3 Lands

Schedule "A" to the Sale Agreement is hereby deleted in its entirety and replaced with Schedule "A" attached hereto.

2.4 Rent Roll

Schedule "D" to the Sale Agreement is hereby deleted in its entirety and replaced with Schedule "D" attached hereto.

2.5 No Other Amendments

Except as amended by the foregoing, all provisions of the Sale Agreement are hereby reaffirmed and remain unchanged.

ARTICLE 3 MISCELLANEOUS

3.1 Further Assurances

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to carry out the intent of this Agreement.

3.2 Severability

If any term, condition or provision of this Agreement shall be determined to be invalid or unenforceable it shall be deemed to be severable from the remainder of this Agreement which shall continue in full force and effect.

3.3 Governing Law

This Agreement shall be governed and interpreted in accordance with the laws of the Province of Alberta.

3.4 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[Signature page follows]

3.5 Execution in Counterpart

This Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, all such counterparts shall together constitute, and be construed as, one instrument and each of such counterparts shall, notwithstanding the date of its execution, be deemed to bear the date first written above. A signed counterpart provided by way of facsimile transmission or in .pdf format shall be as binding upon the parties as an originally signed counterpart.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by their duly authorized officer(s) as of the Effective Date.

**ALVAREZ & MARSAL CANADA INC. in its
capacity as the court-appointed receiver of
LREIT HOLDINGS 34 CORPORATION and
LANESBOROUGH REAL ESTATE
INVESTMENT TRUST and not in its personal
or corporate capacity**

Per:



Orest Konowalchuk
Senior Vice President

Witness

Mario Morrison

2387770 ALBERTA LTD.

Per:

Authorized Signatory

3.5 Execution in Counterpart

This Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, all such counterparts shall together constitute, and be construed as, one instrument and each of such counterparts shall, notwithstanding the date of its execution, be deemed to bear the date first written above. A signed counterpart provided by way of facsimile transmission or in .pdf format shall be as binding upon the parties as an originally signed counterpart.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by their duly authorized officer(s) as of the Effective Date.

**ALVAREZ & MARSAL CANADA INC. in its
capacity as the court-appointed receiver of
LREIT HOLDINGS 34 CORPORATION and
LANESBOROUGH REAL ESTATE
INVESTMENT TRUST and not in its personal
or corporate capacity**

Per: _____

Authorized Signatory

Witness


Mario Morrison

2387770 ALBERTA LTD.

Per: _____

Authorized Signatory

Schedule "A"

Lands

LEGAL DESCRIPTION:

CONDOMINIUM PLAN NO. 182 0957
UNITS 1-18 (INCLUSIVE), 21-24 (INCLUSIVE), 26, 29-107 (INCLUSIVE)
AND THE UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
APPURTENANT THERETO
EXCEPTING ALL MINES AND MINERAL

Schedule "D"

Rent Roll

(See attached)

Rent Roll
wood - 230 Wilson Drive
As of Date: 01/11/2022
Select By: Lease From Date

Page 1
1/11/22
01:12 PM

Unit	Unit Type	Tenant Code	Tenant Name	Unit Sqft	Market Rent	Actual Rent	Deposit	Lease From	Lease To
100	3fbdm	heavy100	Heavy Metal Equipment Rent	0.0	2,050.00	2,050.00	0.00	09/01/20	02/28/22
101	2fbdm	heavy101	Heavy Metal Equipment Renta	0.0	2,350.00	2,350.00	0.00	11/01/19	01/31/22
102	2fbdm	heavy102	Heavy Metal Equipment Renta	0.0	1,650.00	1,650.00	0.00	11/01/19	01/31/22
103	2bdm	macka103	Norman Mackay 103	0.0	1,550.00	1,550.00	1,550.00	09/01/21	02/28/22
104	2bdm	peggra104	Kim Pegram	0.0	1,650.00	1,650.00	1,650.00	05/01/21	
105	2fbdm	heavy105	Heavy Metal Equipment Renta	0.0	1,775.00	1,775.00	0.00	02/01/20	01/31/22
106	2bdm	chris106	Anthony Christmas 106	0.0	1,550.00	1,550.00	1,550.00	08/01/20	
107	2den	martens	Robin Martens 107	0.0	1,650.00	1,650.00	1,650.00	11/01/19	10/31/22
108	2bdm		VACANT	0.0	1,550.00				
109	3fbdm	heavy109	Heavy Metal Equipment Renta	0.0	1,800.00	1,800.00	0.00	11/01/19	01/31/22
110	2fbdm	hanc110	Joni Lavers	0.0	1,650.00	1,650.00	1,650.00	10/01/20	03/31/22
111	2fden	ansah	Ignatius Anane-Ansah 111	0.0	1,600.00	1,600.00	0.00	10/01/18	06/30/22
112	office	office	office	0.0	0.00	0.00	0.00	08/13/21	
113	2fbdm	heavy113	Heavy Metal Equipment Renta	0.0	1,775.00	1,775.00	0.00	02/01/20	01/31/22
114	2bdm	hoar114	Nathan Hoar 114	0.0	1,550.00	1,550.00	1,550.00	08/01/21	01/31/22
115	2bdm	heavy115	Heavy Metal Equipment Renta	0.0	1,900.00	1,900.00	0.00	10/01/21	09/30/22
116	2fbdm	heavy116	Heavy Metal Equipment Renta	0.0	1,900.00	1,900.00	0.00	06/01/21	05/31/22
117	2fden	heavy117	Heavy Metal Equipment Renta	0.0	1,750.00	1,750.00	0.00	02/01/20	01/31/22
118	2fbdm	heavy118	Heavy Heavy Metal Equipmen	0.0	1,900.00	1,900.00	0.00	09/14/21	09/30/22
200	3fbdm	whitekn1	Belinda Whiteknife 200	0.0	1,800.00	1,800.00	1,850.00	07/01/19	
201	2bdm	wright201	Zachary Wright 201	0.0	1,675.00	1,675.00	1,550.00	01/01/21	
202	2bdm	ander202	Leona Anderson 202	0.0	1,550.00	1,550.00	1,550.00	06/01/21	05/31/22
203	2bdm	vater203	Madonna Vaters 203	0.0	1,550.00	1,550.00	1,550.00	07/01/21	06/30/22
204	2fbdm	turge204	Tammy Gobell-Turgeon 204	0.0	1,675.00	1,675.00	0.00	11/01/20	10/31/22
205	2fbdm	heavy205	Heavy Heavy Metal Equipmen	0.0	1,900.00	1,900.00	0.00	09/14/21	09/30/22
206	2fbdm	heavy206	Heavy Metal Equipment Renta	0.0	1,800.00	1,800.00	0.00	03/25/20	01/31/22
207	2fden	caul	Bradley Caul 207	0.0	1,875.00	1,875.00	0.00	03/01/19	11/30/22
208	2fbdm	heavy208	Heavy Metal Equipment Renta	0.0	1,900.00	1,900.00	0.00	10/01/21	09/30/22
209	3fbdm	heavy209	Heavy Metal Equipment Renta	0.0	1,800.00	1,800.00	0.00	11/01/19	01/31/22
210	2fbdm	guill210	Daniel Guillamot 210	0.0	1,800.00	1,800.00	1,650.00	09/01/21	
211	2den	grant	Jared Grant 211	0.0	1,700.00	1,700.00	1,800.00	07/01/19	06/30/22
212	2fbdm	marquis	Michel Marquis 212	0.0	1,650.00	1,650.00	1,650.00	10/11/19	04/30/22
213	2fbdm		VACANT	0.0	1,550.00				
214	2fbdm	heavy214	Heavy Heavy Metal Equipmen	0.0	1,900.00	1,900.00	0.00	09/14/21	09/30/22
215	2fbdm	ricks	Leah Ricks 215	0.0	1,700.00	1,700.00	0.00	10/01/18	09/30/22
