



COURT FILE NUMBER 25-1859192
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
DOCUMENT THE FOURTH REPORT OF THE TRUSTEE IN THE MATTER OF THE PROPOSAL OF 3 EAU CLAIRE DEVELOPMENTS INC.

DATED AUGUST 13, 2014

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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SCHEDULES

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| Schedule 1 | Letter from KDIC to Deloitte Restructuring Inc. and 3 Eau Claire Developments Inc. dated August 13, 2014 |
| Schedule 2 | Letter from Deloitte Restructuring Inc. dated August 1, 2014 |

Introduction and Notice to Reader

Introduction

1. On April 11, 2014, 3 Eau Claire Developments Inc. (“3 Eau Claire” or the “Company”) filed a Notice of Intention to Make a Proposal (the “NOI”) under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “BIA”). Deloitte Restructuring Inc. (“Deloitte”) consented to act as Trustee under the NOI (the “Trustee”). Information on these proceedings can be accessed on Deloitte’s website at www.deloitte.ca under the Insolvency and Restructuring link.
2. The Company was granted an initial 30-day stay of proceedings (the “Initial Stay”) pursuant to Section 69(1) of the BIA. 3 Eau Claire was required to file a proposal within the Initial Stay or within any further extension of that period granted by the Court of Queen’s Bench of Alberta (the “Court”). The Court has now granted four Orders extending the stay of proceedings with the most recent Order being granted on July 31, 2014 and extending the stay of proceedings until August 15, 2014.
3. Pursuant to Section 50.4(2) of the BIA, the management of 3 Eau Claire (“Management”) have filed a statement of projected cash flow and three subsequent amended statements of projected cash flow. The Third Amended Statement of Projected Cash Flow for the ten week period from the week ended July 12, 2014 to the week ending September 13, 2014 was filed on July 14, 2014 and is attached as “Schedule 2” to the third report of the Trustee filed on July 14, 2014 (the “Third Report”).
4. The Trustee’s First, Second and Third Reports in these proceedings were respectively dated May 5, 2014, June 20, 2014 and July 15, 2014 (referred to respectively as the “First, Second and Third Report”). The Trustee further filed a Supplement to the Third Report of the Trustee on July 30, 2014 (the “Supplement”).
5. This report is the fourth report of the Trustee (the “Fourth Report”). The Fourth Report is being filed in respect of the Court hearing on August 15, 2014 (the “August 15 Hearing”), as further described later in this report. Capitalized terms not otherwise defined herein have the meanings given to them in the First, Second and Third Reports and the Supplement.

Notice to Reader

6. In preparing the Fourth Report, the Trustee has relied on unaudited financial information, the books and records of the Company and discussions with Management, interested parties and stakeholders. The Trustee has not performed an independent review or audit of the information provided.
7. The Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the Fourth Report.
8. All amounts are in Canadian dollars, unless otherwise indicated.

Background

Operations

9. 3 Eau Claire was incorporated as a real estate development company for the purpose of building an approximately 652,000 square foot mixed-use condominium project (the “Project”) located at 633 3rd Avenue SW in Calgary, Alberta (the “Lands”).
10. Further information on the operations of 3 Eau Claire is available in the First, Second and Third Reports and the Supplement.

Court Proceedings

11. The First Report was filed in conjunction with 3 Eau Claire’s application on May 8, 2014 at which time the Court granted two Orders, which included the following relief:
 - 11.1 Approval of an extension of the Initial Stay from May 11, 2014 until June 25, 2014 (the “First Extension”);
 - 11.2 Approval of a charge in the amount of \$50,000 as security for professional fees and disbursements of the Trustee and the Company’s legal counsel (the “Administrative Charge”). The Administrative Charge formed a first charge over all assets, rights, undertakings and properties of 3 Eau Claire of every nature and kind whatsoever, and wherever situated, including all proceeds thereof;
 - 11.3 Requiring 3 Eau Claire to provide counsel for Korea Exchange Bank of Canada (“KEB”) with weekly updates during the First Extension regarding the Company’s activities, which information was to be kept strictly confidential by KEB; and
 - 11.4 Sealing the First Confidential Affidavit of Andrew Seong-Jin Lee sworn on May 5, 2014.
12. The Second Report was filed in conjunction with 3 Eau Claire’s application on June 25, 2014, at which time the Court granted an Order, which included the following relief:
 - 12.1 Approval of a second extension of the stay of proceedings from June 25, 2014 to July 16, 2014; and
 - 12.2 Sealing the Second Confidential Affidavit of Andrew Seong-Jin Lee sworn on June 25, 2014 (the “Second Confidential Affidavit”) pending further Order of the Court with the Trustee reviewing the need for the Second Confidential Affidavit to remain confidential prior to its discharge.

13. The Third Report was filed in conjunction with 3 Eau Claire's application on July 16, 2014 (the "July 16 Application") at which time the Court granted an Order, which included the following relief:
 - 13.1 Approval of a third extension of the stay of proceedings from July 16, 2014 to July 31, 2014 (the "Third Extension"); and
 - 13.2 Sealing the Third Confidential Affidavit of Andrew Seong-Jin Lee sworn on July 15, 2014 (the "Third Confidential Affidavit") with the Trustee reviewing the need for the Third Confidential Affidavit to remain confidential prior to its discharge.
14. The following additional relief sought at the July 16 Application was held over until July 31, 2014 (the "July 31 Hearing").
 - 14.1 An increase in the Administrative Charge from \$50,000 to \$100,000 together with an increase in the scope of the Administrative Charge to include the reasonable fees and expenses of the Trustee's legal counsel, Blake, Cassels & Graydon LLP ("Blakes").
15. At the July 31 Hearing, 3 Eau Claire sought the following relief:
 - 15.1 Approval of a fourth extension of the stay of proceedings from July 31, 2014 to September 15, 2014 (the "Fourth Extension"); and
 - 15.2 The increase in the scope and amount of the Administrative Charge, as detailed above.
16. Also at the July 31 Hearing, Bosa Properties (Eau Claire) Inc. ("Bosa"), who holds a secured mortgage against the Lands, made an application seeking the following relief (the "Bosa Application"):
 - 16.1 Dismissing the application of 3 Eau Claire to obtain the Fourth Extension; and
 - 16.2 Appointing PricewaterhouseCoopers Inc. as Receiver and Manager for the purpose of implementing a proposal for the assets, undertaking and property of 3 Eau Claire and, once appointed, extending the time for the filing of a BIA Proposal (defined later in this Report) for 30 days in order to allow the Receiver time to file a BIA Proposal, on behalf of and to the exclusion of 3 Eau Claire.
17. At the July 31 Hearing, the Court advised all parties that an unfiled affidavit, sworn by Cody Z. Lamoureux on July 31, 2014 (the "Lamoureux Affidavit") had been provided directly to Justice LoVecchio (but not to any of the other parties to the proceedings) immediately in advance of the July 31 Hearing. The Lamoureux Affidavit raised concerns surrounding the integrity of the Marketing Process (as defined later in this report). In order to allow 3 Eau Claire the opportunity to respond to the Lamoureux Affidavit and, based on the concerns expressed therein, the Court adjourned 3 Eau Claire's application for the Fourth Extension and the Bosa Application to August 15, 2014 (the "August 15 Hearing"). In addition, the Court granted an Order (the "July 31 Order") including the following relief:
 - 17.1 Approving an extension of the stay of proceedings to August 15, 2014;

- 17.2 Approving an increase in the Administrative Charge from \$50,000 to \$100,000 together with an increase in the scope of the Administrative Charge to include the reasonable fees and expenses of the Trustee's legal counsel, Blakes;
- 17.3 Authorizing and directing the Trustee to do the following:
- 17.3.1 Disclose to all parties by the close of business on August 1, 2014 all letters of intent which had been previously disclosed to the Court confidentially as appended to the First, Second and Third Confidential Affidavits and the Fourth Confidential Affidavit of Andrew Seong-Jin Lee sworn on July 30, 2014 (the "Fourth Confidential Affidavit") or as otherwise received by either the Trustee or 3 Eau Claire (the "Pre-July 31 LOIs");
 - 17.3.2 Independently review, assess and report to the Court on all offers, which had been received or which may be received, prior to the August 15 Hearing; and
 - 17.3.3 Directing 3 Eau Claire and their agent, Avison Young Real Estate Alberta Inc. ("Avison") to provide the Trustee with the outstanding information with respect to the letters of intent ("LOI(s)") and with respect to any future LOIs received in advance of the August 15 Hearing.

Creditors

18. As previously reported, at the date of the NOI, 3 Eau Claire listed creditors with claims totaling approximately \$37.8 million, which consisted of claims of approximately \$36.0 million by seven secured mortgage holders and claims of approximately \$1.8 million by unsecured creditors.
19. The Trustee can provide the following update with respect to the claims of the secured mortgage holders:
 - 19.1. Computershare Trust Company of Canada (“Computershare”) has a registered mortgage against the Lands (the “Computershare Mortgage”) with an outstanding principal balance of approximately \$26.7 million (including approximately \$6.0 million in accrued interest). Computershare acts as the Trustee for the Hyundai Wise Private Investment Trust who, in turn, acts as the fund manager for the Computershare Mortgage. The Computershare Mortgage was originally advanced by a syndicate of Korean banks, who became insolvent and ceased to operate. We are advised that the Computershare Mortgage is currently controlled by the Korea Deposit Insurance Corporation (“KDIC”), who acts on behalf of the Korean government. Pursuant to a letter from KDIC to the Trustee and 3 Eau Claire dated August 13, 2014 (the “KDIC Letter”), which is attached hereto as “Schedule 1”, the total outstanding principal and interest owing to KDIC as at June 30 2014 totalled \$19.8 million and \$15.7 million, respectively, for a total of \$35.5 million. This is a significant increase from the amount of \$26.7 million that the Trustee had been advised was outstanding at the date of the Third Report. 3 Eau Claire has indicated that they are not in agreement with KDIC’s interest calculation. The Trustee notes that, at this time, no claim process has been undertaken and the Trustee has not had the opportunity to review information with respect to KDIC’s indebtedness.
 - 19.2. Bosa had previously acted as 3 Eau Claire’s development partner. Bosa was originally listed as having a claim of \$2.0 million, having advanced funds pursuant to two promissory notes, which were secured by a registered mortgage against the Lands (the “Bosa Advances”). The Bosa Advances were made through the payment of various Project-related costs. On July 10, 2014, Bosa’s legal counsel provided a summary of the Bosa Advances to the Trustee indicating that the total amount outstanding was approximately \$4.5 million plus approximately \$245,000 in accrued interest. The Trustee has requested, but has not yet received, Management’s comments on the summary of the Bosa Advances.

20. 1713744 Alberta Ltd. (“1713744”) also has a registered mortgage against the Lands. In its binding offer (as further discussed below), Bosa takes the position that 1713744 is a related party to 3 Eau Claire and, as such, its claim (the “1713744 Claim”) may be postponed to the claims of the other creditors. The Trustee has not yet had the opportunity to review this allegation or any information with respect to the 1713744 Claim and makes no comment on the position of Bosa regarding the postponement of the 1713744 Claim.
21. The Trustee has not completed a review of the security held by any of the mortgage holders as a claims process has yet to be undertaken. Based on the information received to date, the following is an updated summary of the claims of the secured mortgage holders, which are listed in the order that they are registered against the Lands:

Mortgage Holder	Principal ('000)
KEB	\$ 8,500
Computershare	35,500
Shorebrook Capital Inc.	326
Bosa	4,767
MMP Structural Engineers Ltd.	646
PM Rec Holdings Inc.	450
1713744 Alberta Ltd.	3,400
Total	<u>\$ 53,589</u>

Negotiations with KDIC

22. The Trustee previously reported that 3 Eau Claire had provided KDIC with a Confirmation Letter regarding postponing all but approximately \$10.0 to \$13.0 million of the principal balance and all accrued interest on the Computershare Mortgage. The contents of the Confirmation Letter are summarized in the Supplement.
23. The Trustee highlights the following information from the KDIC Letter:
- 23.1. That the total outstanding Indebtedness to KDIC was \$35.5 million as at June 30, 2014;
- 23.2. That KDIC accepted 3 Eau Claire’s payment proposal from July 2013 wherein 3 Eau Claire offered an immediate payment to KDIC of approximately \$13.0 million and an additional payment of \$6.8 million (plus accrued interest at an agreed rate) when the Project was completed (the “Original KDIC Payment Proposal”) and that 3 Eau Claire failed to meet the terms of the Original KDIC Payment Proposal.
- 23.3. That 3 Eau Claire then sent the Confirmation Letter that proposed a second payment proposal to KDIC wherein, among other things, 3 Eau Claire would make an immediate payment to

KDIC of \$10.0 million and an additional payment of \$9.8 million (plus accrued interest at an agreed rate) when the Project was completed.

23.4. That KDIC has not yet considered the Confirmation Letter and the postponement proposed therein as it requires the following items prior to reviewing such a proposal:

23.4.1. Confirmation that any proposal made by 3 Eau Claire to its creditors has been approved by all of 3 Eau Claire's creditors or the Court (the "KDIC Proposal Condition"); and

23.4.2. A pre-payment of approximately \$80,000 from 3 Eau Claire to cover KDIC's costs of a land evaluation, feasibility study and its legal expenses in order to prepare the report to KDIC's internal review council (the "KDIC Cost Recovery Condition", collectively the "KDIC Conditions").

23.5. That KDIC's review of the payment proposal and the postponement contained in the Confirmation Letter would not be started until the KDIC Conditions were met and the review could take several months.

24. The KDIC Letter did not indicate how long it would take to receive approval of a postponement, if any, after the review had been completed.

25. The KDIC Letter helps to clarify the position of KDIC as the Trustee has not had any previous direct contact with KDIC and no representatives of KDIC have attended any of the prior Court applications. The KDIC Letter does, however, raise the following challenges:

25.1. According to the KDIC Letter, the current debt owing to KDIC of \$35.5 million as at June 30, 2014 is much higher than the Trustee was previously advised by 3 Eau Claire. It is not clear how much KDIC may be willing to postpone or how much this will impact the appetite of the potential joint venture parties to complete a transaction;

25.2. The KDIC Proposal Condition is problematic as any postponement of KDIC's claim will need to be a condition subsequent in any BIA Proposal of 3 Eau Claire to its creditors and the creditors and any joint venture partner may not know the outcome of the decision of KDIC for several months after creditor approval of any BIA Proposal by 3 Eau Claire;

25.3. 3 Eau Claire does not currently have the funds to meet the KDIC Cost Recovery Condition;

25.4. The uncertainty around the amount of any postponement by KDIC and the timing of any ultimate approval by KDIC may make it difficult for any party to present a BIA Proposal to 3 Eau Claire's creditors.

