

COURT FILE NUMBER 1701-07646

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. LOBWEN, 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 APPLICATION

Clerk Stamp:

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

**NOTICE TO RESPONDENT: See Service List attached as Schedule "A" to this Application**

This application is made against you. You are a Respondent.

You have the right to state your side of the matter before a master/judge.

The application will be heard as shown below:

**DATE:** November 25, 2021

**TIME:** 10:00 a.m.

**WHERE:** Calgary Courts Centre – 601 – 5 Street SW, Calgary, Alberta

**BEFORE WHOM:** The Honourable Justice C.M. Jones, via Webex

Go to the end of this document to see what else you can do and when you must do it.

**Remedy claimed or sought:**

1. Alvarez & Marsal Canada Inc., in its capacity as Court-appointed receiver and manager (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**"), respectfully seeks Orders:
  - (a) substantially in the form attached hereto as **Schedule "A"** (the "**SAVO**"):
    - (i) abridging, if necessary, the time for service of this Application and deeming service good and sufficient;
    - (ii) approving the transaction (the "**Transaction**") described in the Fifth Report of the Receiver dated November 15, 2021 (the "**Fifth Report**") and as detailed in the Agreement of Purchase and Sale (the "**APA**") between the Receiver on behalf of the Receivership Entities and Mario Morrison or his nominee ("**Purchaser**") dated November 12, 2021, a redacted copy of which is appended to the Fifth Report and an unreacted copy of which is appended as a Confidential Appendix to the Fifth Report;
    - (iii) vesting all of the Receivership Entities' right, title and interest (if any) in the Property (as defined in the APA) in the Purchaser;
  - (b) substantially in the form attached as **Schedule "B"**:
    - (i) approving the actions of the Receiver and the fees of the Receiver and its counsel, each as set out in the Fifth Report;
    - (ii) sealing the Confidential Appendices to the Fifth Report on the Court file; and
    - (iii) authorizing and directing the Receiver to make the distributions set forth in the Fifth Report.
2. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

**Grounds for making this Application:**

3. On February 28, 2019, Connect First Credit Union ("**Connect First**") sought and obtained a Consent Receivership Order appointing the Receiver (the "**Consent Receivership Order**"). Subsequently, the Receiver sought and obtained the Amended Receivership Order, which, among other things, corrected an error in the description of the Property in the Consent Receivership Order.

**Sale Approval and Vesting Order**

4. With the assistance of Avison Young Commercial Real Estate Services LP as its agent, the Receiver has undertaken a marketing process in respect of the land, building and collateral located at 230 Wilson Drive, Fort McMurray, Alberta.

5. As set forth and further described in the Fifth Report, the Receiver has duly marketed and arranged for a sale of the Property in compliance with the Amended Receivership Order.
6. The Transaction and the APA offer a fair and reasonable consideration for the Receivership Entities' interest in the Property and are in the best interest of their stakeholders.
7. The process leading to the Transaction was reasonable in all of the circumstances and the consideration to be received is fair and reasonable.
8. Subject to the terms of the SAVO and any further Order of the Court, the funds from the proceeds of the sale of the Property will be held by the Receiver, in the place and stead of the Property.
9. Connect First, as the senior secured and fulcrum creditor in respect of the Debtor, is supportive of the Transaction.

#### **Sealing Order**

10. The Confidential Appendices contain matters of a sensitive commercial nature, including the deposit and purchase price agreed to in the Agreement (the "**Confidential Information**").
11. The publication or dissemination of the Confidential Information could result in harm to the sale of the Property should the Transaction not ultimately be completed.
12. The Sealing Order sought is the least restrictive and least prejudicial alternative to prevent the dissemination of the Confidential Information, and it is fair and just in the circumstances to restrict public access to the Confidential Information.

#### **Interim Distribution**

13. Connect First's security is valid, enforceable and properly registered, and the distribution to Connect First, as set out and described in the Fifth Report, is just and appropriate.
14. All of the actions in respect of the fees and disbursements incurred by the Receiver and its legal counsel during the course of the administration of the within proceedings are reasonable, have been validly incurred in connection with the conduct of the Receiver's obligations herein.
15. Should this Honourable Court approve the APA and the Transaction, the Receiver seeks authorization to make the Proposed First Interim Distribution and Proposed Second Interim Distribution to Connect First, and maintain the Total Proposed Holdback for the purpose of finalizing this administration.
16. Such further and other grounds as counsel may advise and this Honourable Court may permit.

#### **Material or evidence to be relied on:**

17. All pleadings and proceedings filed in the within action, including the Amended Receivership Order.
18. The Fifth Report of the Receiver, dated November 15, 2021.
19. The proposed forms of Order.

20. The inherent jurisdiction of this Honourable Court to control its own process.
21. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

22. Rules 1.3, 6.3(1), 6.47(e) and (f), 6.9(l)(a), 11.27, 11.29, 13.5, and such further and other Rules as counsel may advise and that this Honourable Court may permit.

**Applicable Acts and regulations:**

23. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, the *Judicature Act*, RSA 2000, c J-2, as amended, and such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

24. None.

**How the Application is proposed to be heard or considered:**

25. Before Justice C.M. Jones on the Commercial List, via Webex.

**AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.**

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the materials to the Applicant.

**SCHEDULE "A"**

**Draft Approval and Vesting Order**

See Attached

COURT FILE NUMBER 1701-07646

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CONNECT FIRST CREDIT UNION LTD.

(APPLICANT)

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

**Sale Approval and Vesting Order**

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

Clerk's Stamp

**DATE ON WHICH ORDER WAS PRONOUNCED:** November 25, 2021

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary

**NAME OF JUSTICE WHO MADE THIS ORDER:** C.M. Jones

**UPON THE APPLICATION** by Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of LREIT 34 Holdings Corporation and certain interests of Lanesborough Real Estate Investment Trust (together the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Mario Morrison (the “**Purchaser**”) dated **November 12, 2021** and appended to the Fifth Report of the Receiver dated **November 15, 2021** (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

**AND UPON HAVING READ** the Amended and Restated Consent Receivership Order dated April 17, 2019 (the “**Receivership Order**”), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Receiver's Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
  - (a) any encumbrances or charges created by the Receivership Order;
  - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title Nos:

182 098 225-182 098 225 – 182 098 225 +49

182 098 248 – 182 098 248 +49

182 098 252 – 182 098 252 + 6

for those lands and premises legally described as:

CONDOMINIUM PLAN NO. 182 0957

UNITS 1-20 (INCLUSIVE), 21-25 (INCLUSIVE), 26, 29-107  
(INCLUSIVE)

AND THE UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE  
COMMON PROPERTY APPURTENANT THERETO  
EXCEPTING ALL MINES AND MINERALS

(the "**Lands**")

- (ii) issue a new Certificates of Title for the Lands in the name of the Purchaser (or its nominee), namely, **Purchaser**;
    - (iii) transfer to the new Certificates of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the new Certificates of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and
    - (iv) discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificates of Title to the Lands; and
  - (b) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
  6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
  7. Upon delivery of the Receiver’s Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby

directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.

8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the *Alberta Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

#### **MISCELLANEOUS MATTERS**

14. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in

carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

17. Service of this Order shall be deemed good and sufficient by:

(a) Serving the same on:

- (i) the persons listed on the service list created in these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;
- (iv) the Purchaser or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Receiver's website at:  
[www.alvarezandmarsal.com/LREIT34](http://www.alvarezandmarsal.com/LREIT34)

and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's Bench of Alberta

## Schedule "A"

## Form of Receiver's Certificate

COURT FILE NUMBER 1701-07646

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CONNECT FIRST CREDIT UNION LTD.

(APPLICANT)

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

Clerk's Stamp

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 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 or his nominee (the "**Purchaser**") and provided for the vesting in 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 (or its nominee) 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 (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

**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**

## **Schedule "B"**

### **Purchased Assets**

1. The Lands legally described as:

CONDOMINIUM PLAN NO. 182 0957  
UNITS 1-20 (INCLUSIVE), 21-25 (INCLUSIVE), 26, 29-107 (INCLUSIVE)  
AND THE UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY  
APPURTENANT THERETO  
EXCEPTING ALL MINES AND MINERALS

(the "**Lands**")

2. The residential leases in respect of the Lands.
3. The buildings, fixtures and improvements located on the Lands, if any (collectively, the "**Improvements**").
4. All chattels located on the Lands, if any (the "**Chattels**").

**Schedule "C"**

**Encumbrances**

<b>Registration No.</b>	<b>Date</b>	<b>Particulars</b>
072 200 209	10/04/2007	<u>Mortgage</u>
072 569 568	20/09/2007	<u>Amending Agreement</u> Amends instrument 072 200 209
072 569 569	20/09/2007	<u>Assignment of Rents And Leases</u>
162 081 358	22/03/2016	<u>Amending Agreement</u> Amends instrument 072 200 209.
172 193 748	27/07/2017	<u>Writ</u>

## **Schedule "D"**

### **Permitted Encumbrances**

1. Registrations at the Alberta Land Titles Office:

<b>Registration No.</b>	<b>Description</b>
992 272 414	Caveat
032 054 826	Caveat
042 469 615	Utility Right of Way
052 533 362	Caveat

2. General:

- (a) any encroachment or non-conformity that may be revealed by an up-to-date survey or real property report;
- (b) the rights reserved to or vested in any municipality, governmental or other public authority by statutory provisions, including without limitation, the right to acquire portions of the lands for road widening or interchange construction, and the right to complete or remedy improvements, landscaping or deficiencies in any pedestrian walkways or traffic control or monitoring;
- (c) reservations, limitations, appropriations, provisos and conditions in the original grants from the crown, native land claims and statutory exceptions to title;
- (d) claims for unpaid condominium fees and contributions and any caveat arising from the same as may be filed in respect thereof;
- (e) the Leases and any registrations in connection with any of the Leases;
- (f) the exceptions and reservations set forth in subsection 61 of the *Land Titles Act* (Alberta); and
- (g) any encumbrances, liens or charges arising through the Purchaser and those for whom it is responsible at law.

**SCHEDULE "B"**

**Draft Order**

See Attached

COURT FILE NUMBER 1701-07646

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CONNECT FIRST CREDIT UNION LTD.

(APPLICANT)

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DOCUMENT **ORDER (Restricted Court Access, Approval of Fees, Activities and Distributions)**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

**Burnet, Duckworth & Palmer LLP**

2400, 525 - 8 Avenue SW

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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

**DATE ON WHICH ORDER WAS PRONOUNCED:**

**November 25, 2021**

**LOCATION WHERE ORDER WAS PRONOUNCED:**

**Calgary, Alberta**

**NAME OF JUSTICE WHO MADE THIS ORDER:**

**The Honourable Justice C.M. Jones**

**UPON** the application (the "**Application**") of Alvarez & Marsal Canada Inc. (the "**Receiver**"), in its capacity as receiver and manager of LREIT Holdings 34 Corporation and of the interest of Lanesborough Real Estate Investment Trust in the lands legally described in Schedule "B" to the Amended and Restated Receivership Order granted April 17, 2019 in the within proceedings (the "**Amended Receivership Order**");

**AND UPON** having read the Application, the Fifth Report of the Receiver dated November 15, 2021 (the "**Fifth Report**"), and the Affidavit of Service of Anne-Marie Gillis-Tapp sworn November 15, 2021; **AND UPON** hearing from counsel for the Receiver and any other parties present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Capitalized terms not otherwise defined in this Order have the meaning set forth in the Fifth Report.

**Service**

2. Service of the Notice of Application for this Order is hereby validated and deemed good and sufficient, this application is properly returnable today, and no person other than those persons served is entitled to service of the Notice of Application.
3. The Confidential Appendices shall be sealed on the Court file and shall not form part of the public record, notwithstanding Division 4, Part 6 of the *Alberta Rules of Court*.
4. The Confidential Supplement shall be sealed until the Receiver files a Receiver's Certificate with the Clerk of the Court substantially in the form attached as **Schedule "A"** to the Approval and Vesting Order (Sale by Receiver) granted concurrently with the within Order, confirming that the Transaction (as defined therein) has been completed by the Receiver.
5. The Clerk of this Honourable Court shall file the First Report including the Confidential Appendices in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY ALVAREZ & MARSAL CANADA INC., IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER AND MANAGER OF LREIT HOLDINGS 34 CORPORATION. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER ISSUED BY THE HONOURABLE JUSTICE C.M. JONES ON NOVEMBER 25, 2021.

**Receiver's Activities and Fees**

6. The activities, actions and conduct of the Receiver as described in the Fifth Report are hereby approved.
7. The fees and disbursements of the Receiver and the Receiver's legal counsel, Burnet, Duckworth & Palmer LLP and Field LLP, incurred to date in the receivership proceedings and as summarized in the Fifth Report, are hereby approved and ratified, without necessity of a formal assessment of the accounts.

**Distributions**

8. The Receiver is hereby authorized and empowered to (i) make the Proposed First Interim Distribution and the Proposed Second Interim Distribution to Connect First, (ii) maintain the Total Proposed Holdback for the continued administration of these proceedings, and (iii) make such additional distributions to Connect First from the Total Proposed Holdback as the Receiver may deem reasonable in the circumstances and in its sole discretion.

**Service of Order**

9. Service of this Order shall be deemed good and sufficient by serving the same on:
- (a) the persons listed on the service list maintained by the Receiver in the within action; and
  - (b) by posting a copy of this Order on the Receiver's website at: [www.alvarezandmarsal.com/LREIT34](http://www.alvarezandmarsal.com/LREIT34).

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J.C.Q.B.A.