

COURT FILE NUMBERS	1901 - 18029
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	SUN LIFE ASSURANCE COMPANY OF CANADA, AND THOSE OTHER APPLICANTS SET OUT IN THE ATTACHED SCHEDULE "A.1"
RESPONDENTS	SUNDANCE PLACE II LTD., SUNDANCE PLANCE II 1000 LIMITED PARTNERSHIP by its general partner SUNDANCE PLACE II LTD., AND THOSE RESPONDENTS SET OUT IN THE ATTACHED SCHEDULE "A.2"
PROCEEDINGS	IN THE MATTER OF AN APPLICATION UNDER SECTION 47(1) OF THE <i>BANKRUPTCY AND INSOLVENCY ACT</i> , RSC 1985, c B-3 AND IN THE MATTER OF AN APPLICATION UNDER SECTION 13(2) OF THE <i>JUDICATURE ACT</i> , RSA 2000, c J-2
DOCUMENT	TENTH REPORT OF THE RECEIVER February 22, 2021

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INTRODUCTION

1. On December 20, 2019, by order of the Honourable Justice K.M. Horner of the Court of Queen’s Bench of Alberta (the “**Court**”) (the “**Interim Receivership Order**”), Alvarez & Marsal Canada Inc. (the “**Interim Receiver**”) was appointed receiver and manager without security, of the lands and premises legally described in Schedule “C” to the Interim Receivership Order and all of the Debtors’ ((as defined in the Interim Receivership Order and listed in Schedule “A.2” thereto (singularly an “**Interim Receivership Debtor**” and collectively the “**Interim Receivership Debtors**”)) present and after-acquired personal property situated on the Lands pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“**BIA**”) and section 13(2) of the *Judicature Act*, RSA 2000, c J-2. The proceedings referenced herein under the Interim Receivership Order will hereinafter be referred to as the “**Interim Receivership Proceedings**”.
2. On January 27, 2020, the Court granted an order expanding the powers granted to the Interim Receiver under section 243(1) *BIA* in respect of certain of the properties subject to the Interim Receivership Order (the “**Expanded Receivership Order**”). Pursuant to the Expanded Receivership Order, Alvarez & Marsal Canada Inc. became the receiver (the “**Receiver**”) of the lands and premises legally described in Schedule “C” to the Expanded Receivership Order. The proceedings referenced herein under the Expanded Receivership Order and amendments thereto, will hereinafter be referred to as the “**Receivership Proceedings**”.
3. On February 19, 2020, the Court granted a further Order amending and restating the Expanded Receivership Order (the “**Amended and Restated Receivership Order**”) to extend the Receiver’s appointment and powers in respect of further lands and collateral which are defined herein as the “**Receivership Property**” and individually as an “**Individual Receivership Property**”. Those properties previously under the administration of the Interim Receivership Order are collectively referred to as “**IRO Properties**” and individually as an “**Individual IRO Property**”. The IRO Property and the Receivership Property may hereinafter be collectively referred to as the “**Property**” and individually as an “**Individual Property**”.
4. On March 27, 2020, the Court granted an Order approving the sale of certain properties co-owned by select special purpose subsidiaries of the TELUS Pensions Master Trust (“**TPMT**”) and certain of the Debtors under the Amended and Restated Receivership Order

(the “**TPMT Transaction**”). The Court further ordered a sale and investment solicitation process (“**SISP**”) prepared by the Receiver for the potential sale of remaining Individual IRO Property and Individual Receivership Property not forming part of the TPMT Transaction, including the 411 Property (subsequently defined).

