

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

25-095107/ 25-095108

SECOND INTERIM REPORT OF RECEIVER AS AT MARCH 14, 2021

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. and Centre Eleven Limited Partnership (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").

Pursuant to an Approval and Vesting Order granted on October 6, 2020, The Court approved the sale of the Centre Property to Diversified Investments LP by its general partner Diversified Investments GP Inc. as assignee of RFA Capital Holdings Inc. The sale of the Centre Property has now been completed.

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. Pursuant to a Sealing, Distribution and Discharge Order, also granted on October 6, 2020, approximately \$6.3 million has been distributed to MCAP (including the repayment of Receiver's borrowings).

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 March 14, 2021 is attached hereto.

NEXT STEPS

The Distribution and Discharge Order approved the discharge of the Receiver upon the completion of various administrative matters. As of the date of this report, the only matter that remains outstanding is the completion of a GST audit initiated by Canada Revenue Agency (the "GST Audit") following the Distribution and Discharge Order having been granted. Once the GST Audit has been completed, the Receiver will file the Discharge Certificate in accordance with the terms of the Distribution and Discharge Order confirming that the administration of the Receivership is complete.

Dated at Calgary, Alberta as at the 14th day of March 2021.

**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 Interim Statement of Receipts and Disbursements
For the period ended March 14, 2021**

Receipts:		<u>Notes</u>
Sale of assets	\$ 6,738,535	1
Cash from operations	237,798	2
Receiver's certificates	55,000	3
Miscellaneous receipts	6,862	
Total Receipts	7,038,195	
 Disbursements:		
Payments to secured creditor	6,277,023	3 & 4
Receiver's fees & disbursements	226,765	5
Legal fees & disbursements	186,548	5
Commission	175,173	6
Operating expenses	38,349	
GST paid	31,299	
Miscellaneous	8,028	
CRA - deemed trust claim	5,467	
Total Disbursements	6,948,652	
Excess of Receipts over Disbursements	\$ 89,544	

Notes:

- 1 Represents net proceeds from the sale of a commercial property, consisting of an approximately 56,946 square foot office building and an adjacent annex building (the "Property") as approved pursuant to an Order granted by the Court of Queen's Bench of Alberta on October 6, 2020.
- 2 Represents net funds collected from operations by the former Receiver Alvarez and Marsal and from Colliers International.
- 3 Pursuant to the Receivership Order granted on February 13, 2020, borrowings of \$55,000 (the "Receiver's Borrowings") were advanced to the Receiver and subsequently repaid.
- 4 Represents distributions to MCAP (including the repayment of the Receiver's Borrowings) pursuant to the Sealing, Distribution and Discharge Order granted on October 6, 2020.
- 5 Represents professional fees and disbursements of the Receiver and the Receiver's legal counsel to complete the administration of the Receivership.
- 6 Represents commission payable to CMN Calgary Inc. related to the sale of the Property.