

COURT FILE NO. 2301-12990
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp



NB
C10467
COM Jan 12, 2024

IN THE MATTER OF THE RECEIVERSHIP OF
SELECTED PROPERTY OF SCREO I 700 2ND
INC., 58508 ALBERTA LTD. AND SCREO I
700 2ND L.P., by its general partner SCREO I
700 2ND GP INC. including the commercial
building known as STEPHEN AVENUE
PLACE

PLAINTIFF TIMBERCREEK MORTGAGE SERVICING INC.
and COMPUTERSHARE TRUST COMPANY
OF CANADA solely in its capacity as bare
trustee for TIMBERCREEK MORTGAGE
SERVICING INC.

DEFENDENT SCREO I 700 2ND INC., 58508 ALBERTA LTD. AND SCREO I 700 2ND
L.P. by its general partner SCREO I 700 2ND GP INC.

DOCUMENT SECOND REPORT OF THE RECEIVER IN THE MATTER OF THE
RECEIVERSHIP OF SELECTED PROPERTY OF SCREO I 700 2ND INC., 58508
ALBERTA LTD. AND SCREO I 700 2ND L.P., by its general partner SCREO I 700
2ND GP INC. including the commercial building known as STEPHEN AVENUE
PLACE

DATED January 8, 2024

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Counsel
Cassels Brock & Blackwell LLP
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Attention: Jeffrey Oliver

Receiver
MNP Ltd.
Suite 2000, 112 4th Avenue SW
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Telephone: 403-477-9661
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Email: vanessa.allen@mnp.ca

Attention: Vanessa Allen

Table of Contents

INTRODUCTION AND BACKGROUND	1
NOTICE TO READER.....	3
COURT PROCEEDINGS.....	3
PURPOSE OF THE REPORT	4
ACTIVITIES OF THE RECEIVER.....	4
FORBEARANCE AND LOAN AMENDING AGREEMENT	5
SEALING OF THE CONFIDENTIAL SUPPLEMENT	7
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	7
PROFESSIONAL FEES.....	8
DISCHARGE OF THE RECEIVER	9
RECOMMENDATION AND CONCLUSION	10

SCHEDULES

- | | |
|------------|--|
| Schedule 1 | Receiver's Interim Statement of Receipts and Disbursements for the period from October 5 to December 31, 2023 |
| Schedule 2 | Summary of Professional Fees and Disbursements of the Receiver and the Receiver's Legal Counsel for the period ended December 29, 2023, including estimates to complete the receivership |

INTRODUCTION AND BACKGROUND

1. On October 5, 2023 (the “**Receivership Date**”), the Court of King’s Bench of Alberta granted a Receivership Order (the “**Receivership Order**”) appointing MNP Ltd. as Receiver and Manager (the “**Receiver**”) over selected property (the “**Property**”) of SCREO I 700 2nd Inc., 58508 Alberta Ltd., and SCREO I 700 2nd L.P., by its general partner SCREO I 700 2nd GP Inc. (collectively, the “**Debtors**”). The Debtors are part of the Slate Asset Management group of companies (“**Slate**”). The Property includes the commercial building known as Stephen Avenue Place located at 700 2nd Street SW in Calgary, Alberta (“**Stephen Avenue Place**”) and all personal property located on or used in conjunction with Stephen Avenue Place. Stephen Avenue Place is a high rise building with a net rentable area of 606,496 square feet. The legal descriptions associated with the Property are as set out below:

1.1 Leasehold Lands:

PLAN "A" CALGARY

BLOCK FORTY NINE (49)