216	2fbdm	heavy216	Heavy Metal Equipment Renta	0.0	1,900.00	1,900.00	0.00	10/01/20	09/30/22
217	2fden	heavy217	Heavy Metal Equipment Renta	0.0	1,750.00	1,750.00	0.00	02/01/20	01/31/22
218	2fbdm	rogers	Catherine Anguittauruq-Roge	0.0	1,725.00	1,725.00	0.00	11/01/18	10/31/22
300	3fbdm	heavy300	Heavy Metal Equipment Renta	0.0	1,800.00	1,800.00	0.00	11/01/19	01/31/22
301	2fbdm	bauld301	Inara Bauld 301	0.0	1,900.00	1,900.00	1,650.00	03/01/21	02/28/22
302	2fbdm	sylla	Aboubakar Sylla 302	0.0	1,625.00	1,625.00	0.00	01/01/19	06/30/22
303	2bdm	glavin1	Jared Rogerson	0.0	1,625.00	1,625.00	1,550.00	12/01/19	
304	2fbdm	gillis	Cecil Gillis 304	0.0	1,625.00	1,625.00	0.00	09/01/18	
305	2fbdm	heavy305	Heavy Metal Equipment Rent	0.0	1,900.00	1,900.00	0.00	09/14/20	09/30/22
306	2bdm	skwar306	Richard Skwarek 306	0.0	1,550.00	1,550.00	1,550.00	07/01/20	06/30/22
307	2fden	quinn	Joseph Quinn 307	0.0	1,875.00	1,875.00	1,900.00	07/01/19	
308	2fbdm	welsb308	Krysta Weisbrod	0.0	1,625.00	1,625.00	1,550.00	09/17/21	09/30/22
309	3fbdm	heavy309	Heavy Metal Equipment Renta	0.0	1,775.00	1,775.00	0.00	02/01/19	01/31/22
310	2bdm	campbel2	Anika Campbell 310	0.0	1,500.00	1,550.00	1,550.00	01/01/20	09/30/22
311	2den	schmi311	Katherine Schmidt 311	0.0	1,650.00	1,650.00	1,650.00	06/01/21	11/30/22
312	2fbdm	heavy312	Heavy Heavy Metal Equipmen	0.0	1,900.00	1,900.00	0.00	09/14/21	09/30/22
313	2bdm	nosew313	Todd Noseworthy 313	0.0	1,625.00	1,625.00	1,550.00	07/01/20	06/30/22
314	2bdm	hardi314	Brett Harding 314	0.0	1,550.00	1,550.00	1,550.00	02/01/21	01/31/22
315	2fbdm	heavy315	Heavy Metal Equipment Renta	0.0	1,900.00	1,900.00	0.00	10/01/21	09/30/22
316	2bdm	mcglnnes	Shelley McGlnnes 316	0.0	1,625.00	1,625.00	0.00	03/01/19	02/28/22
317	2fden	forsyth2	Debra Forsyth 317	0.0	1,775.00	1,775.00	1,650.00	12/01/19	05/31/22
318	2fbdm	sange318	Nicole Sanger	0.0	1,650.00	1,650.00	1,650.00	11/01/21	04/30/22
400	3fbdm	guill400	Jean-Marc Guillamot	0.0	2,050.00	2,050.00	1,800.00	11/01/21	
401	2bdm	curti401	Matthew Curtis 401	0.0	1,550.00	1,550.00	1,550.00	06/12/20	
402	2fbdm		VACANT	0.0	1,975.00				
403	2fbdm	heavy403	Heavy Metal Heavy Metal Equi	0.0	1,975.00	1,975.00	0.00	04/01/21	09/30/22
404	2fbdm	simey404	Dave Simey 404	0.0	1,500.00	1,500.00	0.00	09/01/20	08/31/22
405	2fbdm	olaoku	Morakinyo Olaoku 405	0.0	1,500.00	1,500.00	0.00	12/01/18	05/31/22
406	2fbdm	roy	Frederik Roy 406	0.0	1,600.00	1,600.00	0.00	11/01/18	04/30/22
407	2fden	jones407	Cindy Renner-Jones 407	0.0	1,725.00	1,725.00	1,650.00	02/01/21	01/31/22
408	2fbdm	heavy408	Heavy Metal Equipment Renta	0.0	1,900.00	1,900.00	0.00	10/01/21	09/30/22
409	3fbdm	heavy409	Heavy Metal Equipment 409	0.0	1,800.00	1,800.00	0.00	03/01/19	01/31/22
410	2bdm	ohama410	Joy Ohama	0.0	1,550.00	1,550.00	1,550.00	12/01/21	11/30/22
411	2fden		VACANT	0.0	1,750.00				
412	2fbdm	heavy412	Heavy Metal Equipment Renta	0.0	1,900.00	1,900.00	0.00	08/01/21	05/31/22
413	2bdm	danie413	Kevin Daniels 413	0.0	1,550.00	1,550.00	1,550.00	03/01/21	02/28/22

Rent Roll
wood - 230 Wilson Drive
As of Date: 01/11/2022
Select By: Lease From Date

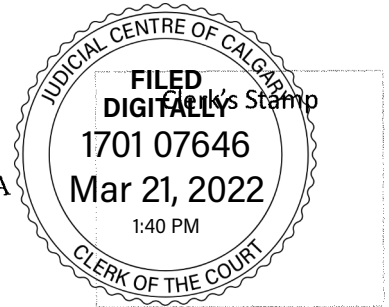
Page 2
1/11/22
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Unit	Unit Type	Tenant Code	Tenant Name	Unit Sqft	Market Rent	Actual Rent	Deposit	Lease From	Lease To
414	2fdbrm	heavy414	Heavy Metal Equipment Renta	0.0	1,775.00	1,775.00	0.00	05/01/21	10/31/22
415	2fdbrm	heavy415	Heavy Metal Equipment Renta	0.0	1,650.00	1,650.00	0.00	03/24/20	01/31/22
416	2bdbrm	barringt	Ashley Barrington 416	0.0	1,625.00	1,625.00	0.00	03/01/19	02/28/22
417	2fden	hatton	Janice Hutchison-Hatton	0.0	1,775.00	1,775.00	1,650.00	10/01/20	09/30/22
418	2fdbrm	pierc418	Matthew Piercey 418	0.0	1,625.00	1,625.00	1,550.00	07/01/20	06/30/22
TH01	twndhouse	heavy	Heavy Metal Equipment Renta	0.0	2,250.00	2,625.00	0.00	02/01/19	01/31/22
TH02	twndhouse	heavy2	Heavy Metal Equipment Renta	0.0	2,250.00	2,625.00	0.00	02/01/19	01/31/22
TH03	twndhouse	heavy03	Heavy Metal Equipment Renta	0.0	2,250.00	2,625.00	0.00	02/01/19	01/31/22
TH04	twndhouse	heavy4	Heavy Metal Equipment Renta	0.0	2,250.00	2,700.00	0.00	10/01/20	09/30/22
TH05	twndhouse	heavy5	Heavy Metal Equipment Renta	0.0	2,250.00	2,700.00	0.00	09/11/20	09/30/22
TH06	twndhouse	heavy6	Heavy Metal Equipment Renta	0.0	2,250.00	2,700.00	0.00	09/11/20	09/30/22
TH07	twndhouse	heavy7	Heavy Metal Equipment Renta	0.0	2,250.00	2,700.00	0.00	10/01/20	09/30/22
TH08	twndhouse	pattys08	Brian Pattysen 8	0.0	2,250.00	2,250.00	2,250.00	05/18/20	05/31/22
TH09	twndhouse	baljer	Justyn Baljer 9	0.0	2,250.00	2,500.00	2,500.00	03/18/20	03/31/22
TH10	twndhouse	clow10	Nicole Clow 10	0.0	2,250.00	2,250.00	2,250.00	08/01/21	07/31/22
TH11	twndhouse	heavy11	Heavy Metal Equipment Renta	0.0	2,250.00	2,625.00	0.00	02/01/19	01/31/22
TH12	twndhouse	brushe16	Ryan Brushett 16	0.0	2,250.00	2,500.00	2,500.00	09/01/20	02/28/22
