

**CENTRE ELEVEN CAPITAL CORP. AND CENTRE ELEVEN LIMITED PARTNERSHIP  
- IN RECEIVERSHIP**

**25-095107/ 25-095108**

**FIRST INTERIM REPORT OF RECEIVER AS AT SEPTEMBER 14, 2020**

Subsection 246(2) of the *Bankruptcy and Insolvency Act*

**BACKGROUND**

On February 13, 2020, the Court of Queen's Bench of Alberta granted a Consent Receivership Order (the "Receivership Order") appointing MNP Ltd. as Receiver (the "Receiver") over the following property of Centre Eleven Capital Corp. ("CECC") and Centre Eleven Limited Partnership ("CELP", collectively "Centre Eleven").

1. Lands legally described as PLAN CALGARY 3946N, BLOCK SEVENTEEN (17), LOTS FIFTEEN (15) TO NINETEEN (19) INCLUSIVE AND THE WESTERLY FORTY (40) FEET THROUGHOUT, LOTS TWENTY (20) TO TWENTY FOUR (24) INCLUSIVE (the "Real Property"); and
2. All of the current and future assets and undertakings and properties of every nature and kinds whatsoever of Centre Eleven situated on the Real Property including all proceeds thereof (collectively with the Real Property, the "Centre Property").

CELP was a limited partnership formed under the laws of Alberta on October 30, 2006. CECC was incorporated under the *Alberta Business Corporations Act* on October 27, 2006. Both entities were owned by the Strategic Group of Companies ("Strategic") that held real estate throughout Calgary and Alberta generally. Alvarez & Marsal Canada Inc. acted as the Interim Receiver for Strategic pursuant to an Order granted on December 19, 2019 until the interim receivership was terminated in respect of CECC, CELP and the Centre Property on or around February 14, 2020.

MCAP Financial Limited Partnership ("MCAP") is the first secured creditor over the Centre Property. The Receiver's legal counsel completed an independent review of the MCAP Security and determined it is, subject to the usual and customary assumptions and qualifications, valid and enforceable against CECC and CELP.

The Centre Property consists of a 56,946 square foot office building and an adjacent 5,861 square foot annex building located close to Calgary's downtown core. The Centre Property currently has five tenants and is 80 percent occupied. The Centre Property was listed with and marketed by CMN Calgary Inc. beginning in April 2020. The Receiver executed an Agreement of Purchase and Sale with RFA Capital Holdings Inc. (the "RFA PSA") on June 10, 2020 with respect to the Centre Property. The completion of the transaction contemplated in the RFA PSA was subject to RFA completing their due diligence and various other conditions.

Copies of the relevant documents relating to these proceedings are available on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/centre-eleven-capital-corp-and-centre-eleven-limited-partnership>.

## **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

The Receiver's Interim Statement of Receipts and Disbursements for the period ended September 14, 2020 is attached hereto.

## **NEXT STEPS**

The Receiver intends to make a Court application once the RFA PSA becomes unconditional seeking approval of the transaction contemplated in the RFA PSA as well as various other relief, including approval of a distribution to MCAP, approval of professional fees and disbursements of the Receiver and the Receiver's legal counsel and the discharge of the Receiver.

Dated at Calgary, Alberta as at the 14<sup>th</sup> day of September 2020.

**MNP Ltd., in its capacity as Receiver and Manager of  
Centre Eleven Capital Corp. and Centre Eleven Limited  
Partnership and not in its personal capacity**



Vanessa Allen, B. Comm, CIRP, LIT  
Senior - Vice President

**In the matter of the Receivership of  
Centre Eleven Limited Partnership and Centre Eleven Capital Corp  
Receiver's Statement of Receipts and Disbursements  
For the period ended September 14, 2020**

<b>Receipts:</b>		<b>Notes</b>
Cash in bank	\$ 237,798	<b>1</b>
Receiver's certificates	55,000	<b>2</b>
<b>Total Receipts</b>	<b>292,798</b>	
 <b>Disbursements:</b>		
Receiver's fees & disbursements	154,268	<b>3</b>
Legal fees & disbursements	83,120	<b>4</b>
Operating expenses	19,315	<b>5</b>
GST paid and recoverable	11,866	
Miscellaneous	355	
<b>Total Disbursements</b>	<b>268,924</b>	
<b>Excess of Receipts over disbursements</b>	<b>\$ 23,874</b>	

**Notes:**

- 1 Represents funds collected from the Alvarez and Marsal, the Interim Receiver.
- 2 Pursuant to the Receivership Order granted on February 13, 2020, borrowings of \$55,000 have been advanced to the Receiver.
- 3 Represents professional fees and disbursements for the Receiver for the period ended August 31, 2020.
- 4 Represents professional fees and disbursements of the Receiver's legal counsel for the period ended July 31, 2020.
- 5 Represents payment to Colliers International to fund operations.