5. On March 27, 2020, the Court granted an Order (the “**March 27, 2020 Order**”) discharging the Receiver as Interim Receiver over IRO Properties that did not fall within the meaning of “Property” under the Interim Receivership Order within 45 days of the date of the March 27, 2020 Order, subject to the Interim Receiver’s incidental duties, rights and protections under the Interim Receivership Order.
6. On February 22, 2021, the Receiver filed a Notice of Application seeking amongst other orders:
 - (a) discharging the Interim Receivership Order off the titles of the IRO Properties in which the Interim Receivership Order currently remains registered against;
 - (b) directing and authorizing the Receiver to conclude its GST obligations as the final step(s) in its administration under the Interim Receivership Order;
 - (c) authorizing and directing payment into Court for any residual funds remaining in a estate of an Interim Receivership Debtor under the administration of the Interim Receivership Order;
 - (d) allowing the Receiver to file a receiver’s certificate discharging it from any further obligations in the administration of an estate under the Interim Receivership Order following the Receiver completing its GST obligations and paying any residual funds in an estate of an Interim Receivership Debtor into Court (“**Receiver’s Certificate**”);
 - (e) upon the Receiver filing a Receiver’s Certificate, authorizing and directing the Receiver or its agent to concurrently discharge from the Alberta Personal Property Registry the Interim Receivership Order as against an Interim Receivership Debtor(s) listed in said Receiver’s Certificate; and
 - (f) approving the Receiver’s activities in the Tenth Report.

PURPOSE OF THE REPORT

7. The purpose of this tenth report (the “**Tenth Report**”) is to provide this Honourable Court and relevant stakeholders in the Receivership Proceedings with information relating to:
- (a) the current status of the Remaining Receivership Properties (defined below);
 - (b) the activities of the Receiver to date;
 - (c) an update on the Receiver’s administration of the estates under the Interim Receivership Order; and
 - (d) the Receiver’s recommendations.

STATUS UPDATE OF RECEIVERSHIP PROCEEDINGS

Remaining Receivership Properties

8. Pursuant to various court orders granted in the Receivership Proceedings, two properties currently remain under the Receiver’s control and custody in the Receivership Proceedings (collectively, the “**Remaining Receivership Properties**”). Summarized in the table below are certain particulars of the Remaining Receivership Properties:

Remaining Receivership Property	Address	Mortgagee
411 Property	409 & 411 8 Ave SW, Calgary, AB	Business Development Bank of Canada
Terra Property	69 Gateway Drive NE, Airdrie, AB	ATB Financial

9. Colliers Macaulay Nicholls Inc. (“**Colliers**”) and FirstService Residential Alberta Ltd. (“**FirstService**”) remain the property management firms engaged by the Receiver to undertake the day-to-day property management of the Remaining Receivership Properties.
10. On January 18, 2021, the Court granted an Order approving the sale of the 411 Property to Dynasty Power Inc. This sale transaction is scheduled to close the first week of March 2021.
11. ATB Financial is still considering its realization options regarding the Terra Property.

Receiver's Activities for the Period of January 11, 2021 to February 22, 2021

12. The Receiver's activities since the filing of the Ninth Report of the Receiver dated January 11, 2021 have included, among other things and as more expressly detailed in the Ninth Report:
- (a) facilitating the closing of the sale of the 411 Property;
 - (b) adjudicating claims submitted under an initial claims process with respect to a creditor cash pool paid to the Receiver in the TPMT Transaction ("**Creditor Cash Pool**");
 - (c) conducting a supplemental claims process with respect to surplus amounts arising from the Creditor Cash Pool;
 - (d) seeking input from ATB Financial, as a mortgage lender of the Terra Property, on future realization strategies;
 - (e) working with various mortgagees requesting the discharge of the Interim Receivership Order against the titles for certain properties previously in the Interim Receivership Proceedings;
 - (f) continuing to approve and pay expenses for the Remaining Receivership Properties, including insurance, municipal taxes and other operational expenses;
 - (g) continuing the cash management function in respect of making ordinary course operational payments and monitoring liquidity with respect to Individual Properties which have exited the Receivership Proceedings and their associated cash reserves;
 - (h) continuing to collect rents from tenants;
 - (i) working with the Canada Revenue Agency ("**CRA**") and counsel to the Federal Department of Justice to open GST accounts and file outstanding GST returns for each of the Individual Properties; and
 - (j) assisting Colliers, as property manager of Individual Properties, to provide supporting documents for its 2020 operating expense recovery process.

