

Clerk's stamp:

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.
APPLICANT	BOSA PROPERTIES (EAU CLAIRE) INC.
RESPONDENT	3 EAU CLAIRE DEVELOPMENTS INC.
DOCUMENT	APPLICATION TO APPOINT RECEIVER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	John Sandrelli / Afshan Naveed Dentons Canada LLP Bankers Court 15 th Floor, 850 - 2 nd Street S.W. Calgary, Alberta T2P 0R8 Ph. (403) 268-3110/7015 Fx. (403) 268-3100 File No.: 504781-4

NOTICE TO RESPONDENTS:

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	July 31, 2014
Time	3:00 pm
Where	Calgary Courts Centre
Before Whom	Justice S. J. LoVecchio, Commercial List Justice

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

Remedy claimed or sought:

1. An Order, in substantially the form as attached to this Application as Schedule "A", for the following relief:
 - (a) abridging time for service of the within Application, if required, validating service of the Application and supporting material, and dispensing with service of such application materials on interested parties not served;
 - (b) dismissing the application of 3 Eau Claire Developments Inc. ("**3 Eau Claire or the Debtor**") for a third extension of the time to file a proposal under section 50.4(9) of the *Bankruptcy and Insolvency Act* ("**BIA**");
 - (c) appointing PricewaterhouseCoopers Inc. ("**PwC**") as Receiver (the "**Receiver**") for the purpose of implementing a proposal for the assets, undertaking and property of 3 Eau Claire, and once appointed, extending the time for filing a proposal under section 50.4(9) of the BIA for 30 days in order to allow the Receiver to file a proposal, on behalf of and to the exclusion of 3 Eau Claire; and
 - (d) such further and other relief as counsel may advise and this Honourable Court may deem just.

Grounds for making this application:

Background

1. In or about March 2013, Bosa Properties (Eau Claire) Inc. ("**Bosa**") was introduced to 3 Eau Claire as a potential joint venture partner for the Project (as defined in the Affidavit of Andrew Seong Jin-Lee, sworn May 5, 2014).
2. On or about September 4, 2013, 3 Eau Claire and Bosa, entered into a co-ownership agreement, which contained certain conditions precedent, including the execution of a purchase agreement and development management agreement, execution by the parties and the proposed commercial tenant of a binding lease agreement in respect of office space in the Project (the "**Co-Ownership Agreement**").
3. Further to the Co-Ownership Agreement, by way of loan advances pursuant to two Grid Promissory Notes (the "**Grid Notes**"), Bosa agreed to make certain loans to 3 Eau Claire for the construction and development of the Project, on lands legally described as:

PLAN A1
BLOCK 14
LOTS 1 to 10 INCLUSIVE

(the "**Land**")
4. As security for the performance of Bosa's interest under the Grid Notes, Bosa received the following security:

- (a) Collateral Mortgage, dated September 12, 2013;
- (b) Mortgage Amending Agreement, dated December 2, 2013

(collectively the “**Security**”)

- 5. In connection with the Grid Notes and the Security, Bosa has made advances to 3 Eau Claire. 3 Eau Claire is indebted to Bosa, as of April 2, 2014, in the amount of \$4,737,248.29. Interest is accruing at a rate of 10% per annum from the date of advance.
- 6. Demand for payment has been made by Bosa to 3 Eau Claire for repayment of the indebtedness under the Grid Notes, but 3 Eau Claire has refused or neglected and continues to refuse or neglect to repay the amounts owed to Bosa by 3 Eau Claire. 3 Eau Claire has been served with Notices of Intention to Enforce Security.
- 7. For the reasons outlined in the Affidavit of Brett Sandler, filed in these proceedings, Bosa terminated its potential joint venture relationship with 3 Eau Claire.

The 3 Eau Claire Extension Application

- 8. On July 15, 2014, 3 Eau Claire filed an application for the further extension of the Stay and additional time in which to file a Proposal to its creditors (the “**3 Eau Claire Extension**”). The 3 Eau Claire Extension should not be granted for the following reasons:
 - (a) 3 Eau Claire is no longer carrying on a viable business and has no possibility of restructuring;
 - (b) the Applicants have no comfort that the anticipated Proposal of 3 Eau Claire (the “**3 Eau Proposal**”) will come to fruition;
 - (c) the Applicants will not support the 3 Eau Claire Proposal, which is ultimately doomed to failure;
 - (d) the continuation of the Stay will materially and substantially prejudice the Applicant, particularly given that (i) Bosa is the fifth place secured creditor of 3 Eau Claire for a portion of its indebtedness; (ii) the value of the bare Land without the benefit of the Project, on a forced sale, will not likely be sufficient to satisfy all of the secured creditors; (iii) for the reasons set out in the Affidavit of Brett Sandler, 3 Eau Claire’s efforts to find a solution to deal with its debt obligations have no credibility and it is becoming clear that the process is doomed to fail unless a Receiver is appointed to develop and ultimately implement a Proposal; and
 - (e) the Applicant has lost confidence in the management of 3 Eau Claire.
- 9. In light of the foregoing, there will be significant and material prejudice to the creditors of 3 Eau Claire if an extension of these proceedings is given to the Debtor as the 3 Eau Claire Proposal is not likely to come to fruition.

Appointment of Receiver/Bosa Proposal/Extension for Bosa Proposal

10. The appointment of PwC as receiver of 3 Eau Claire is just, equitable, convenient and necessary in order to protect and preserve Bosa's security as well as to move the process forward in an effort to develop a Proposal which can succeed.
11. the Applicant would like the opportunity to put forward their own proposal which would see Bosa take control of the Project and substantially repay all of the creditors (the "**Bosa Proposal**"). The details of the Bosa Proposal are set out in the Affidavit of Brett Sandler.
12. The primary mandate of PwC therefore will be to negotiate, develop and ultimately implement the Bosa Proposal.
13. For the reasons outlined in the Affidavit of Brett Sandler, the Bosa Proposal is the best option available to all of the creditors of 3 Eau Claire.
14. PwC has consented to act as receiver of 3 Eau Claire.
15. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

16. The pleadings and proceedings in the within Action;
17. The Affidavit of Brett Sandler, dated July 28, 2014, filed;
18. The Consent to Act as Receiver of PwC, dated July 28, 2014, filed; and
19. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

20. Rules 6.3, 6.47 of the *Alberta Rules of Court*, Alta Reg 124/2010.

Applicable Acts and regulations:

21. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended;

Any irregularity complained of or objection relied on:

22. N/A

How the application is proposed to be heard or considered:

23. Orally in Chambers.

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 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 – DRAFT FORM OF ORDER

Clerk's stamp:

COURT FILE NUMBER: **25-1859192**

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY
OF 3 EAU CLAIRE DEVELOPMENTS INC.

APPLICANT: BOSA PROPERITES (EAU CLAIRE) INC.

RESPONDENT(S): 3 EAU CLAIRE DEVELOPMENTS INC.

DOCUMENT: **RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT John Sandrelli/Afshan Naveed
Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Ph. (403) 268-7015 Fx. (403) 268-3100
File No.: 540781-4

DATE ON WHICH ORDER WAS PRONOUNCED: July 31, 2014

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

NAME OF MASTER/JUDGE WHO MADE THIS
ORDER: Justice S. J. LoVecchio

UPON the application of Bosa Properties (Eau Claire) Inc. ("**Bosa**") in respect of 3 Eau Claire Developments Inc. (the "**Debtor**"); **AND UPON** having read the Application, the Affidavit of Brett Sandler sworn July 28, 2014, filed; and the Affidavit of Service of _____, filed; **AND UPON** reading the consent of PricewaterhouseCoopers Inc. ("**PwC**") to act as receiver ("**Receiver**") of the Debtor, filed; **AND UPON** hearing counsel for Bosa, the Debtor, the Receiver, and other interested parties; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”), PwC is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”) for the purpose more particularly outlined in paragraphs 4(a) – (l) below.

STAY EXTENSION

3. The time for filing a proposal under section 50.4(9) of the BIA is hereby extended for 30 days from July 31, 2014 to August 29, 2014 in order to allow the Receiver to file a Proposal (as more particularly outlined in paragraphs 4(a) – (l) below).

RECEIVER'S POWERS

4. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to file with this Honourable Court and the Official Receiver, on behalf of and to the exclusion of the Debtor, a proposal (“**Proposal**”) or proposals (“**Proposals**”) to the creditors of the Debtor (the “**Creditors**”) pursuant to sections 50 and 62 of the BIA;
 - (b) to communicate with and otherwise negotiate the terms of a Proposal with the creditors of the Debtor, as may be required;
 - (c) to call a meeting of the Creditors of a Proposal pursuant to section 51 of the BIA and chair and otherwise conduct such meeting in accordance with sections 51 to 57 of the BIA in place of Deloitte Restructuring Inc. (the “**Proposal Trustee**”);
 - (d) on acceptance of a Proposal by the requisite majority of Creditors pursuant to section 54 of the BIA, to seek this Honourable Court’s approval of such Proposal pursuant to section 58 of the BIA in place of the Proposal Trustee;
 - (e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a

temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order or as may be required or desirable to comply with the terms of any Proposal filed by the Receiver on behalf of the Debtor and approved by the Creditors and this Honourable Court in accordance with section 54 and 58 of the BIA;
- (g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
- (h) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

- (j) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (k) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (l) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. (i) The Debtor, (ii) the Proposal Trustee, (iii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
6. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this

paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.
8. The Proposal Trustee and all of its directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf shall provide such assistance to the Receiver as may be requested by the Receiver to carry out the terms of this Order including but not limited to:
 - (a) providing the Receiver forthwith, in connection with section 51(1)(b) and (c) of the BIA, with a condensed statement of the assets and liabilities of the Debtor and a list of all creditors with claims amounting to \$250 or more and the amounts of their claims as known or shown by the Debtor's books; and
 - (b) filing with this Honourable Court a report in prescribed form, pursuant to section 59 of the BIA, in conjunction with any application filed by the Receiver for Court-approval of any Proposal pursuant to 58 of the BIA;

NO PROCEEDINGS AGAINST THE RECEIVER

9. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body’s investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. “**Regulatory Body**” means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

11. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property

(each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or

- B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
 - (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

- 17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a priority charge on the Property immediately behind the current Administrative Charge (which shall be limited to \$50,000) but in priority to all security interests, trusts, liens, charges and

encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge, the current Administrative Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part

thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

25. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

26. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder, including but not limited to, clarification and or expansion of its powers and duties hereunder, if deemed by the Receiver to be necessary or desirable.
27. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
28. Nothing in this Order shall prevent the Receiver or the Proposal Trustee from acting as a trustee in bankruptcy of the Debtor.
29. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
30. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
32. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

33. This Order is issued and shall be filed in Court of Queen's Bench in Bankruptcy Action No. 25-1859192.
34. The Proposal Trustee shall post on its website for these proceedings at <http://www.deloitte.com/ca/insolvencies> as soon as practicable:
 - (a) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

35. THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver (the "**Receiver**") of all of the assets, undertakings and properties of 3 Eau Claire Developments Inc. appointed by Order of the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (the "**Court**") dated the ____ day of _____, ____ (the "**Order**") made in action number _____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
36. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
37. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
38. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
39. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
40. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

41. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

[PricewaterhouseCoopers Inc, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title: