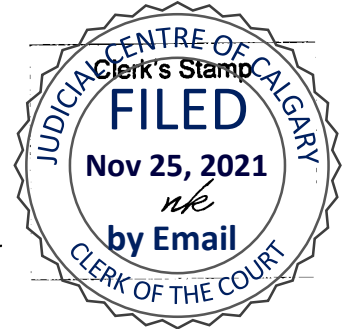


C114503

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 **Burnet, Duckworth & Palmer LLP**  
AND CONTACT 2400, 525 - 8 Avenue SW  
INFORMATION OF PARTY Calgary, Alberta T2P 1G1  
FILING THIS DOCUMENT 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  
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 or his nominee dated November 12, 2021 and appended to the Fifth Report of the Receiver dated November 15, 2021 (the "**Report**"), and vesting in Mario Morrison's nominee, namely 2387770 Alberta Ltd. (the "**Purchaser**") 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 Affidavits 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 Services, to be 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.

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver’s certificate to the Purchaser 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, 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 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, namely 2387770 Alberta Ltd;
  - (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 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.

11. The Purchaser 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.


#### **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 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 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.

  
\_\_\_\_\_  
Justice of the Court of Queen's Bench of Alberta

## Schedule "A"

## Form of Receiver's Certificate

COURT FILE NUMBER	1701-07646	Clerk's Stamp
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	<b>Burnet, Duckworth &amp; Palmer LLP</b> 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 [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.