



NOTICE OF STATEMENT OF RECEIVER
 (Subsections 245(1) and 246(1) of the Act)

**IN THE MATTER OF THE RECEIVERSHIP OF
 LREIT HOLDINGS 34 CORPORATION**

The receiver gives notice and declares that:

1. On February 28, 2019, an Order was granted by the Court of Queen’s Bench of Alberta (the “**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 200, C.-7, Alvarez & Marsal Canada Inc. was appointed Receiver and manager (“**Receiver**”) of LREIT Holdings 34 Corporation’s (“**LREIT 34**”) and Lanesborough Real Estate Investment Trust (“**Lanesborough**”). For purposes of the Receivership Order, “Lanesborough” means the Lanesborough Real Estate Investment Trust, solely with respect to its beneficial interest in the property (defined below). LREIT 34 and Lanesborough are collectively referred to as 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, as 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
 (“**Lands**”);
 AND
 all of the RIGHT, TITLE, and INTEREST of the Debtor, in all CHATTELS located
 on the Lands (the “**Chattels**”)

(commonly referred to as “**Woodland Park**”) (the “**Property**”))

2. The Receiver understands that the accounting records for LREIT 34 as at February 28, 2019 indicates the following assets:

	Estimated Net Book Value (Note 2)	
Cash	\$	9,143
Security deposits (Note 1)		155,200
Accounts receivable		26,910
Other current assets		468
Land & building		23,384,442
Related party receivable		3,628,715
Furniture & equipment		482,701
Total	\$	27,687,579



Note 1: Security deposits held in trust with respect to tenant security deposits

Note 2: Realizable values may materially differ from the above estimated net book value

3. A&M became the Receiver in respect of the Property described above by virtue of the Receivership Order, a copy of which may be found on the Receiver's website at: www.alvarezandmarsal.com/LREIT34.
4. Upon receiving the entered Receivership Order, the Receiver took possession and control of the Property described above on February 28, 2019.
5. The following information relates to the receivership:

- a) Civic Address: 230 Wilson Drive, commonly known as "Woodland Park"
- b) Principal line of business: LREIT Holdings 34 Corporation's principal business activity is the ownership and rental of apartment units and town house units.
- c) Location of business: Fort McMurray, Alberta

6. Amounts owed by the Debtor to each creditor, according to books and records as at February 28, 2019 are shown below:

	<u>Outstanding Amount</u>
Secured creditors (Note 1)	\$ 24,646,436
Unsecured creditors (Note 1)	29,719
Total	\$ 24,676,155

Note 1: See attached listing for details

7. The Receiver's contact information is:
Alvarez & Marsal Canada Inc.
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Telephone: (403) 538-7555
Facsimile: (403) 538-7551



Attention: Mr. Chad Artem
Email: cartem@alvarezandmarsal.com

Attention: Mr. Steven Chu
Email: steven.chu@alvarezandmarsal.com

8. To date, no claims procedure has been approved by the Court that instructs the creditors to prove their claims against the Debtor. As a result, creditors are not required to file a proof of claim with the Receiver at this time. The Receiver will notify each known creditor if a claims procedure order has been granted by the Court that instructs creditors to prove their claim(s).

Dated at Calgary, Alberta this 11th day of March, 2019.

**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**

A handwritten signature in blue ink, appearing to read 'Orest Konowalchuk'.

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

Enclosure