INTERIM RECEIVERSHIP ADMINISTRATION UPDATE

Discharge of Interim Receivership Order from Land Titles

13. As indicated above, the Court granted the March 27, 2020 Order discharging the Receiver as Interim Receiver over IRO Properties that did not fall within the meaning of “Property” under the Receivership Proceedings within 45 days of the date of the March 27, 2020 Order (May 11, 2020). The discharge was subject to the completion of ancillary matters pertaining to the Receiver’s administration of the estates of the Interim Receivership Debtors and the Interim Receiver’s incidental duties, rights and protections under the Interim Receivership Order.
14. Eighteen (18) IRO Properties ultimately did not fall within the meaning of “Property” under the Receivership Proceedings. A listing of these IRO Properties can be found at Appendix “A”.
15. Each of these eighteen (18) IRO Properties exited the Interim Receivership Proceedings by filing a termination certificate (“**Termination Certificate**”) within these proceedings between February, 2020 through May, 2020 (specific dates noted in Appendix “A”). As contemplated in the development of the Interim Receivership Proceedings, each of the lenders holding mortgages on the IRO Properties proceeded to enforce their individual rights and remedies through various courses of action leading to the appointment of receivers (or receiver’s of rents) over the IRO Properties, or reverting the control of the IRO Properties back to an Interim Receivership Debtor for each respective Individual IRO Property. The current status of each Individual IRO property is also denoted in Appendix “A”.
16. As is common in most receivership proceedings involving real property, after the granting of the Interim Receivership Order, the Interim Receiver registered the Interim Receivership Order against the land titles of the IRO Properties and against the Interim Receivership Debtors in the Alberta Personal Property Registry (“**PPR**”) to provide notice of the Receiver’s Charge provided for in the Interim Receivership Order.
17. Registrations as against the titles for nine (9) of the Individual IRO Properties have been previously discharged pursuant to various Orders of this Court. These Orders are denoted on Appendix A. As of the date of this Tenth Report, the Interim Receivership Order remains registered against the titles of the other nine (9) IRO Properties. MNP Ltd. has

recently filed an application returnable February 24, 2021 for an approval and vesting order for the sale of Macleod Place I & II, which if approved, will vest the Interim Receivership Order off the title for that Individual IRO Property.

18. Various stakeholders of the IRO Properties, including debtors, receivers or potential purchasers, have more recently requested the removal of the Interim Receiver's registrations of the Interim Receivership Order off the titles of certain of the IRO Properties.
19. The Receiver believes it is appropriate at this time to remove all of the remaining registrations at the request of interested stakeholders and as part of the Receiver concluding its administration of the estates of the Interim Receivership Debtors.

Final Administration Matters

20. Following the filing of a Termination Certificate by a mortgagee of an Individual IRO Property, the Receiver held back requisite funds to cover its GST obligations and the Receiver's and its counsel's professional fees and disbursements to conclude the Receiver's administration of an estate of an Interim Receivership Debtor. The Receiver was entitled to hold back funds for each estate by way of its Receiver's Charge.
21. The Receiver has performed a review of its accounts for any outstanding invoices for goods and services provided during the Interim Receivership Proceedings and all known accounts have been paid. The Receiver is thus seeking an order that it has no further obligation to pay any unknown, late submitted accounts for goods and services relating to the IRO Properties to ensure it has requisite funds available to meet its GST obligations and cover the payment of professional fees.
22. Pursuant to the March 27, 2020 Order, the Interim Receiver has the following remaining ancillary matters to complete the administration of the estates of the Interim Receivership Debtors under the Interim Receivership Order:
 - (a) file the Receiver's GST return with Canada Revenue Agency ("CRA") for each estate, including claiming input tax credits;
 - (b) remit to CRA net GST for each estate;
 - (c) address any ancillary issues arising in respect of subparagraphs (a) and (b) above;and

- (d) pay the Receiver's and its legal counsel's professional fees and disbursements with respect to the administrations of the estates of the Interim Receivership Debtors.
23. The Receiver submitted written requests in 2020 to CRA for new GST account numbers for all Receivership Property and IRO Properties. The Receiver has yet to receive GST account numbers from CRA. The Receiver continues to work with CRA in this regard and has recently contacted counsel for the Federal Department of Justice for assistance to speed up the process of obtaining GST account numbers.
24. After completion of the items at paragraph 22 above, the Interim Receiver may have potential residual funds for each estate of an Interim Receivership Debtor. The Receiver seeks authorization and direction from the Court that any potential residual funds be paid by the Receiver into the Court in this action, with notice to the service list. The Receiver and its legal counsel would be entitled to its professional fees and disbursements as part of its Receiver's Charge with respect to interpleading any residual funds from an estate into the Court.
25. The Receiver is unable at this time to determine if residual funds will exist at the conclusion of its administration of an estate and if so, the exact amounts. The Receiver is also unable to advise exactly when its administration will end for each estate, as concluding its administration is dependent on its ability to obtain GST account numbers from CRA and complete its GST obligations. Once the Receiver has concluded its GST obligations, the status of an Individual IRO Property (and its stakeholders) may have altered from its current status and there could potentially be numerous known and unknown entities who could claim an interest in potential residual funds. The Receiver may also have limited funds remaining for professional fees in order make any priority determinations and/or further Court applications for advice and direction with respect to priority. Accordingly, the Receiver views payment of any potential residual funds into the Court, with notice to the service list, as the most prudent, cost effective option available for stakeholders given the unknowns which may exist at the conclusion of its administration(s).
26. Once the Receiver's administration for each estate of an Interim Receivership Debtor is complete, as outlined above, the Receiver seeks the ability to file a Receiver's Certificate confirming same and would concurrently discharge the PPR registration(s) against the specific Interim Receivership Debtor(s) listed in the Receiver's Certificate. Upon filing a Receiver's Certificate, the Receiver would be fully discharged from any further obligations

in its administration of the estate(s) of the Interim Receivership Debtor(s) listed therein. The Receiver anticipates having to file one or more Receiver's Certificates depending on when its administration concludes for each Interim Receivership Debtor.

RECEIVER'S RECOMMENDATIONS

27. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court approve:
- (a) the Interim Receiver's discharge of the Interim Receivership Order off the titles of the IRO Properties for which it currently remains registered against;
 - (b) the remaining steps to be taken by the Receiver to conclude the administrations of the estates of the Interim Receivership Debtors; and
 - (c) the Receiver's activities to date as set out in this Tenth Report.

All of which is respectfully submitted this 22nd day of February, 2021.

**ALVAREZ & MARSAL CANADA INC.,
In its capacity as Receiver in the Receivership of Sundance Place II, et al.,
In Alberta Court of Queen's Bench Action 1901-18029
and not its personal or corporate capacity.**

A handwritten signature in black ink, appearing to be 'CR' followed by a stylized flourish.

Cassie Riglin, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

Interim Receivership Applicant	Building	Civic Address	Debtor(s)	Current Status	IRO Registration Status
Institutional Mortgage Capital Canada Inc.	744 Capital	744 4 Ave SW, Calgary, AB	744 (2011) Limited Partnership/ 744 (2011) Capital Corp.	Trillium Realty appointed Receiver (of rents) on May 7, 2020. Termination Certificate filed May 8, 2020.	IRO still registered on title.
Computershare Trust Company of Canada	Airways Business Plaza	1935 32 Ave NE, Calgary, AB	1445122 Alberta Ltd./Airways Business Plaza Limited Partnership/ Airways Business Plaza Capital Corp.		
Computershare Trust Company of Canada	Centre 1000	1000 Centre Street NE, Calgary, AB	Centre 1000 Limited Partnership/ Centre 1000 Capital Corp.		
Computershare Trust Company of Canada	Deerfoot Court	1144 – 29th Avenue NE, Calgary, AB	Deerfoot Court (2011) Limited Partnership/ Deerfoot Court (2011) Capital Corp.	Termination Certificate filed February 7, 2020. Property reverted back to control of the Debtor.	IRO still registered on title.
Servus Credit Union	Pegasus	2340 Pegasus Way NE, Calgary, AB	Pegasus Business Park Limited Partnership/ Pegasus Business Park Ltd.		
Connect First Credit Union	Paramount	1011 – 1 Street SW, Calgary, AB	Paramount Building Limited Partnership/ Paramount Building Ltd.	EY appointed Receiver on April 14, 2020. Termination Certificate filed May 4, 2020.	IRO still registered on title.
Connect First Credit Union	Wesley Church	1315 – 7th Street SW, Calgary, AB	Wesley Church Building Limited Partnership/ Wesley Church Building Inc.		IRO still registered on title.
Connect First Credit Union	Willow Park Centre	10325 Bonaventure Drive SE, Calgary, AB	Willow Park Limited Partnership/ Willow Park Capital Corp.		IRO previously discharged via Court Order dated January 15, 2021 under Alberta Court of Queen's Bench File No. 2001-05123
Royal Bank of Canada	Petro West	1210 – 8th Street SW, Calgary, AB	Petro West Limited Partnership/ Petro West Ltd.	EY appointed Receiver on January 30, 2020. Termination Certificate filed February 14, 2020.	IRO previously discharged via Court Order dated January 18, 2021 under Alberta Court of Queen's Bench File No. 2001-01349
Canada ICI Capital Corporation	1124 LP (Boston Pizza)	1112 & 1124 17 Ave SW, Calgary, AB	1112-1124 Limited Partnership/ 1112-1124 Capital Corp.	Greystone Property Management Corp. appointed Receiver (of rents) on February 3, 2020. Termination Certificate filed February 3, 2020.	IRO previously discharged via Court Order dated September 16, 2020 under Alberta Court of Queen's Bench File No. 1901-18029.
Canada ICI Capital Corporation	Deerfoot 17	2710 – 17th Avenue SE, Calgary, AB	Deerfoot 17 Limited Partnership/ Deerfoot 17 Corp.		
Canada ICI Capital Corporation	Macleod 6012	6006 & 6012 3rd Street SW, Calgary, AB	Macleod Place Limited Partnership/ Macleod Place Ltd.		
Canada ICI Capital Corporation	Mayfield Business Centre	10525 – 170 Street, Edmonton, AB	Mayfield Limited Partnership/ Mayfield Capital Corp.		
Canada ICI Capital Corporation	Shelbourne Place	1013 – 17th Avenue SW, Calgary, AB	Shelbourne Place Limited Partnership/ Shelbourne Place Ltd.	MNP appointed Receiver on February 13, 2020. Termination Certificate filed February 14, 2020.	IRO previously discharged via Court Order dated October 6, 2020 under Alberta Court of Queen's Bench File No. 2001-01887
MCAP Financial Corporation	Centre Eleven	1121 Centre Street NW, Calgary, AB	Centre Eleven Limited Partnership/ Centre Eleven Capital Corp.		
Vancouver Community Investment Bank	First Street Plaza	138 – 4th Avenue SE, Calgary, AB	First Street Plaza (2006) Limited Partnership/ First Street Plaza GP Ltd.	MNP appointed Receiver on March 20, 2020. Termination Certificate filed May 8, 2020.	IRO still registered on title.
Vancouver Community Investment Bank	Louise Block	1018 Macleod Trail SE, Calgary, AB	Louise Block Limited Partnership/ Louise Block Capital Corp.		IRO still registered on title.
Vancouver Community Investment Bank	Macleod Place I & II	5920 and 5940 Macleod Trail SW, Calgary, AB	Macleod Place Limited Partnership/ Macleod Place Ltd.		IRO previously discharged via Court Order dated November 13, 2020 under Alberta Court of Queen's Bench File No. 2001-03935