THOSE PORTIONS OF LOTS NINE (9), TEN (10) AND ELEVEN (11) WHICH LIE ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF THREE THOUSAND FOUR HUNDRED AND FORTY ONE AND FIVE TENTHS (3441.5) FEET ABOVE MEAN SEA LEVEL AND DETERMINED BY REFERENCE TO ALBERTA SURVEY CONTROL MONUMENT NO. 655-4.181 HAVING AN ELEVATION OF THREE THOUSAND FOUR HUNDRED AND THIRTY SEVEN AND FIFTY SEVEN HUNDREDTHS (3437.57) FEET CONFIRMED ON THE 15 DAY OF OCTOBER 1970 BY THE DIRECTOR OF SURVEYS OF THE PROVINCE OF ALBERTA BOUNDED AS FOLLOWS: COMMENCING AT A POINT IN THE NORTH BOUNDARY OF LOT NINE (9) DISTANT FIFTEEN (15) FEET EASTERLY FROM THE NORTH WEST CORNER OF THE SAID LOT NINE (9) THENCE SOUTHERLY PARALLEL WITH THE WEST BOUNDARY OF THE SAID LOT NINE (9) ON AN ASSUMED BEARING OF SOUTH TWO (2) DEGREES THIRTY SEVEN (37) MINUTES THIRTY (30) SECONDS WEST A DISTANCE OF ONE HUNDRED THIRTY AND SIX HUNDREDTHS (130.06) FEET MORE OR LESS TO THE SOUTH BOUNDARY OF SAID LOT NINE (9) THENCE EASTERLY ALONG THE SOUTH BOUNDARY OF LOTS NINE (9) TEN (10) AND ELEVEN (11) ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY ONE (21) MINUTES FIVE (5) SECONDS EAST A DISTANCE OF FORTY AND FOURTEEN HUNDREDTHS (40.14) FEET THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF THIRTY SEVEN AND FIFTY THREE HUNDREDTHS (37.53) FEET THENCE ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS WEST, A DISTANCE OF FOURTEEN AND FORTY SIX HUNDREDTHS (14.46) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF EIGHTEEN AND TWENTY SEVEN HUNDREDTHS (18.27) FEET THENCE ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE SECONDS EAST A DISTANCE OF FOURTEEN AND FORTY SIX HUNDREDTHS (14.46) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF THIRTY FIVE AND FORTY TWO HUNDREDTHS (35.42) FEET, THENCE ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS WEST A DISTANCE OF NINE AND NINETY ONE ONE HUNDREDTHS (9.91) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF NINETEEN AND SIXTY

SEVEN HUNDREDTHS (19.67) FEET, THENCE ON A BEARING OF SOUTH EIGHTY SEVEN (87) DEGREES TWENTY (20) MINUTES TWENTY FIVE (25) SECONDS EAST A DISTANCE OF NINE AND NINETY ONE ONE HUNDREDTHS (9.91) FEET, THENCE ON A BEARING OF NORTH TWO (2) DEGREES THIRTY NINE (39) MINUTES THIRTY FIVE (35) SECONDS EAST A DISTANCE OF NINETEEN AND SEVENTEEN HUNDREDTHS (19.17) FEET MORE OR LESS TO THE NORTH BOUNDARY OF LOT ELEVEN (11) THENCE WESTERLY ALONG THE NORTH BOUNDARY OF LOTS NINE (9), TEN (10) AND ELEVEN (11) ON A BEARING OF NORTH EIGHTY SEVEN (87) DEGREES TWENTY ONE (21) MINUTES TWENTY (20) SECONDS WEST A DISTANCE OF FORTY AND TWENTY TWO HUNDREDTHS (40.22) FEET MORE OR LESS TO THE POINT OF COMMENCEMENT CONTAINING FOUR THOUSAND SEVEN HUNDRED AND SIXTY SEVEN AND TWO ONE HUNDREDTHS (4767.2) SQUARE FEET MORE OR LESS EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: LEASEHOLD
COMMENCING ON THE 14 DAY OF JANUARY, 1975
TERMINATING ON THE 30 DAY OF APRIL, 2042
771087159

1.2 Freehold Lands:

PLAN "A" CALGARY
BLOCK FORTY NINE (49)
LOT TWENTY NINE (29) AND THE MOST EASTERLY EIGHT AND ONE HALF (8 1/2) INCHES OF LOT THIRTY (30)

PLAN "A" CALGARY
BLOCK FORTY NINE (49)
LOT THIRTY (30)
EXCEPTING THE EASTERLY EIGHT AND ONE HALF (8 1/2) INCHES THROUGHOUT OF SAID LOT

PLAN 7410276
BLOCK 49
LOT 41
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.458 HECTARES (1.13 ACRES) MORE OR LESS