TH13	twndhouse	heavy13-	Heavy Metal Equipment Renta	0.0	2,250.00	2,700.00	0.00	10/01/20	09/30/22
TH14	twndhouse	heffer14	Garland Heffer 14	0.0	2,250.00	2,500.00	2,500.00	07/01/20	06/30/22
TH15	twndhouse	jenkins	Peter Jenkins 15	0.0	2,250.00	2,500.00	2,500.00	12/01/19	
TH16	twndhouse	heavy16	Heavy Metal Equipment Renta	0.0	2,250.00	2,700.00	0.00	10/01/20	09/30/22
TH17	twndhouse	heavy17-2	Heavy Metal Equipment Renta	0.0	2,250.00	2,700.00	0.00	10/01/20	09/30/22
TH18	twndhouse	buch18	Spencer Buchanan 18	0.0	2,250.00	2,250.00	2,250.00	06/01/20	05/31/22
TH19	twndhouse	sold19	SOLD 19 SOLD 19	0.0	0.00	0.00	0.00	02/01/19	
TH20	twndhouse	sold2	SOLD 20 SOLD 20	0.0	0.00	0.00	0.00	02/01/19	
TH21	twndhouse	heavy21	Heavy Metal Equipment Renta	0.0	2,250.00	2,625.00	0.00	02/01/19	01/31/22
TH22	twndhouse	heavy22	Heavy Metal Equipment Renta	0.0	2,250.00	2,625.00	0.00	02/01/19	01/31/22
TH23	twndhouse	heavy23	Heavy Metal Equipment Renta	0.0	2,250.00	2,625.00	0.00	05/01/19	01/31/22
TH24	twndhouse	heavy24	Heavy Metal Equipment Renta	0.0	2,250.00	2,625.00	0.00	09/16/19	01/31/22
TH25	twndhouse	sold25	SOLD 25 SOLD 25	0.0	0.00	0.00	0.00	02/01/19	
TH26	twndhouse	ross1	Scott Ross 26	0.0	2,250.00	2,500.00	2,850.00	08/01/19	04/30/22
TH27	twndhouse	sold27	SOLD 27 SOLD 27	0.0	0.00	0.00	0.00	02/01/19	
TH28	twndhouse	sold28	SOLD 28 SOLD 28	0.0	0.00	0.00	0.00	02/01/19	
TH29	twndhouse	nose29	Russell Noseworthy 29	0.0	2,250.00	2,500.00	2,500.00	11/01/20	04/30/22
TH30	twndhouse	ronan30	Terry Ronan 30	0.0	2,250.00	2,500.00	2,500.00	12/01/20	05/31/22
TH31	twndhouse	heavy31	Heavy Heavy Metal Equipmen	0.0	2,800.00	2,800.00	0.00	09/01/21	08/31/22
TH32	twndhouse	heavy32	Heavy Metal Equipment Renta	0.0	2,250.00	2,850.00	0.00	02/01/21	01/31/22
108			Total	0.0	191,350.00	193,075.00	74,900.00		
104			Total Occupied	0.0	184,525.00	193,075.00			
96.30			% Occupied		96.43	100.90			
4			Total Vacant	0.0	6,825.00				
3.70			% Vacant		3.57				

Appendix B – Receiver’s Certificate (Sale Agreement)

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
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 / 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 C – Statement of Adjustments for the Morrison APA

STATEMENT OF ADJUSTMENTS

Vendor: LREIT HOLDINGS 34 CORPORATION and LANESBOROUGH
REAL ESTATE INVESTMENT TRUST

Purchaser: 2387770 ALBERTA LTD. (nominee of Mario Morrison)

Reciever: ALVAREZ & MARSAL CANADA INC.

Legal Description of
Proeprty: CONDOMINIUM PLAN NO. 182 0957
UNITS 1-18 (INCLUSIVE), 21-24 (INCLUSIVE), 26, 29-107
(INCLUSIVE)

Adjustment Date: March 15, 2022

	Credit to Purchaser	Credit to Vendor
Purchase Price		\$13,200,000.00
Deposit*	\$660,000.00	
*Held by Reciever.		
Property Tax Adjustment	\$23,317.29	
Tax Levy: \$116,589.61*		
*Based on 2021 Tax Levy		
Vendor's Portion: $\$116,589.61 \times (73/365) = \$23,317.92$		
Property Tax Credit - Overpayment of 2021 Property Taxes		\$15,660.24
Will be credited towards 2022 property taxes.		
Rent Adjustment	\$88,572.58	
March Rent Paid to Reciever		
$\$196,125.00 \times (14/31) = \$88,572.58$		
Deposit Adjustmnet	\$194,100.00	
Deposits currently held by Reciever - \$194,100.00		
Shaw Internet Adjustment		\$2,747.89
Monthly Charge - \$5,010.86		
Purchaser's Portion: $\$5,010.86 \times (17/31) = \$2,747.89$		
Paid on first of the month for the current month.		
Property Management Fee Adjustmnet		\$5,377.62
Monthly Charge - \$9,806.25		
Purchaser's Portion - $\$9,806.25 \times (17/31) = \$5,377.62$		
Paid on first of the month for the current month.		
Unit Water Bills Adjustment (RMWB)	\$667.92	
Monthly Charge - \$1,478.96		
Vendor's Portion - $\$1,478.96 \times (14/31) = \667.92		
Billed month after usage.		

Direct Energy Electricity Adjustment

\$1,213.11

Monthly Charge - \$2,686.18

Vendor's Portion - $\$2,686.18 \times (14/31) = \$1,213.11$

Billed month after usage.

CASH TO CLOSE

\$12,255,914.85

\$13,223,785.75

\$13,223,785.75

*This statement of adjustments is interim in nature and will be updated prior to closing to reflect updated information.

The Statement of Adjustments has been prepared based on information provided to us and believed to be correct. However, its accuracy is not guaranteed. Any adjustments not contained in the Statement are to be made directly between the Vendor and the Purchaser. When the Purchaser receives a tax credit it will then be responsible for payment of the full amount of the taxes for the current year, and is advised to check with the municipal taxing authority to ensure that it receives a tax notice or copy. Unless otherwise expressly provided in writing, the parties to the transaction shall notify such utility companies as applicable of the change of ownership. The parties shall arrange for their own insurance.

E. & O.E.

Appendix D – Draft Discharge Administrator Certificate

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 **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

- 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

Appendix E – Receiver’s Fees and Disbursements

LREIT Holdings 34 Corporation
Summary of Receiver's Fees and Disbursements
November 1, 2021 to February 28, 2022

Appendix E

Invoices Subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
LREIT - 27	November 1, 2021 - December 31, 2021	63,760.00	0.00	63,760.00	3,188.00	66,948.00
LREIT - 28	January 1, 2022 to January 31, 2022	16,140.00	0.00	16,140.00	807.00	16,947.00
LREIT - 29	February 1, 2022 to February 28, 2022	23,127.50	0.00	23,127.50	1,156.38	24,283.88
TOTAL INVOICES SUBJECT TO COURT APPROVAL		\$ 103,027.50	\$ -	\$ 103,027.50	\$ 5,151.38	\$ 108,178.88

Appendix F – Receiver’s Counsel’s Fees and Disbursements

LREIT Holdings 34 Corporation**Appendix F**

Summary of the Receiver's Counsel's Fees and Disbursements
November 1, 2021 to February 28, 2022

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
203465346	November 1, 2021 to November 30, 2021	33,112.50	640.03	33,752.53	1,682.38	35,434.91
203466131	December 1, 2021 to December 31, 2021	2,424.50	4,044.55	6,469.05	323.46	6,792.51
203467462	January 1, 2022 to January 31, 2022	12,347.50	1,942.00	14,289.50	714.48	15,003.98
203467920	February 1, 2022 to February 28, 2022	9,115.00	311.73	9,426.73	458.69	9,885.42
TOTAL INVOICES SUBJECT TO COURT APPROVAL		\$ 56,999.50	\$ 6,938.31	\$ 63,937.81	\$ 3,179.01	\$ 67,116.82