

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 *BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3*

AND IN THE MATTER OF AN APPLICATION UNDER SECTION 13(2) OF THE *JUDICATURE ACT, RSA 2000, c J-2*

DOCUMENT **SIXTH REPORT OF THE RECEIVER**
August 25, 2020

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: Todd Martin/Cassie Riglin
Telephone: (604) 638-7445/(403) 538-7519
Email: tmartin@alvarezandmarsal.com
criglin@alvarezandmarsal.com

COUNSEL
Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street, SW
Calgary, AB, T2P OR8
Attention: David Mann/Sam Gabor
Phone: (403) 268-7097 / (403) 268-3048
Email: david.mann@dentons.com
sam.gabor@dentons.com



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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) 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 certain 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 referred to as “**IRO Property**” 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 3, 2020, a further Order of the Court was made adding an additional IRO Property into the Amended and Restated Receivership Order.
5. 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 (the “**TPMT Transaction**”) and the sale and investment solicitation process (“**SISP**”) prepared by the Receiver for the potential sale of 16 remaining IRO Properties and Receivership Properties not forming part of the TPMT Transaction.

6. On March 27, 2020 the Court granted an Order discharging the Receiver as Interim Receiver over IRO Property that did not fall within the meaning of Property under the full receivership proceedings within 45 days of the date of the Order, subject to the Interim Receiver’s incidental duties, rights and protections under the Interim Receivership Order.
7. On May 11, 2020, a further Order of the Court was made adding four additional IRO Properties into the Amended and Restated Receivership Order (the “**May 11 Order**”). Prior to the May 11 Order being granted, it was agreed between the Receiver and certain mortgagees that if a mortgagee within the Receivership Proceeding brought an application to have their collateral removed from the Receivership Proceedings prior to the commencement of a Sales Investment and Solicitation Process (“**SISP**”) in which their collateral was part of such a process, the Receiver would consent to the removal of their collateral (subject to the Receiver’s priority charges and protections continuing as it has for all other properties that have exited the Interim Receivership Proceedings). Once a mortgagee placed their collateral into the SISP, the mortgagee would need to follow the SISP rules in order to remove their collateral from the Receivership Proceedings.
8. On August 25, 2020, Canadian Western Bank (“**CWB**”) filed a Notice of Application seeking an order to remove certain of the Individual Receivership Property of which CWB stands as mortgagee from the Receivership Proceedings (the “**CWB Application**”).

PURPOSE OF THE REPORT

9. The purpose of this sixth report (the “**Sixth Report**”) is to provide this Honourable Court and relevant stakeholders in the Receivership Proceedings with information relating to:
 - (a) an update on the current status of the remaining Receivership Properties (defined below);

- (b) the CWB Application in respect of the proposed withdrawal of certain Individual Receivership Property of which CWB stands as mortgagee from the Receivership Proceedings; and
- (c) the Receiver's recommendation.

CWB APPLICATION

Remaining Receivership Property

10. Pursuant to various court orders granted in the Receivership Proceedings, the complement of properties under the Receiver's control and custody has changed significantly and declined in number from approximately 58 at the date of the Interim Receivership Order to 9 properties all of which are currently in the Receivership Proceedings (collectively, the "**Remaining Receivership Properties**"). Summarized in the table below are certain particulars of the Remaining Receivership Property:

Remaining Receivership Property	Address	Mortgagee	Notes
534	534 17 Ave SW, Calgary, AB	CWB	1
Strategic Centre	630 - 8th Avenue SW, Calgary, AB	CWB	1
Macleod Lands	201 & 205 58 Ave SW, 5930 & 6016 3rd Street SW, 5918 Macleod Trail SW, 210 & 213 59th Avenue SW, Calgary, AB	CWB	1
Parkwood Office	9343, 9353, and 9363 50 Street NW, Edmonton, AB	CWB	1
Arriva Podium	1111/1129 Olympic Way SE, Calgary, AB	Canada ICI	2
Sunpark Plaza	60 Sunpark Plaza SE, Calgary, AB	Canada ICI	2
808	808 and 816 55 Ave NE, Calgary, AB	Canada ICI	2
411	409 & 411 8 Ave SW, Calgary, AB	Business Development Bank	
Terra Property	69 Gateway Drive NE, Airdrie, AB	ATB Financial	
Note 1 - Collectively, 534, Macleod Lands, Parkwood Office and Strategic Centre, represent the " CWB Properties ".			
Note 2 - Collectively, 808, Arriva Podium and Sunpark Plaza, represent the " Canada ICI Properties ".			