26. The Trustee understands that those binding offers described below that contemplate that 3 Eau Claire would enter into a joint venture partnership to complete the Project and file a BIA Proposal are all contingent on KDIC's approval of a postponement. The binding offer that contemplates a BIA Proposal being filed by a Receiver and Manager on behalf of Bosa is also contingent on KDIC's approval of a postponement.

The Marketing Process

The Marketing Process

27. As previously reported, on March 12, 2014, 3 Eau Claire entered into an Exclusive Listing Agreement (the “Listing Agreement”) with Avison. Pursuant to the Listing Agreement, Avison was retained to act as the Company’s agent for the purchase and sale of the Lands or to procure a joint venture partner to complete the project (the “Marketing Process”).
28. The Listing Agreement contemplated that Avison would undertake a 21 day marketing campaign to introduce the opportunity to a select group of potential purchasers, which was to be followed by a 14 day period to bring forward one interested party with whom to negotiate a transaction. The Listing Agreement further contemplated a deadline of June 30, 2014 to complete a transaction. Avison originally anticipated receiving initial letters of intent in mid to late May 2014. The Trustee notes as follows with respect to the Marketing Process:
- 28.1. Avison has confirmed that they introduced the opportunity to approximately 37 interested parties, of which nine entered into non-disclosure agreements;
- 28.2. Avison entered into negotiations with parties interested in both the potential purchase of the Lands or in a joint venture partnership. We note that the Listing Agreement established that a commission of \$400,000 plus GST would be payable to Avison in the event that they successfully negotiated a potential purchase of the Lands and that a commission of \$800,000 plus GST would be payable in the event that Avison successfully negotiated a joint venture partnership; and
- 28.3. The Trustee was in contact with Avison at various points during the Marketing Process. Based on the Trustee’s discussions with Avison, the Marketing Process appeared to be proceeding in a commercially reasonable manner; although, it was taking longer than originally contemplated in the Listing Agreement.
- 28.4. The Trustee has not observed any irregularities in the Marketing Process, but notes the following:
- 28.4.1. The Trustee understands that Avison and 3 Eau Claire often had independent discussions with the same parties, which may have increased the possibility of miscommunications with those parties; and
- 28.4.2. As reported in the Supplement, at the time of the July 16 Application, 3 Eau Claire had signed a binding letter of intent (the “Tri-Win LOI”) with Tri-Win International

Investment Group Inc. (“Tri-Win”), with the intention of negotiating a co-ownership agreement and entering into a joint venture with Tri-Win. Management advised that as a result of the Third Extension being granted for 15 days as opposed to 45 days, Tri-Win took the position that the Tri-Win LOI had lapsed and that a new LOI would need to be signed increasing the due diligence period by a further 15 days. Prior to the execution of a new LOI with Tri-Win, 3 Eau Claire entered into a LOI with Concord Pacific Investments Inc. (“Concord”) under substantially the same terms as the Tri-Win LOI. Management did not notify the Trustee that Tri-Win had taken the position that a new LOI needed to be executed or that 3 Eau Claire had executed a new LOI with Concord until the morning of July 29, 2014, despite the fact that the Trustee had been in regular contact with 3 Eau Claire since the July 16 Application.

Offers Received Prior to July 31, 2014

29. Pursuant to the July 31 Order, the Trustee issued a letter to the parties who had submitted Pre-July 31 LOI’s and included copies of all of the Pre-July 31 LOI’s (the “August 1 Letter”). A copy of the August 1 Letter is attached hereto as “Schedule 2”.
30. The Trustee circulated twelve Pre-July 31 LOIs with the August 1 Letter, which are summarized below:
 - 30.1. Bentall Kennedy (Canada) LP (“Bentall”) submitted an LOI for the outright purchase of the Lands dated June 23, 2014 which had previously been filed with the Court as part of the Second Confidential Affidavit;
 - 30.2. Bosa Properties (Eau Claire) Inc. provided one draft proposal to creditors on July 11, 2014, which was described in the Second Report with an updated version being attached as Exhibit H to the First Affidavit of Brett Sandler sworn on July 28, 2014.
 - 30.3. Market Vision Real Estate Strategies Inc. submitted six signed LOIs for the outright purchase of the Lands (the “Market Vision LOIs”). Two of the Market Vision LOIs, dated May 27, 2014 and July 29, 2014 (the “July 29 MV LOI”) were previously attached to the Second and Fourth Confidential Affidavits. Four of the Market Vision LOIs dated May 9, 2014, May 27, 2014 June 8, 2014 and June 25, 2014 were not previously provided to the Court. Based on our discussions with Avison and Management throughout the sale process, the Trustee advises as follows with respect to the Market Vision LOIs:
 - 30.3.1. Both Avison and 3 Eau Claire requested additional information with respect to Market Vision’s ability to finance the transaction contemplated in the Market Vision LOIs. Market Vision did not provide the requested information to prove that they had access to sufficient financing to close a transaction of this size;
 - 30.3.2. The Market Vision LOIs were provided as part of ongoing negotiations between 3 Eau Claire and Avison; and

- 30.3.3. The Market Vision LOIs had very similar terms with the purchase price being listed as \$42.0 million in five of the six LOIs. Certain conditions and/or due diligence were amended; however, the due diligence period continued to be longer than desired by 3 Eau Claire.
- 30.4. Tri-Win submitted two LOIs for a joint venture partnership, the first of which was attached to the Second Confidential Affidavit and the second of which was attached to the Third Confidential Affidavit.
- 30.5. Concord submitted one LOI for a joint venture partnership, which was attached to the Fourth Confidential Affidavit.

The Lamoureux Affidavit

31. As previously reported, the Lamoureux Affidavit raised several allegations that certain information was misrepresented in the Marketing Process. The Trustee wishes to address the following points raised in the Lamoureux Affidavit:
 - 31.1. The Lamoureux Affidavit appears to comment on some of the matters addressed in the “Notice to Reader” section of the Trustee’s prior reports and the “Recommendations and Conclusion” section of the Second Report. The “Notice to Reader” section, which was substantively in the form contained herein, does not relate to opinions expressed by the Trustee but describes the information relied upon by the Trustee in preparing each of the Trustee’s reports and clarifies the scope of the Trustee’s review of that information. In addition, the comments included in the Lamoureux Affidavit appear to be inaccurate, in that 3 Eau Claire and Avison continued to negotiate with interested parties during the Second Extension, and do not reflect that the Marketing Process was being conducted by 3 Eau Claire and Avison, not the Trustee.
 - 31.2. The Lamoureux Affidavit indicates that on Friday, July 25, 2014, a draft copy of one of the Market Vision LOIs was emailed to Deloitte (the “July 25 DRAFT”). The Trustee notes as follows with respect to the July 25 DRAFT:
 - 31.2.1. The Trustee had previously advised Market Vision that all offers were to be submitted to Avison and 3 Eau Claire; and
 - 31.2.2. The July 25 DRAFT was sent by Francesca Serafini, a representative of Market Vision, who indicated that it was provided in confidence and that the Trustee was not to provide it to Avison.
 - 31.3. On June 28, 2014, the Trustee called Jeff Wilkie, another representative of Market Vision and confirmed once again that offers were to be submitted to Avison and 3 Eau Claire. The Trustee subsequently confirmed that Market Vision had submitted a new LOI to 3 Eau Claire and Avison, being the July 29 MV LOI.

31.4. The Trustee did not report the receipt of the July 25 DRAFT or the July 29 MV LOI in the Supplement, but understood that the July 29 MV LOI would be provided to the Court as part of the Fourth Confidential Affidavit. The Trustee was aware that the July 29 MV LOI was very similar to the LOIs that had previously been provided by Market Vision and that Market Vision had not provided the requested financing information. As such, the Trustee did not have additional information to report to the Court with respect to the July 29 MV LOI.

Process for Submission of LOIs following the July 31 Hearing

32. Although not specifically addressed by the Court in the July 31 Order, the August 1 Letter set out a process for the submission of binding offers (the "Submission Process") of binding offers following the July 31 Hearing (the "Post-Aug 1 Offers"). We highlight the following with respect to the Submission Process:

32.1. Offers could be submitted in any of the following forms:

32.1.1. An outright offer to purchase the property owned by 3 Eau Claire;

32.1.2. A joint venture agreement to co-own and develop the Project; and/or

32.1.3. A proposal pursuant to Part III, Division I of the BIA (the "BIA Proposal") to be filed and submitted for creditor and Court approval pursuant to the provisions of the BIA.

32.2. A deadline for the submission of binding offers was set for 5:00 p.m. Mountain Time on Friday, August 8, 2014 (the "Offer Deadline"). The Trustee noted in the August 1 Letter that binding offers submitted to the Trustee after the Offer Deadline may not allow sufficient time for review and that no binding offers would be considered by the Trustee once details of the other binding offers had been disclosed by the Trustee in advance of the August 15 Hearing. At the July 31 Hearing, the Court did not contemplate a deadline being established for the go-forward submission of offers; however, the Trustee established the Offer Deadline with a view to creating a transparent process and allowing the Trustee adequate time to review and report on the binding offers.

32.3. The due diligence period was limited to 30 days and parties whose conditions included due diligence were to provide details as to what specific due diligence needed to be completed (the "Maximum Due Diligence Period").

32.4. Offerors were asked to submit the following information with their binding offers:

32.4.1. For those parties whose binding offer took the form of a joint venture agreement or BIA Proposal, information on that party's relevant qualifications (the "Proof of Qualifications"); and

32.4.2. Specific evidence that the party had adequate financing in place or the ability to finance the transaction contemplated in their binding offer (the "Proof of Financing").

- 32.5. Offerors were asked to submit with their Binding Offer a bank draft, a certified cheque or proof of funds paid into a solicitor's trust account in the amount of \$2.0 million (the "Minimum Deposit").
- 32.6. The Trustee established the Maximum Due Diligence Period and the Minimum Deposit and requested the Proof of Qualifications and the Proof of Financing in order to provide additional transparency to offerors surrounding the Submission Process and to obtain the information that the Trustee believed was required to adequately assess each of the binding offers.

Offers Received Following the July 31 Hearing

33. The following sections summarize the binding offers received pursuant to the Submission Process.

Post–Aug 1 Offers for Outright Purchase

34. The following is a discussion of the Post-Aug 1 offers for outright purchase, which are described on an individual basis below. For the purposes of this analysis the Trustee has made the following assumptions:

34.1. In the event that an offer for outright purchase would be accepted, it is unlikely that 3 Eau Claire would be able to make a viable proposal to its creditors. The Trustee has assumed that a Receiver and Manager would be appointed and that the sale would be completed on an “as is, where is” basis with no representations or warranties being made by the Receiver. This would require amendments to the forms of offer to purchase as submitted, which the Trustee has assumed could successfully be negotiated with the parties.

34.2. The amount available for distribution to creditors has been estimated as the sale proceeds from an outright purchase transaction, less the following:

34.2.1. Commission that may be payable to Avison pursuant to the Listing Agreement, which are estimated to be \$400,000 plus GST (the “Purchase Commission”);

34.2.2. Professional fees of the Trustee, the Receiver, the Trustee’s legal counsel and the Company’s legal counsel (the “Professional Fees”) which includes an estimate for additional fees that may be required to complete the transaction; and

34.2.3. Additional costs associated with closing the transaction, which have been estimated at approximately \$210,000 and include outstanding 2014 property taxes of \$163,000.

Offer from Bentall Kennedy (Canada) LP (the Bentall Offer”)

35. The Bentall Offer was for the outright purchase of the Lands and included a total purchase price of \$37.0 million.

36. The Bentall Offer was in compliance with the terms of the Submission Process in that:
- 36.1. Bentall met the Maximum Due Diligence Period as the offer includes a 30 day due diligence period with a closing date of 30 days after due diligence (or October 15, 2014);
 - 36.2. Bentall provided confirmation that they had paid the Minimum Deposit into trust with their legal counsel, McCarthy Tetrault LLP; and
 - 36.3. Bentall provided Proof of Financing in the form of a comfort letter from the Royal Bank of Canada indicating that Bentall has adequate financial resources to complete the transaction.
37. Taking into account the estimated Purchase Commission and the Professional Fees, the Trustee estimates that approximately \$36.2 million would be available to 3 Eau Claire's creditors, should the Bentall Offer be accepted, which would provide for payment in full to KEB and approximately \$27.7 million to KDIC. There would be no funds available for distribution to those mortgage holders registered subsequent to KDIC or to the unsecured creditors.
38. The Trustee is of the opinion that the Bentall Offer has the lowest closing risk and most timely closing compared to the other binding offers for outright purchase. The Bentall Offer has been used as the benchmark in comparing the various recoveries to creditors pursuant to an outright purchase versus a joint venture partnership.

Offer from Market Vision (the "Market Vision Offer")

39. The Market Vision Offer was for the outright purchase of the Lands and included a purchase price of \$42.0 million.
40. The Market Vision Offer was not in compliance with the Submission Process in that:
- 40.1. The due diligence period extended to October 17, 2014 (65 days from the date of this Report). The Trustee inquired as to whether Market Vision would be willing to shorten the due diligence period. Market Vision indicated that they were unable to do so, citing that their "out of contract" due diligence had indicated potential engineering issues related to the design of the Project. The closing date was anticipated to be November 17, 2014.
 - 40.2. Market Vision did not provide the Minimum Deposit. A photocopy of a cheque for \$250,000 made out to Llewellyn Law was provided with the Market Vision Offer. When the Trustee requested that Market Vision have their legal counsel confirm the receipt of the deposit, Market Vision indicated that the deposit would only be provided to their legal counsel within two days of acceptance of the Market Vision Offer. Market Vision provided an electronic print-out of a bank statement from Tangerine Forward Banking in the name of a numbered company, which showed a balance of approximately \$1.3 million as support for the fact that Market Vision had sufficient resources to pay the deposit provided. A second deposit of \$1.8 million was contemplated to be made payable upon removal of the due diligence condition. Market Vision indicated that part of the difficulty in providing the deposit as contemplated in the Submission

Process, was that it would take at least four days to transfer the funds to Canada from the United States. The Trustee inquired as to whether, it was possible for Market Vision to shorten the time for the receipt of the second deposit. Market Vision indicated that they were unable to do so.

40.3. Market Vision indicated that their financing would be provided through Abler Finance but that they were subject to strict confidentiality and unable to disclose the identity of their U.S. investors/partners. The Trustee followed up with Market Vision as to whether they would be able to provide any additional information in the form requested to satisfy the Proof of Financing. In response, they provided a letter from Abler Finance which, once again, did not provide specifics as to Abler Finance's funding sources. The Abler Finance letter referenced major acquisitions that Abler Finance had been involved in, but no specific information was provided.

40.4. Market Vision indicated that they had specialized in the development of new and the re-development of existing multi-family real estate and that they had recently completed their 50th development in Scottsdale, Arizona; however, no specific projects were referenced. The Trustee inquired as to whether Market Vision could provide more specific information on these projects, but no such information was provided.

41. Neither Avison nor the professionals within Deloitte's Real Estate Advisory practice had any prior knowledge of Market Vision. As such, considering the lack of a deposit, the proposed length of the due diligence period and that the Proof of Financing was not provided, the Trustee is of the opinion that the closing risk associated with proceeding with a transaction with Market Vision is high. As previously reported, specific information as to Market Vision's financing sources has been requested on multiple occasions without any substantive response having been provided. In addition, we note that Market Vision was the only interested party submitting a binding offer, who was unable to comply with the Minimum Deposit requirement.

Offer from Tri-Win (the "Tri-Win Purchase Offer")

42. The Tri-Win Purchase Offer was for the outright purchase of the Lands and included a total purchase price of \$38.0 million. Originally the Tri-Win Purchase Offer contemplated that \$20.0 million of the purchase price would be payable on closing and \$18.0 million would be paid upon completion of the Project. Based on the way in which payment of the purchase price was structured, the Trustee contacted Tri-Win to confirm whether it was their intention that this offer be submitted as an outright purchase offer or as a BIA Proposal. Following discussions with Tri-Win, they confirmed via email that the Tri-Win Purchase Offer was intended to be for the outright purchase of the Lands and they resubmitted their offer to purchase with a purchase price of \$36.0 million and a 90 day closing.

43. Tri-Win confirmed via telephone that they may shorten their day due diligence period; however, confirmation as to the required due diligence period had not been received at the time that the Fourth Report was filed.

44. The Tri-Win Purchase Offer was in compliance with the terms of the submission process in that:

44.1. Tri-Win provided confirmation that they had paid the Minimum Deposit into trust with their legal counsel, Owens Wright LLP; and

44.2. Tri-Win provided third party audited financial statements to the Trustee on a confidential basis for their Chinese parent company Wu Hua, which provided satisfactory evidence that Tri-Win had adequate financial resources to complete the transaction contemplated in the Tri-Win Purchase Offer. We note that the financial statements were written in Chinese but that Deloitte had an individual within their Chinese Services Group review them.

Summary of Post-Aug 1 Offers for Outright Purchase

45. As the Bentall Offer included a higher purchase price and a shorter closing period than the Tri-Win Purchase Offer and the Trustee does not have sufficient information to evaluate the financing behind the Market Vision Offer, the Trustee is of the opinion that the Bentall Offer is the most favourable of those offers submitted for the outright purchase of the Lands.

Post-Aug 1 Offers for a Joint Venture Partnership/ BIA Proposal

46. The following is a discussion of the Post-Aug 1 offers for joint venture partnerships, which are described on an individual basis below. All of the Post-Aug 1 Offers for joint venture partnerships and/or BIA Proposal would be conditional on creditor and Court approval of a BIA Proposal and the approval from KDIC of a postponement of the debt owing to KDIC from 3 Eau Claire, the amount and timing of which are uncertain.

Offer from Concord (the “Concord Offer”)

47. The Concord Offer was for a development partnership with 3 Eau Claire. We note as follows with respect to the Concord Offer:

47.1. Concord would provide a cash contribution of \$25.0 million (the “Concord Cash Contribution”) for which they would receive an 85% interest in the Project. 3 Eau Claire would retain a 15% interest with their initial contribution of the Lands being deemed to have a value of \$10.0 million;

47.2. 3 Eau Claire has indicated previously that they are agreeable to having Concord as a development partner;

47.3. 3 Eau Claire has confirmed that the Concord Cash Contribution, net of commission and professional fees, would be made available to 3 Eau Claire’s creditors; and

47.4. Concord submitted the Concord Offer based on KDIC agreeing to postpone all but approximately \$10.6 million of their indebtedness. At the time, Concord verbally indicated that, they may be willing to provide additional funds to KDIC in the event that KDIC did not agree to

the amount of the postponement as set out in the Confirmation Letter. Based on Concord's prior statements and in light of the KDIC Letter, Concord may be willing to increase the Concord Offer based on a change in the amount of the postponement.

48. The Concord Offer was in compliance with the terms of the submission process in that:

48.1. The due diligence period only extended to August 31, 2014;

48.2. Concord provided the Minimum Deposit to the Trustee in the form of a bank draft; and

48.3. Concord provided third party audited financial statements to the Trustee on a confidential basis, which provided satisfactory evidence that Concord had adequate financial resources to complete the transaction contemplated in the Concord Offer.

48.4. Concorde provided evidence that they had relevant qualifications to complete the Project and, in fact, they are now completing a similar building in the Eau Claire area of Calgary.

49. The Trustee cannot estimate the potential recoveries to the creditors from the Concord Offer as the amount of any postponement of the KDIC indebtedness is not known at this time.

Joint Venture Offer from Tri-Win (the "Tri-Win JV Offer")

50. The Tri-Win JV Offer was for a joint venture partnership with 3 Eau Claire. We note as follows with respect to the Tri-Win JV Offer:

50.1. Tri-Win would provide a cash contribution of \$29.8 million (the "TW Cash Contribution") for which they would receive an 85% interest in the Project. 3 Eau Claire would retain a 15% contribution with their initial contribution of the Lands being deemed to have a value of \$5.2 million;

50.2. 3 Eau Claire has indicated previously that Tri-Win is an acceptable joint venture partner;

50.3. 3 Eau Claire confirmed that the TW Cash Contribution, net of commission and professional fees, would be made available to 3 Eau Claire's creditors; and

50.4. The Tri-Win JV Offer originally included a due diligence period to October 18, 2014. The Trustee inquired as to whether Tri-Win was able to shorten the due diligence period and Tri-Win indicated that they may be willing to do so. As at the date of this report, Tri-Win had not yet confirmed how much they would be willing to shorten the due diligence period.

51. The Tri-Win JV Offer was in compliance with the terms of the Submission Process in that:

51.1. As reported above, Tri-Win provided proof that the Minimum Deposit had been paid into trust with their legal counsel and provided adequate Proof of Financing.

52. The Trustee cannot estimate the potential recoveries to the creditors from the Tri Win JV Offer as the amount of any postponement of the KDIC indebtedness is not known at this time.

Proposal from Bosa (the “Bosa Proposal”)

53. Bosa provided an offer in the form of a BIA Proposal which they contemplated would be filed by a Receiver to the exclusion of 3 Eau Claire. We highlight the following with respect to the Bosa Proposal:
- 53.1. The Bosa Proposal provides for a gratuitous payment of \$500,000 to the shareholders of 3 Eau Claire in order to secure the transfer of 3 Eau Claire's shares to Bosa; and
- 53.2. The Bosa Proposal provides for a distribution to creditors under two scenarios. In both scenarios, Bosa pays KEB, the first registered mortgage holder, in full upon Court approval of the Proposal and takes an assignment of KEB's secured claim.
54. In the first scenario (“Scenario 1”), Bosa would finish and sell the Project with further creditor distributions being available only upon the successful completion of the Project. In this scenario, Bosa anticipates that creditors could receive 100% of their claims; however, Bosa indicates that it could take 4.5 years after Court approval of a BIA Proposal to complete the Project. We note as follows with respect to Scenario 1:
- 54.1. As reported above, Bosa has taken the position that the claim of 1713744 should be postponed to the claims of the other creditors. The Trustee inquired as to how the distribution available to the creditors may change in the event that the 1713744 Claim was not postponed. Bosa indicated that, in that case, under Scenario 1 they would either include 1713744 in the group of unsecured creditors, who were entitled to a maximum of \$1.8 million or, in the event that the Project profits exceeded \$40.0 million, they would be willing to share all profits above that threshold on a 75%/25% ratio with 75% going to 1713744 to the extent of their claim;
- 54.2. The scheme of distribution suggested by Bosa under Scenario 1 is contingent on the Project generating at least \$40.0 million in profits; and
- 54.3. The payments contemplated in the Bosa Proposal see Bosa withdrawing profits from the Project in advance of payments being made to 3 Eau Claire's unsecured creditors and, in addition, contemplates that certain creditors with similar claims and security positions will be treated differently.
55. Under the second scenario (“Scenario 2”), Bosa will elect not to complete the Project with notice of same to be given to creditors within 15 months of Court approval of the Proposal (subject to any extension of this period that may be approved by any inspectors appointed in the estate). Bosa will then market and sell the Lands. In advance of the other creditors sharing in the sale proceeds, Bosa will be reimbursed for its costs to market and sell the Lands and for its costs, since Court approval of the Proposal, to proceed with the Project or sell the Lands. The remaining creditors will be paid according to their established priorities. Bosa indicates that the intention of Scenario 2 is that creditors would be treated in the same manner as if the Lands been sold at the outset, but the Trustee notes that creditors may be prejudiced to the extent that there would be an additional 15

month delay in any recovery of their claim and that they would be agreeing to allow an unknown quantum of costs to rank ahead of their claims.

56. The Bosa Proposal is contingent on KDIC agreeing to postpone its entire indebtedness until such time as the Project is complete and this may be a significant challenge based on the KDIC Letter.

57. The Bosa Proposal was in compliance with the terms of the Submission Process in that:

57.1. The transaction was not subject to any due diligence;

57.2. Bosa provided the Minimum Deposit to the Trustee in the form of a bank draft; and

57.3. Bosa provided a comfort letter from the Canadian Imperial Bank of Commerce, indicating that they had adequate financial resources to complete the transaction.

Summary of Post-Aug 1 Offers for a Joint Venture Partnership/ BIA Proposal

58. The Tri-Win JV Offer includes a higher cash contribution than the Concord Offer (subject to any increase in the cash contribution by Concord in light of the KDIC Letter, as discussed previously); however, it appears to have a higher closing risk in that the Tri-Win JV Offer includes a slightly longer due diligence period and more extensive due diligence than the Concord Offer. In addition, Concord appears to have more relevant experience as it is currently completing a building similar to the Project in the Eau Claire area of Calgary. Even in the event that Concord increased the Concord Cash Contribution based on the increase in the Postponement Amount, Tri-Win's larger cash contribution would provide more for 3 Eau Claire's unsecured creditors. As Tri-Win has provided the Minimum Deposit and the Proof of Financing, the Trustee is of the opinion that the Tri-Win JV Offer is the more beneficial of the two offers for a joint venture partnership.

59. The recovery provided for in the Bosa Proposal could potentially be higher than that contemplated in the Tri-Win JV Offer; however, the timing and quantum of the payments to be made pursuant to the Bosa Proposal are highly uncertain and, should Bosa elect not to complete the Project, the recovery to creditors could be substantially less than if an offer for outright purchase or joint venture was completed today. Based on the fact that the Bosa Proposal contemplates no payments to KDIC until Project completion and, in light of the KDIC Letter, it is questionable whether the Bosa Proposal would be accepted by KDIC. As such, the Trustee believes that some of the other offers allow for a more certain and timely and potentially higher recovery to 3 Eau Claire's creditors.

60. All of the joint venture partnerships are contingent on a KDIC postponement which, as outlined earlier and in the KDIC Letter, will make any BIA Proposal very challenging to complete.

61. Copies of all of the Post-Aug 1 Offers will be available at the August 15 Hearing.

Conclusion

62. Based on its review of the Post-Aug 1 Offers, the Trustee concludes as follows:

- 62.1. The Tri-Win JV Offer is estimated to provide the more certain and timely recovery to 3 Eau Claire's creditors, however, and as with all of the joint venture proposals, the Tri-Win JV Offer is conditional on KDIC agreeing to a postponement of its debt to 3 Eau Claire. Based on the KDIC Letter, the increased debt amount set out therein, the KDIC Conditions, and the uncertainty around the amount and timing of the approval of any postponement by KDIC, a BIA Proposal will be challenging to complete.
- 62.2. In the event that KDIC does not agree to a postponement of a portion of their indebtedness, neither 3 Eau Claire nor any party would be in a position to make a viable BIA Proposal and the Bentall Offer would provide for the highest, most timely and most certain recovery to 3 Eau Claire's creditors.

DELOITTE RESTRUCTURING INC.,
in its capacity as Trustee acting in *re* the
proposal of 3 Eau Claire Developments Inc. and
not in its personal or corporate capacity



Jeff Keeble CA, CIRP, CBV
Senior Vice-President

Schedule 1

STIKEMAN ELLIOTT

Stikeman Elliott LLP Barristers & Solicitors

4300 Bankers Hall West, 888 - 3rd Street S.W., Calgary, Alberta T2P 5C5
Tel: (403) 266-9000 Fax: (403) 266-9034 www.stikeman.com

Michael E. Mestinsek
Direct: (403) 266-9078
E-mail: mmestinsek@stikeman.com

BY EMAIL

August 13, 2014
File No.: 135550-1002

Deloitte Restructuring Inc.
700 Bankers Court
850 - 2 Avenue SW
Calgary, AB T2P 0R8
**Attention: Vanessa A. Grant, Jeff
Keeble**

3 Eau Claire Developments Inc.
#102, 615 - 3 Avenue SW
Calgary, AB T2P 0G6
**Attention: James Park, Andrew Lee and
James Kang**

Dear Sirs/Madam:

**Re: 3 Eau Claire Developments Inc. ("3 Eau Claire"); Proposals
for Partial Payment to Korea Deposit Insurance Corporation**

We are counsel for Korea Deposit Insurance Corporation ("KDIC") with respect to the above noted matter. All capitalized terms herein shall bear the meanings set out in the Third Supplemental Report of the Trustee dated July 30, 2014 in court action number 25-1859192 (the "Report"), unless otherwise indicated.

KDIC is the beneficiary of the interest of Computershare Trust Company of Canada, which is the second place registered mortgage holder in respect of the Lands by virtue of the Computershare Mortgage. The outstanding principal balance of the Computershare Mortgage is approximately \$19.8 million (KRW 19.8 billion) with an additional amount of approximately \$15.7 million (KRW 15.7 billion) owing on account of accrued interest as of June 30, 2014.

In July 2013, 3 Eau Claire proposed a partial repayment plan to our client that would provide an immediate payment of \$13.0 million (KRW 13.0 billion) and an additional payment of \$6.8 million (KRW 6.8 billion) plus interest, which would accrue interest at an agreed rate, to be paid when the Project is completed (the "Payment Proposal"). Based on its evaluation of a land and feasibility study with respect to the project, KDIC accepted the Payment Proposal. However, 3 Eau Claire failed to fulfill its conditions by failing to make an immediate payment of \$13.0 million (KRW 13.0 billion) in accordance with the Payment Proposal.

3 Eau Claire then proposed a second partial payment plan to our client in accordance with a draft Acknowledgement and Confirmation Agreement circulated

CALGARY
VANCOUVER
TORONTO
MONTRÉAL
OTTAWA
NEW YORK
LONDON
SYDNEY

on or about August 3, 2014, which is referenced as the "Confirmation Letter" in paragraph 19 of the Report. This new proposal would, among other things, provide an immediate payment of \$10.0 million (KRW 10.0 billion) and an additional payment of \$9.8 million (KRW 9.8 billion), which would accrue interest at an agreed rate, to be paid when the Project is completed (the "Confirmation Letter").

In the Report, it is suggested by the Trustee that the Confirmation Letter is in the process of being considered by KDIC with an approval expected within 30 days of the issuance of the Confirmation Letter. We have been advised by our client that these statements are inaccurate.

In order for KDIC to consider accepting any proposal for repayment of the amounts owed by 3 Eau Claire, it requires confirmation that the proposal has been approved by all of 3 Eau Claire's creditors, or, alternatively, by the court. KDIC is willing to review the proposal as set out in the Confirmation Letter if and when it is provided with one or more of the approvals referenced above.

However, since the Payment Proposal was made, the total amount owed by 3 Eau Claire to KDIC, including both the principal and interest, has increased from \$30.6 million (KRW 30.6 billion) to approximately \$35.5 million (KRW 35.5 billion) as of June 30, 2014. This represents a substantial deviation from the financial conditions extant when the Payment Proposal was approved. As a result, KDIC needs to acquire an additional approval from the internal review council before it can accept the proposal as set out in the Confirmation Letter. That approval will likely not be forthcoming in the absence of pre-paying KDIC for certain expenses associated with the cost of KDIC's land evaluation, feasibility study and its legal expenses in order to prepare the report to the KDIC internal review council, which at this time total approximately \$80,000 (KRW 80.0 million).

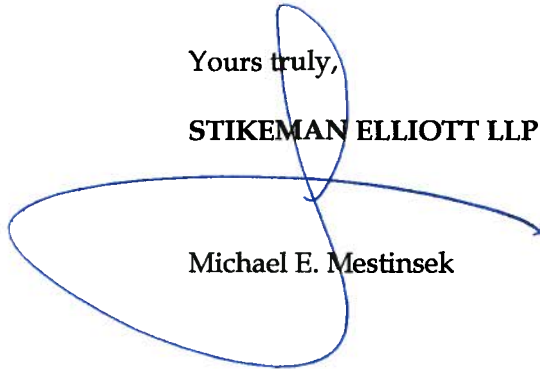
Once the above noted requirements have been satisfied, KDIC's internal review of the proposal contained in the Confirmation Letter will take several months to complete.

Please do not hesitate to contact us should you have any questions related to the foregoing.

Yours truly,

STIKEMAN ELLIOTT LLP

Michael E. Mestinek



MEM/bm

Schedule 2



Deloitte Restructuring Inc.
850 – 2nd Street SW
700 Bankers Court
Calgary, Alberta T2P 0R8
Canada

Tel: 403-267-1700
Fax : 403-718-3681
www.deloitte.ca

August 1, 2014

To those parties interested in purchasing or otherwise acquiring the assets of 3 Eau Claire Developments Inc. (“3 Eau Claire”):

RE: Offers submitted to date and final submission of offers

As you are aware, 3 Eau Claire filed a Notice of Intention to Make a Proposal on April 11, 2014 and Deloitte Restructuring Inc. acts as Proposal Trustee (the “Trustee”). Pursuant to the Order granted on July 31, 2014, the Trustee was authorized and directed to do the following:

- 1) Disclose to all parties by the close of business on August 1, 2014 all letters of intent which have been previously disclosed to the Court confidentially as appended to the First, Second, Third and Fourth Confidential Affidavits of Andrew Seong-Jin Lee or as otherwise received by either the Trustee or 3 Eau Claire (the “LOIs”); and
- 2) Independently review, assess and report to the Court on all offers, which have been received or which may be received prior to the Court hearing scheduled for August 15, 2014 (the “August 15 Hearing”).

Disclosure of the LOIs

Attached as “Appendix 1” to this letter is a summary of all known LOIs provided to the Trustee, as well as copies of those LOIs. Where one party has submitted multiple versions of an LOI pursuant to ongoing negotiations with either 3 Eau Claire or their agent, Avison Young Real Estate Alberta Inc. (“Avison”), all LOIs signed by that interested party have been included.

Go-Forward Submission of Offers

The Trustee advises as follows with respect to the go-forward submission of Binding Offers:

- 1) Offers that are binding, subject to further due diligence (the “Binding Offers”), may be submitted in any of the following forms:

- a. An outright offer to purchase the property owned by 3 Eau Claire;
 - b. A joint-venture agreement to co-own and develop the property owned by 3 Eau Claire;
and/or
 - c. A proposal pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act* (“BIA Proposal”, the “BIA”) to be filed and submitted for creditor and Court approval pursuant to the provisions of the *BIA*.
- 2) Binding Offers in any of the forms described above must be submitted to the Trustee by no later than **5:00 p.m. Mountain Time on Friday, August 8, 2014** (the “Offer Deadline”). Binding Offers received after the Offer Deadline may not allow the Trustee sufficient time to review them prior to the August 15 Hearing. Binding Offers received after the Offer Deadline and once the other Binding Offers have been disclosed by the Trustee in advance of the August 15 Hearing will not be considered by the Trustee.
- 3) Any Offeror’s (as defined herein) conditions contained in the Binding Offers related to due diligence requirements must be limited to 30 days. We note that environmental and geotechnical reports have been prepared and will be provided upon request to either of 3 Eau Claire or Avison. All parties, whose conditions include due diligence, must provide details as to what specific due diligence will need to be completed.
- 4) All Offerors, must submit the following information with their Binding Offer:
- a. For those parties whose Binding Offer takes the form of a joint venture agreement or BIA Proposal, information on their relevant qualifications, which could include but are not limited to the following:
 - i. Corporate information on the Offeror;
 - ii. Specific information on comparable projects that may have been completed or are in the process of being completed by the Offeror; and/ or
 - iii. Any other information deemed relevant to the consideration of a Binding Offer.
 - b. All parties must submit evidence that they have adequate financing in place to complete the Transaction (as defined herein) meaning the financing required to pay the purchase price, provide the initial investment under the joint venture or make those payments required upon Court approval of a BIA Proposal, which must include one of the following:
 - i. A letter from a Chartered Canadian bank showing that sufficient funds have been set aside to complete the Transaction;
 - ii. A letter from a Chartered Canadian bank indicating that they are prepared to advance loan funds to the Offeror sufficient to complete the Transaction; and/or

- iii. Audited financial statements prepared within the last six months showing sufficient assets on the balance sheet to demonstrate that the Offeror or its proposed funding source has the ability to complete the Transaction.
- 5) The Trustee will be independently reviewing, assessing and reporting to the Court on all Binding Offers at the August 15 Hearing. It is the Trustee's intention to make an independent recommendation to the Court at the August 15 Hearing regarding approval of one of the Binding Offers. We are further advised by counsel for 3 Eau Claire that it is 3 Eau Claire's intention to make an application for Court approval of one of the Binding Offers at the August 15 Hearing.
- 6) Any new parties who have previously not participated in the offer solicitation process but may wish to submit a Binding Offer as outlined herein will be provided with a copy of this correspondence, including copies of the LOIs attached hereto.
- 7) Any parties who have previously submitted offers and wish to continue to participate in the offer solicitation process must submit a new Binding Offer. All parties submitting Binding Offers on or before the Offer Deadline will be collectively referred to as the "Offerors".
- 8) Avison continues to be involved in the offer solicitation process. Interested parties may contact Avison or 3 Eau Claire directly with inquiries regarding 3 Eau Claire's property; however, the submission of Binding Offers or inquiries regarding any terms of Binding Offers which may be submitted should be directed solely to the Trustee. Contact information for Avison, 3 Eau Claire and the Trustee is included below for ease of reference:
Avison: Walsh Mannas (Phone: 403-232-4381/ Email: walsh.mannas@avisonyoung.com)
Kevin Morgans (Phone: 403-232-4381/ Email: kevin.morgans@avisonyoung.com)
3 Eau Claire: Andrew S.J. Lee (Phone: 403-671-2659/ Email : sjlee@3ecd.net)
James Kang (Phone: 403-680-7998 / Email: jkang@3ecd.net)
Trustee: Vanessa Allen (Phone: 403-298-5955/ Email: vanallen@deloitte.ca)
- 9) All Binding Offers must be submitted with a bank draft, a certified cheque or proof of funds paid into a solicitor's trust account in the amount of \$2.0 million payable to "Deloitte Restructuring Inc. in Trust", which deposit will be subject to the following terms:
 - a. Once a Binding Offer is accepted by 3 Eau Claire (the "Accepted Offer") and/or recommended by the Trustee (the "Recommended Offer"), the bank draft or certified cheque accompanying the Accepted or Recommended Offer shall be deemed to be a cash deposit, which will only be refunded in the event that one of the following occurs:

- i. The Court does not approve the Accepted or Recommended Offer;
- ii. Subject to any due diligence period, as set out the Binding Offer; or
- iii. In the event that the Accepted or Recommended Offer includes a BIA Proposal, the BIA Proposal does not receive creditor or Court approval.

For greater clarity, in the event that 3 Eau Claire accepts a Binding Offer and the Trustee recommends a different Binding Offer, both deposits will be held, pending the Court's approval of either the Accepted Offer or the Recommended Offer, which is anticipated to occur at the August 15 Hearing. The Binding Offer that is approved by the Court will be referred to as the "Approved Offer".

- b. If the transaction contemplated in the Approved Offer (the "Transaction") is completed, the deposit will be applied, without interest, against the purchase price or the payments to be made pursuant to the joint venture agreement or the BIA Proposal. If the Transaction is not completed by the Offeror by reason of the Offeror's default, the deposit shall be retained on account of liquidated damages by the Trustee for the benefit of 3 Eau Claire's creditors and 3 Eau Claire shall be entitled to pursue all of its rights and remedies against the Offeror.
- c. Bank drafts or certified cheques accompanying Binding Offers that are not accepted by the Trustee will be returned without interest thereon by prepaid registered mail or courier to the Offeror at the address set forth in the Binding Offer on or before August 18, 2014.

10) Upon receipt of a Binding Offer by the Trustee, no person shall be entitled to retract, withdraw, vary or amend the Binding Offer prior to acceptance or rejection thereof, without the prior written consent of the Trustee.

11) The highest offer or any offer shall not necessarily be accepted or recommended.

12) Deloitte is acting strictly in its capacity as Proposal trustee and not in its personal or corporate capacity.

13) All stipulations as to time are strictly of the essence.

3 Eau Claire Developments Inc. – Notice of Intention to Make a Proposal
August 1, 2014
Page 5

Should you have any questions, please contact the undersigned as set out herein.

Yours very truly,

DELOITTE RESTRUCTURING INC.,

In its capacity as Proposal Trustee of 3 Eau Claire
Developments Inc. and not in its personal or corporate
capacity



Vanessa A. Allen, B. Comm, CIRP
Vice-President

Appendix 1

3 Eau Claire Developments Inc. - Summary of Offers

Offeror	Date Received	Type	Schedule
Market Vision Real Estate Strategies Inc.	May 9, 2014	Outright purchase	1
Tri-Win International Investment Group Inc.	May 22, 2014	Joint venture	2
Market Vision Real Estate Strategies Inc.	May 27, 2014	Outright purchase	3
Market Vision Real Estate Strategies Inc.	May 27, 2014 (signed June 6, 2014)	Outright purchase	4
Bentall Kennedy (Canada) LP	June 23, 2014	Outright purchase	5
Market Vision Real Estate Strategies Inc.	June 25, 2014	Outright purchase	6
Market Vision Real Estate Strategies Inc.	July 8, 2014	Outright purchase	7
Bosa Properties (Eau Claire) Inc.	July 11, 2014	Draft proposal to creditors	8
Tri-Win International Investment Group Inc.	July 14, 2014	Joint venture	9
Bosa Properties (Eau Claire) Inc.	July 28, 2014	Draft proposal to creditors	10
Concord Pacific Investments Inc.	July 28, 2014	Joint venture	11
Market Vision Real Estate Strategies Inc.	July 29, 2014	Outright purchase	12

Schedule 1



MARKET VISION REAL ESTATE STRATEGIES INC.

LETTER OF INTENT
TO BUY REAL ESTATE

May 9, 2014

3 Eau Claire Developments Inc.
102, 615 – 3rd Avenue SW
Calgary, Alberta,
Canada T2P 0G6

Market Vision Real Estate Strategies Inc.
44 Hallbrook Place SW
Calgary, Alberta
Canada T2V 3H9

LEGAL DESCRIPTION OF LAND:

PLAN "A1"
BLOCK 14
LOTS 1-10 INCLUSIVE

This Letter Of Intent (LOI) expresses Market Vision Real Estate Strategies Inc. and/or Assignee" interest in purchasing the property located at the following address:

MUNICIPAL ADDRESS:

3 EAU CLAIRE
633 – 3RD AVENUE SW
CALGARY, ALBERTA
CANADA

Purchase Price: **\$ 40,000,000.00**

Inspection period: Ninety (90) calendar days from the date of receipt of requested due diligence documents.