(the leasehold and freehold lands described in subsections 1.1 and 1.2 will collectively be referred to as the "**Lands**");

2. The receivership proceedings were initiated upon the application of Timbercreek Mortgage Servicing Inc. ("**Timbercreek**" or the "**Lender**"), and Computershare Trust Company of Canada, solely in its capacity as bare trustee for Timbercreek. Timbercreek has registered a number of security interests, including first in time registered mortgages against the Property granted by selected entities of the Debtors (the "**Timbercreek Mortgages**"), an assignment of rents and leases, a general security agreement and a beneficial owner's agreement (collectively, the "**Timbercreek Security**").
3. Copies of other relevant documents relating to these proceedings are available on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/sap> (the "**Receiver's Website**").

NOTICE TO READER

4. In preparing this report and making comments herein, the Receiver has relied upon, certain unaudited, draft or internal financial information, including books and records related to the Property, and information from other third-party sources (collectively, the **“Information”**). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the **“Standards”**). Additionally, none of the Receiver’s procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may have come to the Receiver’s attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this report.
5. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the use of this report. Any use, which any party makes of this report, or any reliance or decision to be made based on this report is the sole responsibility of such party.
6. All amounts included herein are in Canadian dollars unless otherwise stated.

COURT PROCEEDINGS

7. The First Report of the Receiver dated October 18, 2023 (the **“First Report”**), was filed in support of the Receiver’s application to this Honourable Court returnable on October 23, 2023, at which time the Court granted an Order approving the following relief:
 - 7.1 Amending paragraph 3(l) of the Receivership Order to authorize and permit the Receiver to lease all or a portion of the Property with the prior consent of the Lender but without further approval of the Court;
 - 7.2 Increasing the borrowing limit set out in paragraph 21 of the Receivership Order from \$250,000 to \$2.0 million; and
 - 7.3 Approving selected payments to suppliers deemed critical to the ongoing operations of Stephen Avenue Place (the **“Critical Supplier Payments”**).

PURPOSE OF THE REPORT

8. This report constitutes the Second Report of the Receiver (the “**Second Report**”). The Second Report is being filed in support of the Receiver’s application to this Honourable Court returnable on January 12, 2024 (the “**January 12 Hearing**”) requesting the following relief:
 - 8.1 Approving the actions and activities of the Receiver as set out in this Second Report, provided that only the Receiver in its personal capacity and with respect to its own personal liability shall be entitled to rely upon and utilize in any way such approvals;
 - 8.2 Approving the Receiver’s Interim Statement of Receipts and Disbursements for the period of October 5, 2023, to December 31, 2023 (the “**Interim SRD**”);
 - 8.3 Approving the professional fees and disbursements of the Receiver and Cassels Brock & Blackwell LLP, legal counsel to the Receiver (“**Cassels**”), for the period ending December 29, 2023, as well as the estimated professional fees and disbursements to complete the administration of the receivership (collectively, the “**Professional Fees**”);
 - 8.4 Sealing the Confidential Supplement to the Second Report (the “**Confidential Supplement**”) dated January 8, 2024;
 - 8.5 Transitioning Stephen Avenue Place to the Debtors and filing a certificate (the “**Transition Certificate**”) confirming that this has occurred and that all of the Receiver’s obligations with respect to the Property have been terminated upon the filing of the Transition Certificate;
 - 8.6 Discharging the Receiver (the “**Discharge Application**”) upon the filing of a certificate confirming the completion of the Receiver’s remaining obligations (the “**Discharge Certificate**”) and, upon the discharge of the Receiver:
 - 8.6.1 Releasing the Receiver from liability for any acts or omissions on its part save and except for any liability arising out of any fraud, gross negligence, or willful misconduct; and
 - 8.6.2 Staying any action or proceedings against the Receiver without prior leave of this Honourable Court on notice to the Receiver; and
 - 8.7 In connection with the Discharge Application, approving the distribution of any remaining funds held by the Receiver to the Lockbox Account (as subsequently defined), following payment of all obligations incurred in the receivership (the “**Final Distribution**”).

ACTIVITIES OF THE RECEIVER

9. The Receiver’s activities since the date of the First Report are summarized below:
 - 9.1 Issued a request for proposals (the “**Broker RFP**”) related to the possible provision of commercial real estate broker services;

- 9.2 Worked with Colliers Macauley Nicolls Inc. to manage, operate, administer and maintain the Property;
- 9.3 Worked with CMN Calgary Inc. ("**CMN**") and Taurus Property Group Inc. ("**Taurus**") with respect to ongoing commercial and retail leasing activities for Stephen Avenue Place, including preparing and/or reviewing and finalizing a lease and various lease amending agreements;
- 9.4 Corresponded with the tenants of Stephen Avenue Place regarding various property management related matters, including ongoing tenant and landlord work, rent collection and lease restructuring requests;
- 9.5 Negotiated with an offeror with respect to a letter of intent that was submitted with respect to the Property that was ultimately unable to proceed;
- 9.6 Worked with N.R.E. Newmark Real Estate Canada Ltd. to complete an appraisal for Stephen Avenue Place, dated November 10, 2023 (the "**Appraisal**");
- 9.7 Maintained the Receiver's Website;
- 9.8 Communicated with the Lender, their legal counsel and Cassels, as required; and
- 9.9 Responded to various creditor/ stakeholder inquiries.

FORBEARANCE AND LOAN AMENDING AGREEMENT

10. On December 29, 2023, the Lender and Slate executed a forbearance and loan amending agreement (the "**Agreement**") which includes, among other terms, the discharge of the Receiver. A copy of the Agreement is attached to the Confidential Supplement as "Schedule 2". As a result of the Agreement, the Receiver is seeking its discharge at the January 12 Hearing.
11. The Receiver's legal counsel has completed a review of the Timbercreek Security and determined that, subject to the usual assumptions and qualifications, the Timbercreek Security is valid and enforceable. In particular, Cassels reviewed the Timbercreek Mortgages and concluded, with standard assumptions and qualifications, that the Timbercreek Mortgages constitute valid and enforceable first-in-time registered obligations of the Debtors in accordance with the terms of the Timbercreek Mortgages and the Timbercreek Mortgages create valid charges in the Lands. As at December 29, 2023, Timbercreek was owed approximately \$138.3 million pursuant to the Timbercreek Indebtedness. The Receiver is not aware of any claims that would rank in priority to the Timbercreek Security.
12. Attached as "Schedule 1" to the Confidential Supplement is the Appraisal. Based the Appraisal, the Receiver is of the view that any sale process undertaken in the receivership proceedings would likely

result in a significant shortfall to the Lender with no funds being available for distribution to the remaining creditors, whose claims are estimated to total approximately \$1.8 million.

13. While the terms of the Agreement are confidential, the Receiver notes the following items:
 - 13.1. The Agreement is subject to selected conditions precedent, which must be satisfied by the Debtors;
 - 13.2. The term of the Agreement extends to September 1, 2025 (the “**Agreement Expiry Date**”);
 - 13.3. Subject to the Court granting the relief sought at the January 12 Hearing and upon the filing of the Transition Certificate, the Debtors will operate the Property and all obligations of the Receiver will cease. The existing pre-receivership indebtedness will be paid by the Debtors in the ordinary course or as otherwise agreed between the Debtors and any creditor;
 - 13.4. The Agreement includes the possibility that the Lender will provide additional advances to the Debtors, which will rank ahead of the remaining creditors. However, the Receiver is of the view that the Agreement represents the best possible outcome for all stakeholders and specifically notes the following:
 - 13.4.1. The Receiver does not anticipate that the sale of the Property in the short-term would generate sufficient funds to provide for any distribution to creditors, outside of the Lender; and
 - 13.4.2. Pursuant to the Agreement, the pre-receivership creditors will be paid in the ordinary course, or upon such terms as may be agreed between the Debtors and any creditor, following the discharge of the Receiver;
 - 13.5. The Agreement contemplates the establishment of a Lockbox account (the “**Lockbox Account**”) with a bank to be determined by the Lender, into which the net income for the Property (after payment of all commercially reasonable and *bona fide* expenses related to the ownership, operation or maintenance of the Property) will be deposited. As reflected above, at the January 12 Hearing, the Receiver is seeking approval to make the Final Distribution to the Lockbox Account; and
 - 13.6. Pursuant to the Agreement, various Consent Orders have been provided by the Debtor, which may be used by the Lender in the case where there is an event of default under the Agreement and further enforcement is required.
14. The Agreement is supported by the Lender and Slate. As noted above, in the Receiver’s view, the Agreement represents the best possible outcome for all stakeholders.

SEALING OF THE CONFIDENTIAL SUPPLEMENT

15. The Confidential Supplement is being provided to the Court in advance of the January 12 Hearing to provide the Court with additional information related to the Discharge Application. The Confidential Supplement includes the Appraisal and the Agreement.
16. At the January 12 Hearing, the Receiver is seeking to seal the Confidential Supplement until two years following the Agreement Expiry Date (September 1, 2027), or further Order of this Honourable Court. There are no reasonable alternative measures to sealing this information. The Receiver is of the view that the disclosure of the Appraisal and the Agreement may be detrimental in the event that a future marketing process is undertaken for the Property.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

17. Attached hereto as "Schedule 1" is an Interim Statement of Receipts and Disbursements for the period from October 5, 2023, to December 31, 2023 (defined above as the "**Interim SRD**"). As reflected in the Interim SRD, as at December 31, 2023, approximately \$866,000 was being held by the Receiver with approximately \$806,400 being held in the Receiver's bank account (the "**Receiver's Account**") and approximately \$59,600 being held in a bank account established for the Property at CIBC (the "**CIBC Account**"), which was maintained by the Receiver as deposit only. The amount held in the CIBC Account will be transferred to the Receiver's Account.
18. The Interim SRD reflects total receipts of approximately \$2.9 million that include the following receipts over \$100,000:
 - 18.1. Rent of approximately \$1.8 million for November and December 2023; and
 - 18.2. Cash of approximately \$933,800, which was held in the CIBC Account on the Filing Date; and
19. The Interim SRD reflects total disbursements of approximately \$2.1 million that include the following disbursements over \$100,000:
 - 19.1. The Critical Supplier Payments totaling approximately \$423,200;
 - 19.2. Operating expenses totaling approximately \$419,800;
 - 19.3. Property taxes for the balance of 2023 totaling approximately \$228,700;
 - 19.4. Security for the Property totaling approximately \$190,000;
 - 19.5. Repairs and maintenance totaling approximately \$167,000;
 - 19.6. Professional fees and disbursements of the Receiver totaling approximately \$164,800 for the period ended November 30, 2023. Professional fees and disbursements of Cassels totaling approximately \$88,900 are also reflected for the same period; and

19.7. Insurance for the Property for the period July 1, 2023, to July 1, 2024 totaling approximately \$147,700.

PROFESSIONAL FEES

20. Attached as "Schedule 2" is a summary of the following Professional Fees:
- 20.1. The Receiver's professional fees and disbursements of approximately \$227,700 plus GST of approximately \$11,400 for a total of approximately \$239,100 for the period ended December 29, 2023 (the "**Receiver's Fees**"); and
 - 20.2. Cassel's professional fees and disbursements of approximately \$126,600 plus GST of approximately \$6,200 for a total of approximately \$132,800, also for the period ended December 29, 2023 (the "**Receiver's Legal Fees**").
21. The Receiver currently estimates that additional Receiver's Fees of \$35,000 plus GST for a total of approximately \$36,800 and additional Receiver's Legal Fees of \$37,500 plus GST for a total of approximately \$39,500 will be required to complete the administration of the receivership estate (the "**Estimate(s) to Complete**").
22. Pursuant to the Agreement, the Receiver understands that the Professional Fees will be paid by the Lender directly from funds provided by the Debtors. As such, the Professional Fees reflected in the Interim SRD will be reimbursed and will ultimately increase the quantum of any available Final Distribution.
23. The Receiver's activities for the period ended December 29, 2023, are detailed in the First Report and the Second Report. The work anticipated to be performed by the Receiver and included in its Estimate to Complete include the following:
- 23.1. Working with Colliers to manage, operate, administer and maintain the Property;
 - 23.2. Working with CMN and Taurus with respect to ongoing commercial and retail leasing activities for Stephen Avenue Place, including preparing and/or reviewing and finalizing offers to lease, leases and lease amending agreements;
 - 23.3. Corresponding with the tenants of Stephen Avenue Place regarding various property management related matters, including ongoing tenant and landlord work, rent collection and lease restructuring requests;
 - 23.4. Coordinating landlord and tenant work required under the various leases;
 - 23.5. Communicating with Slate and the Lender with respect to various matters related to operations, leasing and the ongoing administration of the receivership;

- 23.6. Working with Slate, tenants and vendors regarding the transition of the property back to the Debtors, including ensuring payment of all expenses incurred during the receivership proceedings;
 - 23.7. Completing final filings and closing the GST account established in the receivership;
 - 23.8. Preparing for and attending the January 12 Hearing;
 - 23.9. Maintaining the Receiver's Website;
 - 23.10. Responding to creditor/ stakeholder inquiries; and
 - 23.11. All other work incidental to obtaining the Receiver's discharge.
24. The work performed by Cassels that is included within the Receiver's Legal Fees as well as its Estimate to Complete include a security review, preparing for and attending the October 23rd hearing, drafting various leases and lease amendments (which are ongoing), pursuing rent collection from various tenants, reviewing and considering ongoing litigation matters, assisting with matters related to a potential interested party, and other general advice.
 25. At the January 12 Hearing, the Receiver is seeking approval of the Professional Fees (inclusive of the Estimates to Complete). The Professional Fees have been charged by the Receiver and Cassels at their standard hourly rates and, in the Receiver's experience, are comparable to the standard rates of other providers of similar services in Alberta. The Receiver will make copies of both its accounts and the accounts of Cassels (subject to redaction for privilege) available to this Honourable Court or any interested person upon request.

DISCHARGE OF THE RECEIVER

26. Following the January 12 Hearing, the following matters will remain outstanding to complete the administration of the receivership:
 - 26.1. Transitioning Stephen Avenue Place back to the Debtors and filing the Transition Certificate;
 - 26.2. Paying all obligations incurred in the receivership and making the Final Distribution;
 - 26.3. Preparing and issuing the Receiver's final report pursuant to Section 246(3) of the *Bankruptcy and Insolvency Act*;
 - 26.4. Preparing any required Canada Revenue Agency returns and closing the business account established for the receivership;
 - 26.5. Preparing the final statement of receipts and disbursements that will be attached to the Receiver's Certificate; and
 - 26.6. Any other matters incidental to completing the administration of the Receivership.

27. Upon completion of the administrative matters described above, the Receiver intends to file the Discharge Certificate, subject to the approval by this Honourable Court of the relief being sought.

RECOMMENDATION AND CONCLUSION

28. The Second Report has been prepared to provide the Court with information on the relief sought by the Receiver at the January 12 Hearing as set out herein. The Receiver understands that the Lender and the Debtors support the relief sought by the Receiver at the January 12 Hearing.

All of which is respectfully submitted this 8th day of January 2024.

MNP Ltd., in its capacity as Receiver of selected property of SCREO I 700 2nd Inc., 58508 Alberta Ltd., and SCREO I 700 2nd L.P., by its general partner SCREO I 700 2nd GP Inc. and not in its personal or corporate capacity



Per: _____
Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice President

SCHEDULES

SCHEDULE 1

Stephen Avenue Place - in Receivership
Interim Statement of Receipts and Disbursements
for the period from October 5, 2023 to December 31, 2023

		Notes
Receipts:		
Rent collected	\$ 1,845,857	1
Cash held in financial institutions	933,817	2
GST collected	90,566	
GST refund	30,985	
Interest	7,250	
Total receipts:	\$ 2,908,474	
Disbursements:		
Critical supplier payments	423,198	3
Operating expenses	419,803	
Property taxes	228,715	4
Security	189,999	5
Repairs and maintenance	166,987	
Fees and disbursements of the Receiver	164,821	6
Insurance	147,669	7
Utilities	98,921	
Fees and disbursements of the Receiver's legal counsel	88,937	8
GST paid	79,414	
GST remitted	38,027	9
Rent (ground lease)	29,167	10
Commission	18,372	11
Appraisal fees	7,500	12
Miscellaneous	507	
Total disbursements:	\$ 2,102,034	
 Excess of receipts over disbursements:	 \$ 806,440	
 Cash held in CIBC account	 59,587	 13
Available Cash	\$ 866,027	

Notes - general:

1. MNP Ltd. was appointed as the Receiver (the "Receiver") of selected property (the "Property") of SCREO I 700 2nd Inc., 58508 Alberta Ltd., and SCREO I 700 2nd L.P., by its general partner SCREO I 700 2nd GP Inc. pursuant to a Receivership Order (the "Order") pronounced by the Court of King's Bench of Alberta on October 5, 2023. The Property includes the commercial building known as Stephen Avenue Place located at 700 2nd Street SW in Calgary, Alberta and all personal property located on or used in conjunction with Stephen Avenue Place.

Stephen Avenue Place - in Receivership
Interim Statement of Receipts and Disbursements
for the period from October 5, 2023 to December 31, 2023

Notes - specific:

1. Represents rent received from tenants of the Property for November 2023.
2. Represents the amount held in a bank account at CIBC for the Property (the "CIBC Account") as at the date of receivership.
3. Represents pre-receivership amounts payable to critical suppliers, as approved pursuant to an Order granted by the Court of King's Bench of Alberta on October 24, 2023.
4. Represents property taxes payable to the City of Calgary for the period ended December 31, 2023.
5. Represents the amount payable to 2508077 Alberta Inc. o/a Regent Protection Services for security services for the period ended December 30, 2023.
6. Represents the amount payable to MNP Ltd. as Receiver's fees for the period ended November 30, 2023.
7. Represent the amount payable to BFL Canada Risk and Insurance Services Inc. for insurance coverage on the Property for the period ended July 1, 2023.
8. Represents the amount payable to Cassels Brock & Blackwell LLP for legal services for the period ended November 30, 2023.
9. Represents GST remittances for the post-receivership period from October 5 to November 30, 2023.
10. Represents the amount payable to the Hudson's Bay Company pursuant to a ground lease dated April 19, 1974.
11. Represents leasing commission payable to Taurus Property Group Inc. regarding a lease for Fifth Avenue Physiotherapy Inc.
12. Represents amount payable to Newmark Real Estate Canada Limited for the appraisal of the Property.
13. As at December 29, 2023, additional funds totaling approximately \$59,586.70 were held in the CIBC Account.

SCHEDULE 2

Summary of Professional Fees and Disbursements for the Period Ended December 29, 2023 including Estimates to Complete the Receivership

Receiver (MNP Ltd.)

Invoice date	Invoice number	Description	Professional fees	Disbursements	Subtotal	GST	Total
November 6, 2023	11299301	For the period ended October 31, 2023	\$ 88,650	\$ 58	\$ 88,708	\$ 4,435	\$ 93,143
December 18, 2023	11362924	For the period ended November 30, 2023	76,113	-	76,113	3,806	79,919
January 2, 2023	11382720	For the period ended December 29, 2023	62,912	-	62,912	3,146	66,058
Subtotal			227,675	58	227,733	11,387	239,119
Estimate to complete			35,000	-	35,000	1,750	36,750
Total - Receiver			\$ 262,675	\$ 58	\$ 262,733	\$ 13,137	\$ 275,869

Receiver's legal counsel (Cassels, Brock & Blackwell LLP)

Invoice date	Invoice number	Description	Professional fees	Disbursements	Subtotal	GST	Total
November 6, 2023	2216626	For the period ended October 31, 2023	\$ 70,500	\$ 2,467	\$ 72,967	\$ 3,569	\$ 76,535
December 5, 2023	2219682	For the period ended November 30, 2023	14,795	1,175	15,970	777	16,748
December 29, 2023		For the period ended December 29, 2023	37,377	249	37,626	1,877	39,503
Subtotal			122,672	3,891	126,563	6,223	132,786
Estimate to complete			37,500	-	37,500	1,875	39,375
Total - Receiver's legal counsel			\$ 160,172	\$ 3,891	\$ 164,063	\$ 8,098	\$ 172,161
Total professional fees and disbursements			\$ 422,847	\$ 3,949	\$ 426,796	\$ 21,235	\$ 448,030