11. 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 Property.
12. The Receiver has had numerous and on-going discussions with the respective mortgage lenders of the Remaining Receivership Property regarding:
 - (a) their potential removal of their respective collateral from the Receivership Proceedings;
 - (b) commencing separate enforcement proceedings;
 - (c) making other arrangements with the debtor owners (“**Debtors**”); or
 - (d) proceeding to sell the Remaining Receivership Property within the Receivership Proceedings.
13. At the present time, the SISP has not formally triggered as a result of the on-going discussions the Receiver has had with the respective remaining mortgage lenders. Specifically:
 - (a) CWB has requested that the CWB Properties be withdrawn from the Receivership Proceedings, as discussed below;
 - (b) The Receiver understands that Canada ICI intends on commencing separate mortgage foreclosure proceedings in the near future and will be seeking an separate Consent Order in a separate application requesting the withdrawal of the Canada ICI Properties from the Receivership Proceedings. Canada ICI previously requested the written consent of Receiver to lifting the stay of proceedings pursuant to the Amended and Restated Receivership Order and the Receiver previously granted its consent;
 - (c) ATB Financial and Business Development Bank are still considering their realization options regarding 411 and the Terra Property, respectively, and the Receiver remains in discussion with those lenders.

CWB Notice of Application

14. CWB has elected to withdraw the CWB Properties from the Receivership Proceedings

pursuant to the terms of the proposed consent order attached as Schedule “B” to the CWB Application (the “**CWB Consent Order**”). The terms of the CWB Consent Order provide for, among other things, that:

- (a) the Debtors and the Receiver will cooperate with CWB to ensure an orderly transition of the Receivership Proceedings to a mortgagee-driven proceeding or other arrangement with respect to the CWB Properties;
- (b) once the CWB Properties are transitioned to CWB, the Receiver shall file a receiver’s certificate (“**Receiver’s Certificate**”) indicating that all matters necessary to transition the CWB Properties have been completed and upon filing, the Receiver will be partially discharged as receiver over the CWB Properties. The proposed form of Receiver’s Certificate is found at Appendix “A” to this Sixth Report;
- (c) the Receiver shall remain receiver for the performance of such incidental duties as may be required to complete its administration under the Amended and Restated Receivership Order and the Receiver shall continue to have the benefit of the provisions of the Amended and Restated Receivership Order, including the Receiver's Charge over the respective CWB Properties;
- (d) the Receiver shall further continue to have the benefit of:
 - (i) the Receiver's Borrowing Charge,
 - (ii) the ability and right to request that its further fees and disbursements be approved and allocated amongst the CWB Property,
 - (iii) the right to seek all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver under the Amended and Restated Receivership Order, including in connection with any action taken by the Receiver following the date the Receiver files its Receiver’s Certificate, and
 - (iv) the right to seek a full Discharge Order from the Court with respect to the Debtors and CWB Properties;

- (e) following the Termination Date the Receiver shall submit all remaining cash on hand arising from the CWB Properties to CWB other than cash on hand necessary to pay the Receiver's and its counsel's professional fees, including cash on hand to complete the Receiver's administration under the Amended and Restated Receivership Order;
 - (f) In the event the Receiver does not have sufficient funds for its costs for the administration of the CWB Properties, CWB shall remit requisite funds requested by the Receiver for its costs to complete the administration, which costs shall be secured by the Receiver's Charge;
 - (g) CWB shall pay all accounts related to the CWB Property following the Termination Date for services rendered from the date of the Interim Receivership Order to the Termination Date; and
 - (h) other than accounts for professional fees, the Receiver shall have no further duty or obligation to pay accounts submitted to it or its property manager following the Termination Date relating to the CWB Property.
15. The Receiver understands that CWB and the Debtor owners of the CWB Properties ("**CWB Debtors**") are entering new terms of financing. Once the CWB Properties are removed from the Receivership, custody and control of the properties will revert back to the respective CWB Debtors, which are summarized below:
- (a) **534** – 534 Capital Corp. and 534 Limited Partnership by its general partner, 534 Capital Corp.;
 - (b) **Strategic Centre** – Strategic Centre Ltd. and Strategic Centre Limited Partnership by its general partner, Strategic Centre Ltd.;
 - (c) **Macleod Lands** – Macleod Place Holding Corp., Macleod Place Ltd. and Macleod Place Limited Partnership by its general partner, Macleod Place Ltd.; and
 - (d) **Parkwood Office** – Parkwood/Eastgate Capital Corp. and Parkwood/Eastgate Limited Partnership by its general partner, Parkwood/Eastgate Capital Corp.

16. The withdrawal of the CWB Properties by CWB is consistent with the prior procedures in the Interim Receivership Proceedings which allowed lenders to withdraw their collateral from the proceedings to be dealt with on their own upon the filing of a termination certificate.
17. The stay of proceedings granted in the Receivership Proceedings against the respective CWB Properties will no longer be in effect once the Consent Order is granted.
18. CWB is currently making arrangements with the Receiver to satisfy the Receiver's fees and disbursements, including it and its counsel's professional fees. Furthermore, the Receiver intends on holding back \$20,000 per CWB Property as additional security for payment of its future costs. If the Receiver requires additional funds above this, the Receiver will make the request of CWB and CWB will be obliged to fund the requested amounts pursuant to the terms of the CWB Consent Order.
19. As the Receivership Proceedings is a lender driven process which includes CWB, the Receiver is supportive of CWB withdrawing the CWB Properties from the Receivership Proceedings pursuant to the terms of the CWB Consent Order.

RECEIVER'S RECOMMENDATION

20. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court approve the CWB Application and CWB Consent Order.

All of which is respectfully submitted this 25th day of August 2020.

**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**



Todd M. Martin, CPA, CA, CIRP, LIT
Senior Vice President



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

Appendix "A"

COURT FILE NUMBER 1901-18029

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF AN APPLICATION UNDER SECTION 47(1) OF *THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3*

AND IN THE MATTER OF AN APPLICATION UNDER SECTION 13(2) OF *THE JUDICATURE ACT, RSA 2000, c J-2*

PLAINTIFF SUN LIFE ASSURANCE COMPANY OF CANADA, AND THOSE OTHER APPLICANTS SET OUT IN THE ATTACHED SCHEDULE "A.1"

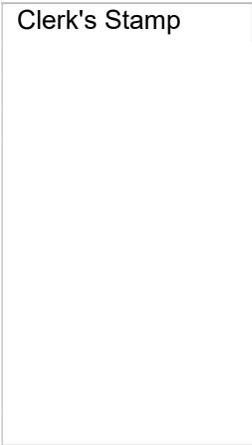
RESPONDENTS SUNDANCE PLACE II LTD., SUNDANCE PLACE II 1000 LIMITED PARTNERSHIP by its general partner SUNDANCE PLACE II LTD., AND THOSE OTHER RESPONDENTS SET OUT IN THE ATTACHED SCHEDULE "A.2"

DOCUMENT **RECEIVER'S CERTIFICATE – CANADIAN WESTERN BANK WITHDRAWAL**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Dentons LLP
Floor 15, 855 – 2nd Street SW
Calgary, AB

Attention: David Mann and Sam Gabor
Tel: (403) 268-7097 / (403) 268-3048
Fax: (403) 268-3100
Email: David.Mann@dentons.com
Sam.Gabor@dentons.com

File Ref.: 529227-19



RECITALS

Pursuant to the Expanded Receivership Order of the Honourable Justice K.M. Horner of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated January 27, 2020 (as amended on February 19, 2020 and March 3, 2020), Alvarez & Marsal Canada Inc., LIT was appointed as the receiver and manager (the "**Receiver**") of certain of the undertakings, property and assets of certain debtors of

Canadian Western Bank (“**CWB**”), namely: (i) 534 Capital Corp. and 534 Limited Partnership by its general partner, 534 Capital Corp., (ii) Strategic Centre Ltd. and Strategic Centre Limited Partnership by its general partner, Strategic Centre Ltd., (iii) Macleod Place Holding Corp., Macleod Place Ltd. and Macleod Place Limited Partnership by its general partner, Macleod Place Ltd., and (iv) Parkwood/Eastgate Capital Corp. and Parkwood/Eastgate Limited Partnership by its general partner, Parkwood/Eastgate Capital Corp (collectively, the “**CWB Debtors**”).

Pursuant to a Consent Order of the Court dated August 31, 2020 sought by CWB (the “**CWB Consent Order**”), the Court permitted the withdrawal of the CWB Debtors and the Non-Atlantic Lands listed at paragraph 3 of the CWB Consent Order (“**Non-Atlantic Lands**”) upon the filing by the Receiver of a receiver’s certificate (“**Receiver’s Certificate**”) indicating that all matters necessary to transition the Non-Atlantic Lands have been completed. Furthermore, pursuant to the terms of the CWB Consent Order, upon the filing of a Receiver’s Certificate, the Receiver would be partially discharged as Receiver over of the CWB Debtors and the Non-Atlantic Lands.

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THE RECEIVER CERTIFIES the following:

1. All matters necessary to transition the Non-Atlantic Lands listed at paragraph 3 of the CWB Consent Order have been completed.

**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.**

Per: _____

Name:

Title: