



COURT FILE NUMBER	1801-06804
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	CONNECT FIRST CREDIT UNION LTD.
DEFENDANTS	SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP and CEP LP INVESTMENT CORP.
DOCUMENT	<u>APPLICATION OF BDO CANADA LIMITED, COURT APPOINTED RECEIVER AND MANAGER</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15 th Floor, 850 - 2 nd Street S.W. Calgary, Alberta T2P 0R8 Attn: Afshan Naveed Ph. (403) 268-7086 Fx. (403) 268-3100 File No.: 507071-44

NOTICE TO RESPONDENTS: Service List attached as Schedule "A"

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

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

To do so, you must be in Court when the application is heard as shown below:

Date:	June 21, 2021
Time:	2:00 p.m.
Where:	Edmonton Courts Centre VIA WEB-EX Virtual Courtroom 86 Virtual Courtroom Link: https://albertacourts.webex.com/meet/virtual.courtroom86

Before Whom:	The Honourable Justice G.S. Dunlop
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Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

- Capitalized terms not otherwise defined herein, shall have the meaning ascribed to them in the First Report of BDO Canada Limited ("**BDO**"), the court-appointed receiver and manger (the

“Receiver”), of the assets, properties, and undertakings of Safeguard Real Estate Investment Fund IV Limited Partnership (**“Safeguard”**) and CEP LP Investment Corp. (**“CEP”**, together with Safeguard, the **“Debtors”**) dated June 14, 2021 (the **“First Report”**).

2. The Receiver respectfully seeks the following:

- (a) an order in substantially the form attached hereto as Schedule “B”:
 - (i) abridging the time for service of this application and deeming service good and sufficient and declaring that no other person is required to be have been served with notice of this Application, if necessary;
 - (ii) amending the Receivership Order by:
 - A. removing the certain parcels of land from the description of Property in the Receivership Order which, due to an administrative error, were inadvertently included in the Receivership Order; and
 - B. authorizing and approving an increase in the amount of the Receiver’s Borrowings Charge in the Receivership Order from \$250,000 to \$2,650,000;
 - (iii) approving the actions, activities, recommendations and conduct of the Receiver, as set out and described in the First Report; and
 - (iv) authorizing the Receiver to enter into listing agreement(s) with Avison Young Commercial Real Estate Services, LP;
- (b) a sealing order (the **“Sealing Order”**) in substantially the form attached hereto as Schedule “C”:
 - (i) abridging the time for service of this application and deeming service good and sufficient and declaring that no other person is required to be have been served with notice of this Application, if necessary; and
 - (ii) sealing the Confidential Supplement to the First Report of the Receiver dated June 14, 2021 (the **“Confidential Supplement”**): and
- (c) granting such further and other relief as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this application:

Background

- 3. On December 4, 2020, upon application of Connect First Credit Union Ltd. (**“CFCU”**), BDO was appointed as Receiver of the Property of the Debtors, and was tasked with, among other things, securing, leasing for sale, and determining a monetization strategy for the Property.
- 4. As described in the First Report, the material assets of Safeguard are the thirty (30) separate titled office space units and thirty (30) separate titled parking stalls located in the Building.

Removal of certain parcels of land from the Receivership Order

5. As set out in paras 17-19 of the First Report, the New Sun Properties, were incorrectly included in the definition of Property. As the New Sun Properties were sold in December 2019, they should be removed from the Receivership Order.

Increase to Receiver's Borrowing Charge

6. As set out in paras 44 to 48 of the First Report, the Receiver will require a substantial increase in its Borrowing Charge in order to pay: (i) the Property Tax Arrears; (ii) the Current Property Taxes; and (iii) the Condo Arrears. In addition, the Receiver requires additional working capital to finance the administration of the receivership estate by: (i) considering provisions for tenant inducements and refurbishments; (ii) funding operations; and (iii) allocating contingency costs.
7. The Receiver requests an increase in the Receiver's Borrowing Charge to \$2,650,000 in order to properly manage and realize upon the receivership estate.

Approval of Receiver's Activities

8. Since its appointment, the Receiver has taken possession of the Property and taken such prudent steps, as have been necessary, to preserve the Property.
9. The Receiver's activities include, among other things, as more expressly detailed in paras 31 to 44 of the First Report:
 - (a) attendance and tour of the Property;
 - (b) review of the books and records of the Debtors;
 - (c) registration of the Receivership Order against the Property with Alberta Land Titles;
 - (d) issuance of the required statutory notices under the BIA;
 - (e) correspondence with: (i) Avenue Commercial; (ii) insurers of the Property; (iii) the City of Calgary; (iv) existing tenants; (v) other unit holders in the Building; and (vi) CFCU; and
 - (f) preparation of Receiver's Interim R&D.
10. The Receiver seeks approval and ratification of the actions, activities, recommendations and conduct of the Receiver, as set out and described in the First Report.

Sealing Order

11. The Confidential Supplement contains commercially sensitive information, is confidential, and should be sealed until the expiry of three months from the date of the closing of any ultimate sale of the last of the Units and Parking Stalls comprising the Property. The terms set out in the proposed form of order attached as Schedule "C" are necessary to accomplish this.
12. The proposed sealing order is limited in that the Confidential Supplement would only remain sealed for a specified period of time. The public disclosure of the information contained in the Confidential Supplement, prior to the closing of the last sale for the Property, would cause serious

and irreparable harm to the estate and its stakeholders. The sealing provision is a fair and reasonable means to address the harm of restricting public dissemination at this time.

13. The relief requested is just, appropriate, and in the best interests of the administration of the estate.
14. Such further and other grounds as counsel may advise.

Material or evidence to be relied on:

15. First Report of BDO Canada Limited, Court-appointed receiver and manager of the Debtors, dated June 14, 2021.
16. Confidential Supplement to the First Report, dated June 14, 2021 (not filed).
17. The pleadings and proceedings in this Action.
18. Such further and other materials and evidence as counsel may advise.

Applicable Rules:

19. Rules 1.2, 1.3, 6.2, 6.3, 6.9, 6.10, Part 6 Division 4, and Part 9 Division 3 of the *Alberta Rules of Court*, Alta Reg 124/2010.
20. Such further and other Rules as counsel may advise.

Applicable Acts and regulations:

21. *Alberta Rules of Court*, Alta Reg 124/2010, as amended.
22. *Bankruptcy and Insolvency Act*, RSC 1985 c B-3.
23. *Judicature Act*, RSA 2000 c J-2.
24. Such further and other Acts and regulations as counsel may advise.

Any irregularity complained of or objection relied on:

25. None.

How the application is proposed to be heard or considered:

26. Via Web-Ex, before the presiding Justice.

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 give evidence in response to the application, you must reply by

filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule “A” to the Application – Service List

COURT FILE NUMBER	1801-06804
COURT	COURT OF QUEEN’S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	CONNECT FIRST CREDIT UNION LTD.
DEFENDANTS	SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP and CEP LP INVESTMENT CORP.
DOCUMENT	<u>SERVICE LIST</u>

Updated June 14, 2021

Party	Representing	Mode of Service	Status
Connect First Credit Union 200, 2850 Sunridge Blvd. NE Calgary, AB T1Y 6G2 Attn: Kunle Popoola Attn : AJ Omo-Loto		Email: kpopoola@connectfirstcu.com aomoloto@connectfirstcu.com	Plaintiff
Carscallen LLP 900, 332 – 6 th Ave SW Calgary, AB T2P 0B2 Attn: Grant Cameron	Connect First Credit Union Ltd.	Email: cameron@carscallen.com	Counsel to Plaintiff
Bennett Jones LLP 4500 Bankers Hall East 855 2 nd Street SW Calgary, AB T2P 4K7 Attn: Blair C. Yorke-Slader	Safeguard Real Estate Investment Fund IV Limited Partnership and CEP LP Investment Corp.	Email: yorkesladerb@bennettjones.com	Defendants
BDO Canada Limited 100, 5800 – 2 nd Street SW Calgary, AB T2H 0H2 Attn: Kevin Meyler		Email: kmeyler@bdo.ca	Court-Appointed Receiver
Dentons Canada LLP 850 – 2 nd Street SW Calgary, AB T2P 0R8 Attn: Afshan Naveed	BDO Canada Limited	Email: afshan.naveed@dentons.com	Counsel to Court-Appointed Receiver
The City of Calgary Floor 12, Municipal Building – L3-9 800 Macleod Trail SE		Email: jeff.watson@calgary.ca josie.saab@calgary.ca	Creditor

Party	Representing	Mode of Service	Status
Calgary, AB T2P 2M5 Attn : Jeff Watson Josie Saab			
Canada Revenue Agency		Fax: 1-866-219-0311	Unknown
Email List: kpopoola@connectfirstcu.com ; aomoloto@connectfirstcu.com ; cameron@carscallen.com ; yorkesladerb@bennettjones.com ; kmeyley@bdo.ca ; afshan.naveed@dentons.com ; jeff.watson@calgary.ca ; josie.saab@calgary.ca ;			

Schedule "B" to the Application - DRAFT

Clerk's stamp:

COURT FILE NUMBER	1801-06804
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	CONNECT FIRST CREDIT UNION LTD.
DEFENDANTS	SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP and CEP LP INVESTMENT CORP.
DOCUMENT	<u>ORDER – AMENDING RECEIVERSHIP ORDER, APPROVING ACTIVITIES OF RECEIVER AND INCREASING BORROWING</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15 th Floor, 850 - 2 nd Street S.W. Calgary, Alberta T2P 0R8 Attn: Afshan Naveed Ph. (403) 268-7086 Fx. (403) 268-3100 File No.: 507071-44

DATE ON WHICH ORDER WAS PRONOUNCED:	June 21, 2021
LOCATION WHERE ORDER WAS PRONOUNCED:	Edmonton, AB
NAME OF JUSTICE WHO MADE THIS ORDER:	The Honourable Justice G.S. Dunlop

UPON THE APPLICATION of BDO Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property, and assets of Safeguard Real Estate Investment Fund IV Limited Partnership ("**Safeguard**") and CEP LP Investment Corp. ("**CEP**", together with Safeguard, the "**Debtors**") for an Order: (i) amending the Order granted by the Honourable Madam Justice B.E.C. Romaine on December 4, 2020 in the within Action (the "**Receivership Order**"), to increase the amount of the Receiver's Borrowing Charge, and amend the definition of Property, each as defined therein; (ii) approving the Receiver's activities; and (iii) authorizing and directing the Receiver to enter into the Listing Agreements with the Proposed Listing Realtor (each as defined in the First Report); **AND UPON** having read the First Report of the Receiver, dated June 14, 2021 (the "**First Report**"); filed; **AND UPON** having read the Confidential Supplement to the First Report, dated June 14, 2021 (the "**Confidential Supplement**"), unfilled; **AND UPON** having read the Affidavit of Service, filed; **AND UPON** hearing counsel for the Receiver and counsel for any other interested parties who may be present; **AND UPON** being satisfied that it is appropriate to do so;

IT IS ORDERED AND DECLARED THAT:

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and 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.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Report, or the Confidential Supplement, as the context requires.

Amendments to the Receivership Order

3. Paragraph 2 of the Receivership Order is hereby amended by:
 - (a) deleting all legal descriptions set out on pages 2 and 3 and replacing with the following:

“First:
CONDOMINIUM PLAN 0811241
UNITS 3 TO 31 INCLUSIVE
AND 4638 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON
PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS”

“Second:
CONDOMINIUM PLAN 0811241
UNIT 43
AND 98 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON
PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS”

“Third:
CONDOMINIUM PLAN 0811241
UNIT 73
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS”

“Fourth:
CONDOMINIUM PLAN 0811241
UNITS 93 TO 100 INCLUSIVE
AND 8 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS”

“Fifth:
CONDOMINIUM PLAN 0811241
UNIT 103
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS”

“Sixth:
CONDOMINIUM PLAN 0811241
UNIT 105
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS”

“Seventh:
CONDOMINIUM PLAN 0811241
UNIT 107
AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS”

“Eighth:
CONDOMINIUM PLAN 0811241
UNITS 111 TO 128 INCLUSIVE
AND 18 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON
PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS”

4. Paragraph 20 of the Receivership Order is hereby amended by deleting the number “\$250,000.00” and inserting in its place the number “\$2,650,000.00”.

Approval of Listing Agreements

5. The Receiver is authorized and directed to enter into the listing agreements with Avison Young Commercial Real Estate Services, LP, in substantially the forms as attached to the Confidential Supplement, with any such minor amendment as the Receiver may deem necessary.

Approval of Activities and Interim R&D

6. The Receiver's actions, activities, recommendations and conduct of the Receiver, as set out in the First Report, are hereby ratified and approved.
7. The Receiver's Interim Statement of Receipts and Disbursements for the period December 24, 2020 to May 31, 2021 is hereby approved.
8. 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 or otherwise served with notice of 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; and
 - (b) posting a copy of this Order on the Receiver's Website;and service on any other person is hereby dispensed with.

9. 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, delivery, or posting of this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule "C" to the Application - DRAFT

Clerk's stamp:

COURT FILE NUMBER 1801-06804
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF **CONNECT FIRST CREDIT UNION LTD.**
DEFENDANTS **SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP and CEP LP INVESTMENT CORP.**
DOCUMENT **SEALING ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attn: Afshan Naveed
Ph. (403) 268-7086 Fx. (403) 268-3100
File No.: 507071-44

DATE ON WHICH ORDER WAS PRONOUNCED:	June 21, 2021
LOCATION WHERE ORDER WAS PRONOUNCED:	Edmonton, AB
NAME OF JUSTICE WHO MADE THIS ORDER:	The Honourable Justice G.S. Dunlop

UPON THE APPLICATION of BDO Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property, and assets of Safeguard Real Estate Investment Fund IV Limited Partnership ("**Safeguard**") and CEP LP Investment Corp. ("**CEP**", together with Safeguard, the "**Debtors**"); **AND UPON** hearing read the First Report of the Receiver, dated June 14, 2021, filed and the Confidential Supplement to the First Report, dated June 14, 2021 (the "**Confidential Supplement**"), unfiled; **AND UPON** having read the Affidavit of Service, filed; **AND UPON** hearing counsel for the Receiver and counsel for any other interested parties who may be present; **AND UPON** being satisfied that it is appropriate to do so;

IT IS ORDERED AND DECLARED THAT:

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and 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.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Report, or the Confidential Supplement, as the context requires.

3. Part 6 Division 4 of the *Alberta Rules of Court*, Alta Reg 124/2010 does not apply to this application.
4. The Confidential Supplement shall immediately be sealed by the Clerk of the Court, kept confidential and not form part of the public record, and not be available for public inspection until the expiry of three months from the date of the closing of any ultimate sale of the last of the Units and Parking Stalls comprising the Property.
5. The Clerk of the Court shall file the Confidential Supplement 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 IN COURT FILE NO. 1801-06804. SPECIFICALLY, THE CONFIDENTIAL SUPPLEMENT TO THE FIRST REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER (THE "RECEIVER") OF THE UNDERTAKING, PROPERTY, AND ASSETS OF SAFEGUARD REAL ESTATE INVESTMENT FUND IV LIMITED PARTNERSHIP ("SAFEGUARD") AND CEP LP INVESTMENT CORP. ("CEP"). THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER ISSUED BY THE HONOURABLE JUSTICE G.S. DUNLOP ON JUNE 21, 2021 UNTIL THE EXPIRY OF THREE MONTHS FROM THE DATE OF THE CLOSING OF ANY ULTIMATE SALE OF THE LAST OF THE UNITS AND PARKING STALLS COMPRISING THE PROPERTY AND ARE NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE.

6. Leave is hereby granted to any person or party affected by this Order to apply to this Honourable Court for a further order modifying or varying the terms of paragraphs 4 or 5 of this Order, with such application to be brought on no less than seven (7) days' notice to the Receiver, and any other affected party pursuant to the *Alberta Rules of Court*.
7. 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 or otherwise served with notice of 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; and
 - (b) posting a copy of this Order on the Receiver's Website;and service on any other person is hereby dispensed with.

8. 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, delivery, or posting of this Order.

Justice of the Court of Queen's Bench of Alberta