

COURT FILE NUMBER 25-1859192

ESTATE NO. 25-1859192

COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

PROCEEDING **IN THE MATTER OF THE PROPOSAL OF  
3 EAU CLAIRE DEVELOPMENTS INC.**

DOCUMENT **APPLICATION FOR EXTENSION OF TIME TO FILE A PROPOSAL**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
MILLER THOMSON LLP  
Barristers & Solicitors  
3000, 700 - 9th Avenue S.W.  
Calgary, AB, Canada T2P 3V4

Nicole T. Taylor-Smith  
Telephone: 403.298.2401  
Fax: 403.262.0007  
E-mail: ntaylor-smith@millerthomson.com

File No.: 190822.0003

Clerk's Stamp

**NOTICE TO RESPONDENT:**

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

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

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

**Date:** May 8, 2014  
**Time:** 2:00 p.m.  
**Where:** Calgary Courts Centre  
601 – 5 Street SW, Calgary, AB T2P 5P7  
**Before Whom:** The Honourable Madam Justice K. M. Horner

Go to the end of this document to see what else you can do and when you must do it.

**Remedy claimed or sought:**

1. An Order, in substantially the form attached hereto as Schedule "A", providing the following relief:

- (a) abridging time for service of the within Application, if require, validating service of the Application and supporting material, and dispensing with service of such application material on interested parties not served; and
- (b) extending the time for filing a proposal under section 50.4(9) of the *Bankruptcy and Insolvency Act* ("BIA") for a period of 45 days;
- (c) granting a first priority charge in favour of the Trustee, Deloitte Restructuring Inc. ("Deloitte") and counsel to 3 Eau Claire Developments Inc. ("3 Eau Claire"), in the maximum amount of \$50,000.00, on the assets rights, undertakings and property of 3 Eau Claire, to rank ahead in priority to all other charges, claims and encumbrances (the "Administration Charge");
- (d) sealing the Confidential Supplemental Affidavit of Andrew Seong-Jin Lee which discloses the appraised values for the project; and
- (e) and such further and other relief as counsel may advise and this Honourable Court may deem just.

**Grounds for making this application:**

2. A Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the BIA was filed with the Official Receiver on April 11, 2014 on behalf of 3 Eau Claire and Deloitte Restructuring Inc. consented to act as Trustee.
3. The financial performance of Eau Claire Developments Inc. has been in accordance with the projected cash flows.
4. The conditions set forth in s. 50.9 of the BIA are satisfied, namely:
  - (a) 3 Eau Claire has acted, and is acting, in good faith and with due diligence;
  - (b) The applicant is likely to make a viable proposal if the extension applied for is granted; and
  - (c) No creditor will be materially prejudiced if the extension being applied for is granted.
5. 3 Eau Claire has engaged Avison Young Real Estate Alberta Inc. to seek offers for a development partner or the purchase and sale of the development property.
6. 3 Eau Claire is cooperating fully with the Trustee.
7. The extension will increase the likelihood that 3 Eau Clair will be able to make a viable proposal.
8. 3 Eau Claire will require the participation of its legal counsel and the Trustee to assist in these proceedings and has limited cash flow to pay them. The Administrative Charge is fair and reasonable.
9. A sealing order is required to preserve the confidentiality of the appraised values of the Land and the Project to avoid prejudicing any sales process.

10. Such further and other grounds as counsel may advise and this Honourable Court may consider.

**Material or evidence to be relied on:**

11. Affidavit sworn by Andrew Seong-Jin Lee sworn May 5, 2014;
12. Confidential Supplemental Affidavit of Andrew Seong-Jin Lee sworn May 5, 2014;
13. Report of the Trustee; and
14. Such further and other evidence as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

15. Part 6 of the *Alberta Rules of Court*.

**Applicable Acts and Regulations:**

16. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

**Any irregularity complained of or objection relied on:**

17. Not applicable.

**How the application is proposed to be heard or considered:**

18. In person.

**AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT**

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what it wants 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 rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

COURT FILE NUMBER 25-1859192

ESTATE NO. 25-1859192

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY

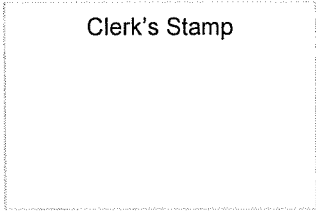
JUDICIAL CENTRE CALGARY

PROCEEDING IN THE MATTER OF THE PROPOSAL OF 3 EAU CLAIRE DEVELOPMENTS INC.

DOCUMENT ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MILLER THOMSON LLP Barristers & Solicitors 3000, 700 - 9th Avenue S.W. Calgary, AB, Canada T2P 3V4

Nicole T. Taylor-Smith Telephone: 403.298.2401 Fax: 403.262.0007 E-mail: ntaylor-smith@millerthomson.com File No.: 190822.0003



DRAFT

DATE ON WHICH ORDER WAS PRONOUNCED: May 8, 2014

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice

UPON the application of the 3 Eau Claire Developments Inc. ("3 Eau Claire"); AND UPON having read the Application of 3 Eau Claire, the Affidavit of Andrew Seong-Jin Lee sworn May 5, 2014, the Confidential Supplemental Affidavit of Andrew Seong-Jin Lee sworn May 5, 2014 and the First Report of the proposal trustee, Deloitte Restructuring Inc. ("Trustee"), filed, and such other material in the proceedings as are deemed necessary; AND UPON hearing counsel for 3 Eau Claire, the Trustee, and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

*Service*

1. The time for service of notice of this application is abridge to the time actually given and service of the Application and supporting material as described in the Affidavit of Service is good an sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

*Extension*

2. The time for filing a proposal under section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-2 (as amended) (the "BIA") is hereby extended for 45 days to June 22, 2014.

*Administrative Charge*

3. All assets, rights, undertakings and properties of Eau Claire, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the "Property") shall be and is hereby subject to a first charge (the "Administration Charge") in total aggregate amount of \$50,000.00 in favour of:
  - (a) the Trustee in order to secure 3 Eau Claire's payment to the Trustee of all of the Trustee's reasonable professional fees and disbursements for professional services rendered by the Trustee in the performance of its duties both before and after the date of 3 Eau Claire filing Notice of Intention to Make a Proposal on April 11, 2014 (the "NOI"); and
  - (b) the law firm of Miller Thomson LLP ("Miller"), legal counsel to 3 Eau Claire, in order to secure 3 Eau Claire's payment of all of Miller's reasonable professional fees and disbursements for professional services rendered by Miller for the purpose of the NOI proceedings both before and after the date of 3 Eau Claire filing the NOI.
4. The filing, registration or perfection of the Administration Charge shall not be required, and the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
5. The Administration Charge shall constitute a charge on the Property and the Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any person.

---

J.C.Q.B.A.