Purchaser shall have conducted and be satisfied, in its sole discretion, with its review and the results of any investigations, studies, reports, reviews, searches, audits, inspections, tests, inquiries, analyses, of or with respect to the existing property including, without limitation, with respect to the Pre-Sale Information, Leases, Documents, Permitted Encumbrances, title, land-use, zoning, development, building or other permits, agreements or laws affecting the property, area and boundaries of the property, soil, and environmental matters and the state, condition, repair, suitability, availability or terms and conditions of any of the forgoing and the feasibility and suitability of the property for the Buyers intended use.

The purchase price will include all work in place to date with regard to the proposed development of the existing site. This will include, but not be limited to, all architectural, landscaping, engineering and any other consultant drawings. All site surveys. All permit applications, permits issued and all correspondence issued



both to and from all authorities having jurisdiction. All reports completed by architects, engineers, consultants including geotechnical, environmental, civil, mechanical, electrical, acoustical as well as any traffic, building envelope and building code studies. All models, renderings or marketing materials available as well as construction quotations from contractors and / or suppliers. The Seller hereby warrants that all accounts payable for all work in place to date have been paid in full and that there are no contracts that must be assumed by the Buyer.

Initial Deposit: Two Hundred & Fifty (\$250,000.00) Thousand Dollars.

Additional Deposit: Seven Hundred & Fifty (\$750,000.00) Thousand Dollars.

Financing Period: The Offer shall be subject to acceptable financing by the Buyer within sixty (60) additional calendar days from expiration of the Inspection Period.

Closing Date: On or before sixty (60) calendar days from the expiration of the Financing Period.

Closing Costs: Closing Costs shall be paid by the Buyer and Seller in accordance with the Provincial Jurisdictions where the property is located. The Buyer and Seller shall each bear its own attorney's expenses. Seller shall pay an agreed upon fee or commission to the Selling Broker and Consultant.

Property Condition: Buyer accepts the property "AS-IS", "WHERE-IS" with no representations by the Seller.

Assignment or Nomination of Corporation: The Seller acknowledges that the Buyer may choose to assign part or all of its rights and obligations under this Offer to Purchase or direct a transfer of all or part of the Lands to another party or incorporate a new corporation for the purposes of completing this transaction and acquiring title to the Property. If the Buyer chooses to do so, this Agreement shall be deemed to have been amended to insert the name of the assignee or corporation as Buyer, the new corporation shall be deemed to be the Buyer for all purposes relating to this agreement and the transaction contemplated herein and Market Vision Real Estate Strategies Inc. shall have no further liability or obligations whatsoever hereunder. The Buyer may without consent from the Seller, take this action anytime up to and including the completion date.

Other Terms:

- The property must appraise at purchase price or higher.
- Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.
- All Deposits shall be delivered in trust to the Buyers Lawyer.
- Initial Offer to Purchase will be presented by a Licensed Real Estate Agent or Real Estate Consultant, where a commission or flat fee plus applicable GST will be charged. The commission or Flat fee will be equal to 1.5% of the final sale price, plus applicable GST. This fee will be paid by 3 Eau Claire Developments Inc. upon closing.

Acceptance: This LOI shall be open for acceptance until 5:00 P.M. on the 30th of May, 2014.



It is understood that the LOI will automatically terminate if the Buyer has not received an acknowledgment from the Seller by such date and time.

Contract: Buyer and Seller to execute a binding Purchase Agreement within ten (15) business days of acceptance of this Letter of Intent.

Earnest Money: Initial Deposit in the Amount of \$250,000.00 shall be due within three (15) business days of the Effective Date of the Purchase Agreement, which means the date by which the latter of the parties executes the Purchase Agreement. All earnest money shall be applied to the Purchase Price at closing.

NO BINDING AGREEMENT OR RIGHTS OR OBLIGATIONS SHALL ARISE AS A RESULT OF EXECUTING THIS LETTER OF INTENT OR WITH RESPECT TO THE PROPOSED TRANSACTIONS UNTIL AND UNLESS BUYER AND SELLER EXECUTE THE BINDING PURCHASE AND SALE AGREEMENT INCORPORATING THE ABOVE PROVISIONS AND OTHER APPROPRIATE TERMS.

Sellers Signature Date
(Authorized Signatory)

Sellers Witness Date

Print Name of Seller Date

Print Name of Witness Date

Sellers Signature Date
(Authorized Signatory)

Sellers Witness Date

Print Name of Seller Date

Print Name of Witness Date

Buyers Signature Date
(Authorized Signatory) MAY 8/14

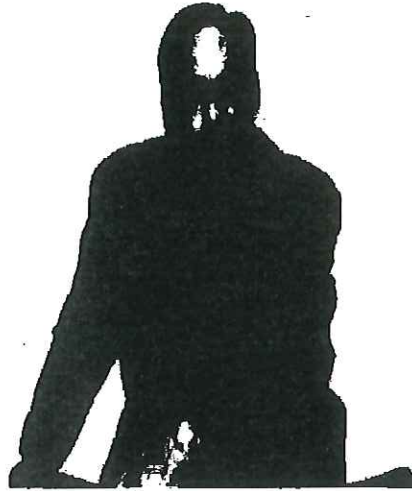
Buyers Witness Date MAY 8/14

Print Name of Buyer Date
CODY Z. LAUREUX

Print Name of Witness Date
Francesca Serafini MAY 8/14

○ _____

CODY Z. LAMOUREUX



Cody Z. Lamoureux

**President & C.E.O.
Market Vision Real Estate Strategies Inc.
marketvision@shaw.ca
Business: 403-250-1711**



Schedule 2

May 22, 2014

3 Eau Claire Developments Inc.

Re: Agreement of negotiation between Tri-Win International Investment Group Inc.(TriWin) and 3 Eau Claire Developments Inc.(the "Owner) in respect to the Co-Development of a mixed-use office and residential building to be constructed in **633 – 3rd Avenue SW, Calgary, Alberta**

Dear Sirs,

You have told us that you are the legal and beneficial owner of vacant land at 633 – 3rd Avenue SW, Calgary, Alberta, legally described as:

Lot 14, Block A1, Plan 1 to 10 (the "Property")

You have also told us:

1. that the site comprises an area of 32,591.55 square feet, which is presently undeveloped;
2. that you have a valid and subsisting development permit to construct 651,840 square feet of usable residential and commercial space on the Property;
3. that you have completed design development architectural drawings for the building of twin towers connecting with a sky bridge and that the proposed development will include 446 residential units and 244,431 square feet for commercial use
4. that you have in place necessary over-swing and anchor rod agreements, consistent with the proposed development;
5. that in addition to the development permit that has been approved, you have an excavation and a shoring permit application ready for a submission; and
6. that you have secured 250 firm unconditional offers to purchase residential units within the development. All of these contracts are valid and subsisting and no event has occurred that would allow any of the prospective purchasers to withdraw from their obligations to purchase, but 3ECD remains the right to terminate the contract should chose to do so.
7. that you have told us that a bank has issued a conditional construction loan commitment letter in the amount of \$244,000,000 with around 5% interest rate, bank's processing fee of \$1,500,000, and the financing brokerage fee of \$750,000.00.

8. Based on the above statement you made, we wish to enter into negotiations with you that would see us as a development partner on the following terms and conditions:
- Establishing a new JV Corporation with in the range of 60%~80% interest to TriWin and 20%~40% interest to the Owner (*NTD: This JV interest percentage ratio to be finalized after Due Diligence);
 - For the 60%~80% interest of the project, TriWin:
 - will contribute \$22,500,000.00 of equity plus \$2,300,000 as project cost toward the project;
 - as a major developer will provide any guarantees required by the constriction lender for the Project and;
 - The Owner will clear the land title and only remaining Co-owners Agreement as a Caveat. TriWin contribution of \$22,500,000.00 and the Owner's contribution of \$10,000,000.00 will be consider as project interest contribution and pari passu based on the ratio of the amounts contributed;
 - the Owner will receive a credit of soft costs spent up to date (estimated around \$4,700,000.00 up to date (validated by evidence));
 - TriWin will receive a credit of \$2,300,000 as a project cost;
 - Within five business days after the execution of this LOI by the Parties, the Owner will provide or make available to TriWin for inspection and copying all studies, tests, audits, surveys, investigations, reports (including environmental reports), plans, permits, agreements, title documents, budgets, pro forma, and financial information in respect to the Project;
 - TriWin will have up to 45 days after receipt of all of the foregoing material to evaluate the feasibility of its participation in the Project to advise the Owner whether it intended to proceed; and
 - At the end of the due diligence period if TriWin proceeds with the Project, then TriWin will provide the Owner with (i) \$250,000.00 of good-faith deposit and (ii) drafts of Co-owners Agreement, which will reflect the principal business terms set out herein as appropriate.
9. Each of the Parties agrees to keep strictly confidential the terms of this LOI. TriWin agrees to keep strictly confidential any materials or information provided by the Owner regarding the Project.
10. The Owner agrees that TriWin may participate in the Project and enter into the Co-owners Agreement through on or more affiliated entities, including limited partnerships.

It is understood that this LOI, even when signed by both of us is not intended to be a binding agreement and no such agreement shall exist until we have concluded the negotiations and both signed a formal Co-Owners Agreement.

IN WITNESS WHEREOF the Parties have executed this LOI effective as of the date first above written.

3 EAU CLAIRE DEVELOPMENTS INC

Tri-Win International Investment Group Inc.

By: James Kang
(Name)
(Title) Vp, Strategy Planning
James Kang

By: [Signature]
(Name)
(Title) Zhihong Li
Managing Director
Triwin

[Handwritten mark]

[Handwritten mark]

Schedule 3



MARKET VISION REAL ESTATE STRATEGIES INC.

LETTER OF INTENT
TO BUY REAL ESTATE

May 27, 2014

3 Eau Claire Developments Inc.
102, 615 – 3rd Avenue SW
Calgary, Alberta,
Canada T2P 0G6

Market Vision Real Estate Strategies Inc.
44 Hallbrook Place SW
Calgary, Alberta
Canada T2V 3H9

LEGAL DESCRIPTION OF LAND:

PLAN "A1"
BLOCK 14
LOTS 1-10 INCLUSIVE

This Letter Of Intent (LOI) expresses Market Vision Real Estate Strategies Inc. and/or Assignee" interest in purchasing the property located at the following address:

MUNICIPAL ADDRESS:

3 EAU CLAIRE
633 – 3RD AVENUE SW
CALGARY, ALBERTA
CANADA

Purchase Price: **\$ 42,000,000.00**

Inspection period: Ninety (90) calendar days from the date of receipt of requested due diligence documents.

Purchaser shall have conducted and be satisfied, in its sole discretion, with its review and the results of any investigations, studies, reports, reviews, searches, audits, inspections, tests, inquiries, analyses, of or with respect to the existing property including, without limitation, with respect to the Pre-Sale Information, Leases, Documents, Permitted Encumbrances, title, land-use, zoning, development, building or other permits, agreements or laws affecting the property, area and boundaries of the property, soil, and environmental matters and the state, condition, repair, suitability, availability or terms and conditions of any of the forgoing and the feasibility and suitability of the property for the Buyers intended use.

The purchase price will include all work in place to date with regard to the proposed development of the existing site. This will include, but not be limited to, all architectural, landscaping, engineering and any other consultant drawings. All site surveys. All permit applications, permits issued and all correspondence issued



both to and from all authorities having jurisdiction. All reports completed by architects, engineers, consultants including geotechnical, environmental, civil, mechanical, electrical, acoustical as well as any traffic, building envelope and building code studies. All models, renderings or marketing materials available as well as construction quotations from contractors and / or suppliers. The Seller hereby warrants that all accounts payable for all work in place to date have been paid in full and that there are no contracts that must be assumed by the Buyer.

Initial Deposit: Two Hundred & Fifty (\$250,000.00) Thousand Dollars.

Additional Deposit: Seven Hundred & Fifty (\$750,000.00) Thousand Dollars.

Financing Period: The Offer to Purchase shall be subject to the Buyer receiving acceptable financing within ninety (90) calendar days of Acceptance of the Offer to Purchase.

Closing Date: On or before thirty (30) calendar days from the expiration of the Due Diligence and Financing Period.

Closing Costs: Closing Costs shall be paid by the Buyer and Seller in accordance with the Provincial Jurisdictions where the property is located. The Buyer and Seller shall each bear its own attorney's expenses. Seller shall pay an agreed upon fee or commission to the Selling Broker and Consultant.

Property Condition: Buyer accepts the property "AS-IS", "WHERE-IS" with no representations by the Seller.

Assignment or Nomination of Corporation: The Seller acknowledges that the Buyer may choose to assign part or all of its rights and obligations under this Offer to Purchase or direct a transfer of all or part of the Lands to another party or incorporate a new corporation for the purposes of completing this transaction and acquiring title to the Property. If the Buyer chooses to do so, this Agreement shall be deemed to have been amended to insert the name of the assignee or corporation as Buyer, the new corporation shall be deemed to be the Buyer for all purposes relating to this agreement and the transaction contemplated herein and Market Vision Real Estate Strategies Inc. shall have no further liability or obligations whatsoever hereunder. The Buyer may without consent from the Seller, take this action anytime up to and including the completion date.

Other Terms:

- The property must appraise at purchase price or higher.
- Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.
- All Deposits shall be delivered in trust to the Buyers Lawyer.
- Initial Offer to Purchase will be presented by a Licensed Real Estate Agent or Real Estate Consultant, where a commission or flat fee plus applicable GST will be charged. The commission or Flat fee will be equal to 1.5% of the final sale price, plus applicable GST. This fee will be paid by 3 Eau Claire Developments Inc. upon closing.



Acceptance: This LOI shall be open for acceptance until 5:00 P.M. on the 13th of June, 2014.
It is understood that the LOI will automatically terminate if the Buyer has not received an acknowledgment from the Seller by such date and time.

Contract: Buyer and Seller to execute a binding Purchase Agreement within ten (15) business days of acceptance of this Letter of Intent.

Earnest Money: Initial Deposit in the Amount of \$250,000.00 shall be due within fifteen (15) business days of the Effective Date of the Purchase Agreement, which means the date by which the latter of the parties executes the Purchase Agreement. All earnest money shall be applied to the Purchase Price at closing.

NO BINDING AGREEMENT OR RIGHTS OR OBLIGATIONS SHALL ARISE AS A RESULT OF EXECUTING THIS LETTER OF INTENT OR WITH RESPECT TO THE PROPOSED TRANSACTIONS UNTIL AND UNLESS BUYER AND SELLER EXECUTE THE BINDING PURCHASE AND SALE AGREEMENT INCORPORATING THE ABOVE PROVISIONS AND OTHER APPROPRIATE TERMS.

Sellers Signature **Date**
(Authorized Signatory)

Sellers Witness **Date**

Print Name of Seller **Date**

Print Name of Witness **Date**

Sellers Signature **Date**
(Authorized Signatory)


Sellers Witness **Date**

Print Name of Seller **Date**

Print Name of Witness **Date**



Buyers Signature **Date**
(Authorized Signatory)



Buyers Witness **Date**



Print Name of Buyer **Date**



Print Name of Witness **Date**



CODY Z. LAMOUREUX



Cody Z. Lamoureux

**President & C.E.O.
Market Vision Real Estate Strategies Inc.
marketvision@shaw.ca
Business: 403-250-1711**



Schedule 4



MARKET VISION REAL ESTATE STRATEGIES INC.

LETTER OF INTENT
TO BUY REAL ESTATE

May 27, 2014

3 Eau Claire Developments Inc.
102, 615 – 3rd Avenue SW
Calgary, Alberta,
Canada T2P 0G6

Market Vision Real Estate Strategies Inc.
44 Hallbrook Place SW
Calgary, Alberta
Canada T2V 3H9

LEGAL DESCRIPTION OF LAND:

PLAN "A1"
BLOCK 14
LOTS 1-10 INCLUSIVE

This Letter Of Intent (LOI) expresses Market Vision Real Estate Strategies Inc. and/or Assignee" interest in purchasing the property located at the following address:

MUNICIPAL ADDRESS:

3 EAU CLAIRE
633 – 3RD AVENUE SW
CALGARY, ALBERTA
CANADA

Purchase Price: \$ 42,000,000.00

Inspection period: Sixty (60) calendar days from the date of receipt of requested due diligence documents.

Purchaser shall have conducted and be satisfied, in its sole discretion, with its review and the results of any investigations, studies, reports, reviews, searches, audits, inspections, tests, inquiries, analyses, of or with respect to the existing property including, without limitation, with respect to the Pre-Sale Information, Leases, Documents, Permitted Encumbrances, title, land-use, zoning, development, building or other permits, agreements or laws affecting the property, area and boundaries of the property, soil, and environmental matters and the state, condition, repair, suitability, availability or terms and conditions of any of the forgoing and the feasibility and suitability of the property for the Buyers intended use.

The purchase price will include all work in place to date with regard to the proposed development of the existing site. This will include, but not be limited to, all architectural, landscaping, engineering and any other consultant drawings. All site surveys. All permit applications, permits issued and all correspondence issued



both to and from all authorities having jurisdiction. All reports completed by architects, engineers, consultants including geotechnical, environmental, civil, mechanical, electrical, acoustical as well as any traffic, building envelope and building code studies. All models, renderings or marketing materials available as well as construction quotations from contractors and / or suppliers. The Seller hereby warrants that all accounts payable for all work in place to date have been paid in full and that there are no contracts that must be assumed by the Buyer.

Initial Deposit: Two Hundred & Fifty (\$250,000.00) Thousand Dollars.

Additional Deposit: Seven Hundred & Fifty (\$750,000.00) Thousand Dollars upon Removal of Condition.

Financing Period: The Offer to Purchase shall be subject to the Buyer receiving acceptable financing within sixty (60) calendar days of acceptance of the Offer to Purchase.

Closing Date: On or before thirty (30) calendar days from the expiration of the Due Diligence and Financing Period.

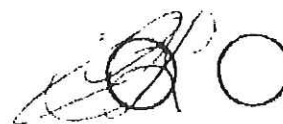
Closing Costs: Closing Costs shall be paid by the Buyer and Seller in accordance with the Provincial Jurisdictions where the property is located. The Buyer and Seller shall each bear its own attorney's expenses. Seller shall pay an agreed upon fee or commission to the Selling Broker and Consultant.

Property Condition: Buyer accepts the property "AS-IS", "WHERE-IS" with no representations by the Seller.

Assignment or Nomination of Corporation: The Seller acknowledges that the Buyer may choose to assign part or all of its rights and obligations under this Offer to Purchase or direct a transfer of all or part of the Lands to another party or incorporate a new corporation for the purposes of completing this transaction and acquiring title to the Property. If the Buyer chooses to do so, this Agreement shall be deemed to have been amended to insert the name of the assignee or corporation as Buyer, the new corporation shall be deemed to be the Buyer for all purposes relating to this agreement and the transaction contemplated herein and Market Vision Real Estate Strategies Inc. shall have no further liability or obligations whatsoever hereunder. The Buyer may without consent from the Seller, take this action anytime up to and including the completion date.

Other Terms:

- The property must appraise at purchase price or higher.
- Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.
- All Deposits shall be delivered in trust to the Buyers Lawyer.
- Initial Offer to Purchase will be presented by a Licensed Real Estate Agent or Real Estate Consultant, where a commission or flat fee plus applicable GST will be charged. The commission or Flat fee will be equal to 1.5% of the final sale price, plus applicable GST. This fee will be paid by 3 Eau Claire Developments Inc. upon closing.



Acceptance: This LOI shall be open for acceptance until 5:00 P.M. on the 13th of June, 2014.
It is understood that the LOI will automatically terminate if the Buyer has not received an acknowledgment from the Seller by such date and time.

Contract: Buyer and Seller to execute a binding Purchase Agreement within fifteen (15) business days of acceptance of this Letter of Intent.

Earnest Money: Initial Deposit in the Amount of Two Hundred and Fifty Thousand (\$250,000.00) Dollars shall be due within three (3) business days of the Effective Date of the Purchase Agreement, which means the date by which the latter of the parties executes the Purchase Agreement. All earnest money shall be applied to the Purchase Price at closing. The initial deposit shall be held in trust with the Buyers Solicitor, with deposit confirmation to be received by the Seller within three (3) business days of the effective date of Purchase Agreement.

Additional Term: Once the Offer to Purchase becomes firm with a One Million (\$1,000,000.00) Dollar Non-Refundable Deposit, the Seller will allow for a maximum thirty (30) day extension for financing, if required. At the same time the Seller will allow a maximum thirty (30) extension on the Closing Date, if required.

NO BINDING AGREEMENT OR RIGHTS OR OBLIGATIONS SHALL ARISE AS A RESULT OF EXECUTING THIS LETTER OF INTENT OR WITH RESPECT TO THE PROPOSED TRANSACTIONS UNTIL AND UNLESS BUYER AND SELLER EXECUTE THE BINDING PURCHASE AND SALE AGREEMENT INCORPORATING THE ABOVE PROVISIONS AND OTHER APPROPRIATE TERMS.

Sellers Signature Date
(Authorized Signatory)

Print Name of Seller Date

Sellers Signature Date
(Authorized Signatory)

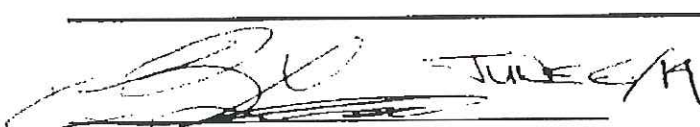
Print Name of Seller Date

Sellers Witness Date

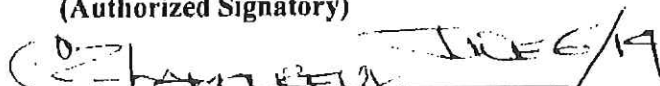
Print Name of Witness Date

Sellers Witness Date

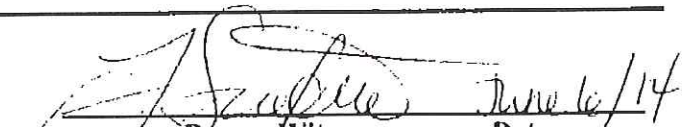
Print Name of Witness Date



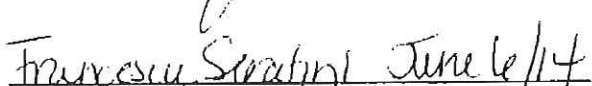
Buyers Signature Date
(Authorized Signatory)



Print Name of Buyer Date



Buyers Witness Date



Print Name of Witness Date



CODY Z. LAMOUREUX



Cody Z. Lamoureux

**President & C.E.O.
Market Vision Real Estate Strategies Inc.
marketvision@shaw.ca
Business: 403-250-1711**



Schedule 5



**Bentall
Kennedy**

55 University Avenue
Suite 300
Toronto ON
Canada M5J 2H7

T 416.681.3400
F 416.681.3405

www.bentallkennedy.com

June 23, 2014

3 Eau Claire Developments Inc.
c/o Walsh Mannas
Avison Young Real Estate Alberta Inc.
309, 401 9th Avenue SW, Calgary, Alberta T2P 3C5

Attn: Walsh Mannas

Dear Sirs:

Re: Letter of Intent ("LOI") to Purchase – 633 – 3rd Avenue SW, Calgary, AB

The following LOI describes the terms and conditions upon which Bentall Kennedy (Canada) LP (the "Purchaser") is willing to purchase a 100% freehold interest in the property described below from 3 Eau Claire Developments Inc. (the "Vendor").

1. Description of Property

The property to be purchased (the "Property") is comprised of approximately 32,554 square feet of land (0.75 acres) at 633-3rd Avenue SW, Calgary, Alberta.

2. Purchaser

The Property will be purchased by the Purchaser, acting on behalf of one or more entities to which it provides advisory or other services.

3. Purchase Price

The purchase price for the Property will be \$35,000,000 calculated based on \$1,075 per square foot applied to the represented land area of 32,554 square feet. The purchase price will be adjusted based on the verified land area, as confirmed by the Purchaser during the due diligence period, and will be subject to other customary adjustments payable at closing as follows:

- (a) by application of the Deposit, referred to below; and,
- (b) the balance shall be paid by wire, certified cheque or bank draft on closing

4. Deposit

A deposit of \$500,000 (the "Initial Deposit") will be paid by wire or certified cheque delivered to the Vendor's solicitors prior to 5:00 pm on the second business day following execution and delivery of the Purchase Agreement (as defined below). An additional deposit of \$2,000,000 (the "Additional Deposit") will be paid by wire or certified cheque delivered to the Vendor's solicitors on the second business day following waiver of the Purchaser's inspections set out in Section 7 below. These deposits (collectively, the "Deposit") are to be held by the Vendor's solicitors in trust.

5. Agreements of Purchase and Sale

Immediately after acceptance of this LOI the Vendor and the Purchaser agree to negotiate in good faith the terms of the Agreement of Purchase and Sale (the "Purchase Agreement"), and use all reasonable efforts to conclude the execution of Purchase Agreement in an expeditious manner. The Purchase Agreement will contain all the business terms set forth herein and the usual representations and warranties for transactions of this type.

6. Closing

The closing (the "Closing") of the transaction of purchase and sale of the Property will take place at the offices of the Purchaser's Solicitors on the first business day that is thirty (30) days following the Inspection Date (as defined below).

7. Purchaser's Inspections

The Purchase Agreement shall provide that the Purchaser will have forty five (45) days to investigate all aspects of the Property which period shall commence on the later of: 1) the date of final execution of the Purchase and Sale Agreement; or 2) substantial delivery of all due diligence materials (the "Inspection Date"). Upon execution of the Purchase Agreement by the Vendor and the Purchaser, the Vendor will within three (3) business days make available to the Purchaser all relevant information and documentation in its possession and control with respect to the Property and permit the Purchaser to have access to the Property for the purposes of performing all necessary tests and inspections. All tests and inspections conducted on the Property shall be at the sole risk and expense of the Purchaser, who shall be responsible for making all repairs necessary as a result of any such tests. If the Purchaser is satisfied, in its sole and absolute discretion, with the results of its investigations, it shall waive conditions in the Purchase Agreement by written notice to the Vendor prior to 5:00 p.m. on the Inspection Date. In the event the Purchaser does not deliver a written notice waiving conditions on the Inspection Date the Purchase Agreement will be considered null and void and the Deposit and all interest earned thereon shall be immediately returned to the Purchaser.

8. Purchaser's Condition

In addition to the inspection condition set out in Section 7, the Purchaser's obligations under the Purchase Agreement shall be conditional upon:

- (a) prior to 5:00 p.m. on the Inspection Date, the Purchaser shall have obtained all necessary approvals from its investment committee as to the transaction contemplated in the Purchase Agreement, such approval to be given or withheld in such committee's sole, absolute and subjective discretion;
- (b) the Vendor shall deliver good and marketable title for the Property to the Purchaser on Closing, free and clear of all encumbrances (save and except for such encumbrances as are designated as permitted encumbrances in the Purchase Agreement);
- (c) the Vendor shall have complied with all of its obligations to be performed pursuant to the Purchase Agreement and all necessary consents shall have been obtained.

9. Financing

The Vendor shall deliver the Property free and clear of any mortgage.

10. Fees and Costs

Each of the parties shall be responsible for its own fees and costs (including legal fees) incurred in connection with the transaction and the documentation provided for herein. The Vendor shall be responsible for the payment of all brokerage fees and commissions, including all fees and commissions due to Avison Young Real

Estate Alberta Inc. The Purchaser confirms that it has not engaged the services of any real estate broker for this proposed transaction.

11. Confidentiality

The parties agree that this LOI and the transaction of purchase and sale referred to herein, and any information provided by either party to the other with respect to this transaction or the Property, shall be kept strictly confidential and no public announcements will be made in respect thereof, provided that the parties may give such information on a confidential basis to their advisors and consultants and as may be required by applicable laws.

12. No Solicitation

The Vendor agrees that upon execution of this LOI and until expiry of the Inspection Date, unless negotiations between the Vendor and Purchaser are terminated in writing (it being understood that the Vendor will not unilaterally terminate negotiations so long as the Purchaser is proceeding in good faith), the Vendor will not solicit a possible sale of all or any part of the Property with any other party.

13. Canadian Currency

All references to monetary amounts in this letter are references to Canadian dollars.

14. Non-Binding

Except for Sections 11 (Confidentiality) and 12 (No Solicitation) hereof, this LOI shall only constitute a letter of understanding and is not contractual in nature and shall not bind any party hereto or create any legal or other obligations relating to the Property or otherwise. No binding agreement of purchase and sale of the Property shall exist between the parties unless and until the parties are satisfied, in their respective sole and absolute discretion, with all of the terms and conditions of the Purchase Agreement and Sale and the Purchase Agreement has been executed.

If you are in agreement with the foregoing, please indicate this by signing the enclosed duplicate and returning it to us on or before 5:00 p.m. on July 2, 2014, at the Purchaser's address shown below, after which time the offer shall be null and void.

Bentall Kennedy (Canada) LP
55 University Avenue
Suite 300
Toronto, ON M5J 2H7

BENTALL KENNEDY (CANADA) LIMITED
PARTNERSHIP (by its general partner, Bentall Kennedy
(Canada) G.P. Ltd.)

Attention: John McKinlay

Telephone: (416) 681-3442
Facsimile: (416) 681-3405

By:



Michael Fraidakis
VP, Acquisitions

By:



Richard Crofts
EVP, Legal & General Counsel
and Corporate Secretary

We hereby agree with the terms outlined in the above letter of intent this ___ day of _____, 2014.

By: _____

By: _____

Schedule 6



MARKET VISION REAL ESTATE STRATEGIES INC.

LETTER OF INTENT
TO BUY REAL ESTATE

June 25, 2014

3 Eau Claire Developments Inc.
102, 615 – 3rd Avenue SW
Calgary, Alberta,
Canada T2P 0G6

Market Vision Real Estate Strategies Inc.
44 Hallbrook Place SW
Calgary, Alberta
Canada T2V 3H9

LEGAL DESCRIPTION OF LAND:

PLAN "A1"
BLOCK 14
LOTS 1-10 INCLUSIVE

This Letter Of Intent (LOI) expresses Market Vision Real Estate Strategies Inc. and/or Assignee" interest in purchasing the property located at the following address:

MUNICIPAL ADDRESS:

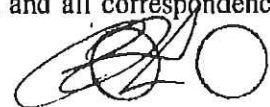
3 EAU CLAIRE
633 – 3RD AVENUE SW
CALGARY, ALBERTA
CANADA

Purchase Price: \$ 42,000,000.00

Inspection period: Sixty (60) calendar days from the date of receipt of requested due diligence documents.

Purchaser shall have conducted and be satisfied, in its sole discretion, with its review and the results of any investigations, studies, reports, reviews, searches, audits, inspections, tests, inquiries, analyses, of or with respect to the existing property including, without limitation, with respect to the Pre-Sale Information, Leases, Documents, Permitted Encumbrances, title, land-use, zoning, development, building or other permits, agreements or laws affecting the property, area and boundaries of the property, soil, and environmental matters and the state, condition, repair, suitability, availability or terms and conditions of any of the forgoing and the feasibility and suitability of the property for the Buyers intended use.

The purchase price will include all work in place to date with regard to the proposed development of the existing site. This will include, but not be limited to, all architectural, landscaping, engineering and any other consultant drawings. All site surveys. All permit applications, permits issued and all correspondence issued



both to and from all authorities having jurisdiction. All reports completed by architects, engineers, consultants including geotechnical, environmental, civil, mechanical, electrical, acoustical as well as any traffic, building envelope and building code studies. All models, renderings or marketing materials available as well as construction quotations from contractors and / or suppliers. The Seller hereby warrants that all accounts payable for all work in place to date have been paid in full and that there are no contracts that must be assumed by the Buyer.

Initial Deposit: Two Hundred & Fifty (\$250,000.00) Thousand Dollars.

Additional Deposit: Seven Hundred & Fifty (\$750,000.00) Thousand Dollars upon Removal of Condition.

Financing Period: The Offer to Purchase shall be subject to the Buyer receiving acceptable financing, within sixty (60) calendar days of acceptance of the Offer to Purchase.

Closing Date: On or before thirty (30) calendar days from the expiration of the Due Diligence and Financing Period.

Closing Costs: Closing Costs shall be paid by the Buyer and Seller in accordance with the Provincial Jurisdictions where the property is located. The Buyer and Seller shall each bear its own attorney's expenses. Seller shall pay an agreed upon fee or commission to the Selling Broker and Consultant.

Property Condition: Buyer accepts the property "AS-IS", "WHERE-IS" with no representations by the Seller.

Assignment or Nomination of Corporation: The Seller acknowledges that the Buyer may choose to assign part or all of its rights and obligations under this Offer to Purchase or direct a transfer of all or part of the Lands to another party or incorporate a new corporation for the purposes of completing this transaction and acquiring title to the Property. If the Buyer chooses to do so, this Agreement shall be deemed to have been amended to insert the name of the assignee or corporation as Buyer, the new corporation shall be deemed to be the Buyer for all purposes relating to this agreement and the transaction contemplated herein and Market Vision Real Estate Strategies Inc. shall have no further liability or obligations whatsoever hereunder. The Buyer may without consent from the Seller, take this action anytime up to and including the completion date.

Other Terms:

- The property must appraise at purchase price or higher.
- Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.
- All Deposits shall be delivered in trust to the Buyers Lawyer.
- Initial Offer to Purchase will be presented by a Licensed Real Estate Agent or Real Estate Consultant, where a commission or flat fee plus applicable GST will be charged. The commission will be equal to 1.5% of the final sale price, plus applicable GST. This fee will be paid by 3 Eau Claire Developments Inc. upon closing.



Acceptance: This Letter of Intent shall be open for acceptance until 5:00 P.M. on the 1st of July, 2014.

It is understood that the LOI will automatically terminate if the Buyer has not received an acknowledgment from the Seller by such date and time.

Contract: Buyer to submit the Offer to Purchase or Purchase Agreement under the Terms set out in this document within fifteen (15) business days of acceptance of this Letter of Intent.

Earnest Money: Initial Deposit in the Amount of Two Hundred and Fifty Thousand (\$250,000.00) Dollars shall be due within three (3) business days of the Effective Date of the Purchase Agreement, which means the date by which the latter of the parties executes the Purchase Agreement. All earnest money shall be applied to the Purchase Price at closing. The initial deposit shall be held in trust with the Buyers Solicitor, with deposit confirmation to be received by the Seller within three (3) business days of the effective date of Purchase Agreement.

Additional Term #1: Once the Offer to Purchase becomes firm with a One Million (\$1,000,000.00) Dollar Non-Refundable Deposit, the Seller will allow for a maximum thirty (30) day extension for financing, if required. At the same time the Seller will allow a maximum thirty (30) extension on the Closing Date, if required.

Additional Term #2: The obligations of 3 Eau Claire Development Inc. under this Agreement are subject to the authorization of the Court of Queen's Bench of Alberta to the proposed sale/disposition contemplated herein.

Additional Term #3: From the date this Letter of Intent is signed by the authorized parties, the Seller will have fifteen (15) days to supply all requested due diligence information as set out in the above Inspection Period Clause, to allow the Buyer a full sixty (60) days for the proper due diligence process.

NO BINDING AGREEMENT OR RIGHTS OR OBLIGATIONS SHALL ARISE AS A RESULT OF EXECUTING THIS LETTER OF INTENT OR WITH RESPECT TO THE PROPOSED TRANSACTIONS UNTIL AND UNLESS BUYER AND SELLER EXECUTE THE BINDING PURCHASE AND SALE AGREEMENT INCORPORATING THE ABOVE PROVISIONS AND OTHER APPROPRIATE TERMS.

Sellers Signature Date
(Authorized Signatory)

Print Name of Seller Date

Sellers Signature Date
(Authorized Signatory)

Print Name of Seller Date


Sellers Witness Date


Print Name of Witness Date

Sellers Witness Date

Print Name of Witness Date




Buyers Signature Date
(Authorized Signatory)


Buyers Witness Date


Print Name of Buyer Date

francesca Serafini June 25/14
Print Name of Witness Date

CODY Z. LAMOUREUX



Cody Z. Lamoureux

President & C.E.O.
Market Vision Real Estate Strategies Inc.
marketvision@shaw.ca
Business: 403-250-1711





Schedule 7



MARKET VISION REAL ESTATE STRATEGIES INC.

LETTER OF INTENT
TO BUY REAL ESTATE

July 8, 2014

3 Eau Claire Developments Inc.
102, 615 – 3rd Avenue SW
Calgary, Alberta,
Canada T2P 0G6

Market Vision Real Estate Strategies Inc.
44 Hallbrook Place SW
Calgary, Alberta
Canada T2V 3H9

LEGAL DESCRIPTION OF LAND:

PLAN "A1"
BLOCK 14
LOTS 1-10 INCLUSIVE

This Letter Of Intent (LOI) expresses Market Vision Real Estate Strategies Inc. and/or Assignee" interest in purchasing the property located at the following address:

MUNICIPAL ADDRESS:

3 EAU CLAIRE
633 – 3RD AVENUE SW
CALGARY, ALBERTA
CANADA

Purchase Price: **\$ 42,000,000.00**

Inspection period: Thirty (30) calendar days from the date of receipt of requested due diligence documents.

Purchaser shall have conducted and be satisfied, in its sole discretion, with its review and the results of any investigations, studies, reports, reviews, searches, audits, inspections, tests, inquiries, analyses, of or with respect to the existing property including, without limitation, with respect to the Pre-Sale Information, Leases, Documents, Permitted Encumbrances, title, land-use, zoning, development, building or other permits, agreements or laws affecting the property, area and boundaries of the property, soil, and environmental matters and the state, condition, repair, suitability, availability or terms and conditions of any of the forgoing and the feasibility and suitability of the property for the Buyers intended use.

The purchase price will include all work in place to date with regard to the proposed development of the existing site. This will include, but not be limited to, all architectural, landscaping, engineering and any other consultant drawings. All site surveys. All permit applications, permits issued and all correspondence issued



both to and from all authorities having jurisdiction. All reports completed by architects, engineers, consultants including geotechnical, environmental, civil, mechanical, electrical, acoustical as well as any traffic, building envelope and building code studies. All models, renderings or marketing materials available as well as construction quotations from contractors and / or suppliers. The Seller hereby warrants that all accounts payable for all work in place to date have been paid in full and that there are no contracts that must be assumed by the Buyer.

Initial Deposit: Two Hundred & Fifty (\$250,000.00) Thousand Dollars.

Additional Deposit: Seven Hundred & Fifty (\$750,000.00) Thousand Dollars upon Removal of Condition.

Closing Date: On or before thirty (30) calendar days from the expiration of the Due Diligence Condition

Closing Costs: Closing Costs shall be paid by the Buyer and Seller in accordance with the Provincial Jurisdictions where the property is located. The Buyer and Seller shall each bear its own attorney's expenses. Seller shall pay an agreed upon fee or commission to the Selling Broker and Consultant.

Property Condition: Buyer accepts the property "AS-IS", "WHERE-IS" with no representations by the Seller.

Assignment or Nomination of Corporation: The Seller acknowledges that the Buyer may choose to assign part or all of its rights and obligations under this Offer to Purchase or direct a transfer of all or part of the Lands to another party or incorporate a new corporation for the purposes of completing this transaction and acquiring title to the Property. If the Buyer chooses to do so, this Agreement shall be deemed to have been amended to insert the name of the assignee or corporation as Buyer, the new corporation shall be deemed to be the Buyer for all purposes relating to this agreement and the transaction contemplated herein and Market Vision Real Estate Strategies Inc. shall have no further liability or obligations whatsoever hereunder. The Buyer may without consent from the Seller, take this action anytime up to and including the completion date.

Other Terms:

- The property must appraise at purchase price or higher.
- Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.
- All Deposits shall be delivered in trust to the Buyers Lawyer.
- Initial Offer to Purchase will be presented by a Licensed Real Estate Agent or Real Estate Consultant, where a commission or flat fee plus applicable GST will be charged. The commission will be equal to 1.5% of the final sale price, plus applicable GST. This fee will be paid by 3 Eau Claire Developments Inc. upon closing.



Acceptance: This Letter of Intent shall be open for acceptance until 5:00 P.M. on the 16th day of July, 2014.

It is understood that this Letter of Intent will automatically terminate if the Buyer has not received acknowledgment from the Seller by such date and time.

Contract: Buyer to submit the Offer to Purchase or Purchase Agreement under the Terms set out in this document within fifteen (15) days of acceptance of this Letter of Intent.

Earnest Money: Initial Deposit in the Amount of Two Hundred and Fifty Thousand (\$250,000.00) Dollars shall be due within three (3) business days of the Effective Date of the Purchase Agreement, which means the date by which the latter of the parties executes the Purchase Agreement. All earnest money shall be applied to the Purchase Price at closing. The initial deposit shall be held in trust with the Buyers Solicitor, with deposit confirmation to be received by the Seller within three (3) business days of the effective date of Purchase Agreement.

Additional Term #1: Once the Offer to Purchase becomes firm with a One Million (\$1,000,000.00) Dollar Non-Refundable Deposit, the Seller will allow for a maximum thirty (30) day extension for financing, if required. At the same time the Seller will allow a maximum thirty (30) extension on the Closing Date, if required.

Additional Term #2: The obligations of 3 Eau Claire Development Inc. under this Agreement are subject to the authorization of the Court of Queen's Bench of Alberta to the proposed sale/disposition contemplated herein.

Additional Term #3: From the date this Letter of Intent is signed by the authorized parties, the Seller will have fifteen (15) days to supply all requested due diligence information as set out in the above Inspection Period Clause, to allow the Buyer a full thirty (30) days for the proper due diligence process.

NO BINDING AGREEMENT OR RIGHTS OR OBLIGATIONS SHALL ARISE AS A RESULT OF EXECUTING THIS LETTER OF INTENT OR WITH RESPECT TO THE PROPOSED TRANSACTIONS UNTIL AND UNLESS BUYER AND SELLER EXECUTE THE BINDING PURCHASE AND SALE AGREEMENT INCORPORATING THE ABOVE PROVISIONS AND OTHER APPROPRIATE TERMS.

Sellers Signature Date
(Authorized Signatory)

Print Name of Seller Date

Sellers Signature Date
(Authorized Signatory)

Print Name of Seller Date

Sellers Witness Date

Print Name of Witness Date

Sellers Witness Date

Print Name of Witness Date



Schedule 8

3 Eau Claire Developments Proposal

Steps to Implement Proposal

Step
1. On Court approval of Proposal, Bosa to make following payments: <ul style="list-style-type: none">a) KEB claim (est \$9 million) ("KEB Amount"); andb) 3EC claim (\$500,000) ("3EC Amount") (Note: goal of paying 3EC amount to buy 3EC's support and potentially obtain 3EC's shares in the deal).
2. Close new construction financing for the Project
3. Proceed with development of Project using new construction financing
4. Sell units
5. Retire new construction financing
6. After retirement of new construction financing for the project, the following in priority: <ul style="list-style-type: none">a) the KEB Amount and the 3EC Amount to Bosa to repay the amounts advanced above (est. \$9.5 mil depending on actual KEB balance at time of transaction approval)b) \$2 million to KDICc) \$8.5 mil <i>pari passu</i> to KDIC and Bosa (\$4.25 million each)d) \$12 mil <i>pari passu</i> to KDIC, Bosa and the "other creditors" (\$5million, \$5million and \$2 million respectively) (Note: The other creditors would be in one class for the purpose of voting on the Proposal)e) 50/50 <i>pari passu</i> to KDIC and Bosa until KDIC has received, in aggregate, from all above distributions \$25 million, andf) balance, if any, to Bosa

Development programme information and timing:
a) rezoning is not required as Bosa is not seeking more density than already permitted;
b) change to the building design/plans requires City approval by way of development and building permit approvals – estimated 6 months from approval of the transaction;
c) pre-sales period (pre-construction) will likely run up to 9 months;
d) construction and delivery will run approximately 3 years from the end of the 9-month pre-sale period;
e) cash distributions set out at step 6 above follow the end of the 3-year construction period when delivery of condos/sales complete.

Schedule 9

July 14, 2014

Tri-Win International Investment Group Inc.
170 Spadina Avenue, Toronto
M5T 2C2

Attention: Lucia Li


Dear Sirs:

Re: Proposed development of 633 - 3rd Avenue SW, Calgary, Alberta through a Joint Venture

We are writing to you to establish the general terms and conditions upon which a proposed joint-venture agreement (the "**JV Agreement**") and other agreements as may be reasonably determined necessary by the parties (collectively, the "**Contracts**") will be negotiated and finalized between certain corporate entities incorporated by 3 Eau Claire Developments Inc. or its principals ("**3ECD**") and controlled by 3ECD or its principals, as promoter and joint venture participant, and Tri-Win International Investment Group Inc. or a company designated by Tri-Win and controlled by Tri-Win or its principals ("**Tri-Win**"), as a joint venture partner, (each sometimes referred to herein as a "**Joint Venturer**" in the singular and "**Joint Venturers**" in plural) governing the acquisition by Tri-Win of an 85.2% interest in the proposed high-rise mixed use, commercial residential development (the "**Project**") at 633 - 3rd Avenue SW, Calgary, Alberta (the "**Development Site**") and the management, financing, development and construction thereof. This letter agreement is hereinafter referred to herein as the "**Letter of Intent**".

Under the proposed JV Agreement and Contracts, Tri-Win will acquire an 85.2% interest in the Project from 3ECD and Tri-Win will form a joint venture with 3ECD (the "**Joint Venture**") whereunder the estimated capitalization of the Joint Venture will be made as more particularly set out in **Exhibit "A"** enclosed herewith.

Title to the property comprising the Development Site and all personal property, assets and undertaking related to the Project (collectively, the "**Personal Property**"), including without limitation, all development approvals, construction contracts, intellectual property, plans and specifications, agreements of purchase and sale, will be transferred by 3ECD to a corporation as bare trustee (the "**Nominee**") for the Joint Venturers, free and clear of all encumbrances and creditors' claims. The shareholding of the Nominee will be held 85.2% by **Tri-Win** and 14.8% by 3ECD. Management of the Joint Venture will occur through the Board of Directors of the Nominee (meeting concurrently as a Board of Directors of the Nominee and as the management committee of the Joint Venture) (the "**Joint Venture Management Committee**"). Tri-Win will have a majority of the members of the Board of Directors for the Nominee. *It's agreed and acknowledged that Triwin shall have management control of the Project and any*
The Joint Venture through the Nominee intends to retain the Shanghai Construction Company ("**SCC**"), provided that terms of engagement can be settled to the mutual satisfaction of all parties. It is intended that the SCC will be retained as a General Contractor and will provide all construction management services and carry out all construction management activities for fees and will provide a variety of services in connection with the operation of the Development Site, as such activities and services will be more clearly set out in the Contracts and a contract to be negotiated between the

shall reflect the same


Hay Jones

Joint Venturers and SCC. The initial Project Budget, albeit preliminary and not yet approved formally, is set out in **Exhibit "A.1"** enclosed herewith. SCC will operate at the direction of the Joint Venture Management Committee.

1. Intent of Development: 3ECD and Tri-Win wish to develop the Project as a concrete high rise, mixed use project with a commercial component comprised of 12 stories, and a residential condominium component of approximately 450 units, and approximately 7 levels of underground vehicular parking. The number of residential units is subject to change at the discretion of the Joint Venturers and the final Project is to be mutually determined, finalized, and approved by the Joint Venturers, all in accordance with the provisions of the JV Agreement. Specific rents on the commercial portion (and any sales price) and the residential unit prices will be determined considering bona fide market conditions after consultation with professional advisors taking into consideration properties, locations and available amenities, all in accordance with the provisions of the JV Agreement.

2. Investment of 3ECD: 3ECD will contribute the Development Site and the Personal Property (agreed to having an aggregate value of \$32,500,000) at a representative value of \$10,000,000 (the "**3ECD Equity Contribution**") for the purposes of the 3ECD investment. It is anticipated that 3ECD will be paid \$22,500,000 for the Development Site plus \$2,300,000 as project costs (the "**Prior Project Costs**") to pay outstanding creditor accounts, on funding of the Joint Venture. The 3ECD contribution will constitute a 14.8% retained interest in the Project, notwithstanding the amount of 3ECD Equity Contribution.

3ECD will be responsible for its all costs relating to the existing judicial proceedings and to secure Court approval of this transaction, and its costs relating to the JV Agreement and the proposed contracts and the Contracts, but all other project costs will be funded as Project Costs (as that term is hereinafter defined).

3. Investment of Tri-Win:

Tri-Win will invest \$24,800,000.00 (the "**Tri-Win Equity Contribution**"), which shall be deemed to constitute an 85.2% interest in the Joint Venture as initial capital investment to the Joint Venture payable as follows:

- (a) \$250,000.00 within 1 business day following the date of mutual execution of this Letter of Intent will be held in Tri-Win's legal counsel's trust account, to be released to 3ECD upon satisfaction of the conditions in paragraphs 5 and 7 below;
- (b) in the event that the conditions in paragraph 5 below are satisfied or waived and the condition in paragraph 7 (b)(ii) below is satisfied, the sum of \$2,000,000.00 shall be paid to Tri-Win's counsel on or before 10 business days following satisfaction of the condition in paragraph 7(b)(ii) below, to be held in trust pending satisfaction of the of the remaining conditions in Paragraph 7 below; and
- (c) subject to the satisfaction of the conditions in paragraphs 5 and 7 below, \$22,550,000.00, shall be paid on the date set for closing (the "**Closing Date**") pursuant to the Court Order (as hereinafter defined) or the JV Agreement, which date, for greater certainty, shall be no earlier than the date following the expiry of all appeal periods in respect of the Court Order.

For greater certainty, in the event that the conditions in paragraph 7 are not satisfied, this Letter of Intent shall be immediately terminated and of no further force or effect and all deposits paid by Tri-Win shall forthwith be returned to Tri-Win with interest and without deduction. The parties hereto hereby irrevocably authorize and direct Tri-Win's solicitors to make such payment accordingly.

4. Project Financing:

Tri-Win in coordination and with the assistance of SCC will use reasonable commercial efforts to arrange all financing required to commence, carry out and complete the Development and if required, provide all guarantees. Funding of all ongoing costs of the Project not funded through the construction financing and incurred from an after the Closing Date (collectively the "**Project Costs**") will be the responsibility of Tri-Win.

5. Proposed Contracts/Due Diligence:

This Letter of Intent is conditional upon: (i) the parties completing the JV Agreement and Contracts and entering into same on or before August 18, 2014 (the “**Due Diligence Date**”); and (ii) Tri-Win completing its due diligence and satisfying itself with the results of same on or before the Due Diligence Date, as more particularly set out in the following paragraph. In the event that either: (i) the JV Agreement and Contracts are not completed and entered into by the Due Diligence Date; or (ii) Tri-Win is not satisfied with the results of its due diligence as set out in the following paragraph, then the provisions of this Letter of Intent shall be expired and terminated and of no force and effect whatsoever and neither party shall have any liability whatsoever to the other, excepting those matters expressed to continue beyond termination or expiry of this Letter of Intent. Upon termination or expiry of this Letter of Intent, all deposits paid by Tri-Win hereunder shall be returned forthwith to Tri-Win with interest and without deduction and the parties hereto hereby irrevocably authorize and direct Tri-Win’s legal counsel to make such payment.

From the date of mutual execution of this Letter of Intent until the Due Diligence Date, Tri-Win and its employees, agents and consultants shall entitled to conduct all investigations, examinations and other due diligence in respect of the Project that Tri-Win deems necessary in its sole and unfettered discretion, including without limitation, financial matters, construction matters, zoning and other governmental approvals, market studies, the existing of pre-sales, title, environmental and soil conditions and economic feasibility. 3ECD shall provide to Tri-Win all information, studies, reports, materials, approvals, and other documentation whatsoever in respect of the Project on or before July 23, 2014. In the event that Tri-Win is not satisfied in its sole and unfettered discretion with the results of any of the foregoing investigations and examinations, it may terminate this Letter of Intent by delivery of written notice to 3ECD or its solicitors on or before the Due Diligence Date. In the event no such written notice is delivered, Tri-Win shall be deemed not to be satisfied with the results of such investigations and examinations, whereupon this Letter of Intent shall be deemed to be null and void and of no further force or effect and neither party shall have any liability to the other and all deposits paid by Tri-Win hereunder shall forthwith be returned to Tri-Win with interest and without deduction. The condition in this paragraph is for the benefit of Tri-Win and may be waived by delivery of written notice to 3ECD or its solicitors on or before the Due Diligence Date.

6. Investment Interest/Return: It is anticipated that the interest of 3ECD and Tri-Win and the returns for the Joint Venture may be summarized as follows, and in the following priority:

- (a) all outstanding and unpaid Project Costs incurred from and after the Closing Date and in respect only of the period following the Closing Date will be paid;
- (b) all construction financing obtained by the Joint Venture will be re-paid;
- (c) all contributions to Project Costs and Prior Project Costs shall be repaid to Tri-Win;
- (d) repayment of the 3ECD Equity Contribution and the Tri-Win Equity Contribution (less Prior Project Costs in the case of Tri-Win) on a pari passu basis; and,
- (e) the Joint Venturers will share the remaining profits derived from the sales of the Project in proportion to their proportionate interests in the Joint Venture on a pari passu basis.

7. Conditions/Terms:

The JV Agreement shall, amongst other things as negotiated, incorporate the following terms and conditions which are for the benefit of both 3ECD and Tri-Win:

- (a) All Joint Venturers must be generally and reasonably acceptable to one another and must qualify to the reasonable satisfaction of 3ECD as accredited investors or otherwise as this investment is limited to specific persons having dealings with 3ECD and is neither generally open to the public or available to members of the public who do not qualify for appropriate exemption under Securities Commission requirements, and all Joint Venturers will, on request of 3ECD provide evidence of such qualification, provided that in the event Tri-Win is unable to provide such evidence, then this Letter of Intent shall be null and void and of no further force or effect and neither party shall have any liability hereunder.
- (b)
 - (i) all appropriate Court approvals to enable this transaction to proceed shall be obtained by July 18, 2014;
 - (ii) the approval of all of 3ECD's creditors is obtained on or before September 18, 2014; and
 - (iii) a court order (the "**Court Order**") vesting title in the Development Site and all Personal Property in favour of the Nominee, free and clear of all encumbrances and creditors' claims is obtained and all appeal periods have expired on or before November 28, 2014.

8. Confidentiality:

Except as may otherwise be required by law, neither party shall disclose neither the existence or substance of this Letter of Intent nor any of the information provided by 3ECD in connection with the development as proposed hereunder (other than to their confidential advisors and lenders or in otherwise enforcing the proposed contracts or this Letter of Intent), without the prior written consent of the other — this obligation shall be binding and shall survive termination or expiry of this Letter of Intent.

9. Exclusivity:

The parties agree that during the currency of this Letter of Intent, neither party will not solicit or entertain any other competing offers from third parties and shall in good faith and earnest co-operate with each other in entering in the completion of the JV Agreement and related contracts as contemplated herein.

10. Notice

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication (hereinafter referred to as a "Notice") to be given under or in connection with this Letter of Intent shall be in writing and shall be given by personal delivery, regular mail or by telecopier to the other party or its solicitors, as follows:

Tri-Win:

Tri-Win International Investment Group Inc.
170 Spadina Avenue, Toronto
M5T 2C2

Attention: Lucia Li
Fax: 416-486-3309

Tri-Win's Solicitors:

Owens, Wright LLP
20 Holly Street, Suite 300
Toronto, Ontario M4S 3B1

Attention: Mark Zwegers
Fax: 416-486-3309

3ECD:

#102, 615 - 3 Avenue S.W.
Calgary, Alberta
T2P 0G6

Fax: (403) 453 - 5353

3ECD's Solicitors:

Miller Thomson LLP
3000, 700 - 9th Avenue SW
Calgary, AB, Canada T2P 3V4

Attention: Jeffrey Selby
Fax: 403.262.0007

and any such Notice shall be deemed to have been received by such other party when delivered to it or transmitted by telecopier to it, or if mailed as aforesaid, on the third business day following the day on which it was mailed. Any party may change its address or fax number by delivering written notice of same to the other party.

The parties will negotiate the JV Agreement and Contracts in good faith, and shall maintain all information regarding this Letter of Intent, and the negotiations herein as confidential (subject to disclosure to the parties respective professional advisors and investors, who shall maintain the confidentiality hereof as well). Each party acknowledges and agrees that the information passing between the parties has significant value, and is subject to the proprietary interests of the party providing such information, and this acknowledgement shall survive the termination or expiry of this Letter of Intent.

This Letter of Intent may be executed and delivered by telecopier transmission and is open for your acceptance (by signing the enclosed copy as indicated below and returning same to the writer at our offices) no later than 6:00 PM MDT on July 14, 2014.

11:59

Handwritten initials/signature

3 EAU CLAIRE DEVELOPMENTS INC.

Per: *James Kang*
Name: James Kang
Title: A.S.O.

Accepted this 14 day of July, 2014

TRI-WIN INTERNATIONAL INVESTMENT GROUP INC.

Per: *Hongxia Jiang*
Name: *Hongxia Jiang*
Title: A.S.O.

Handwritten initials/signature

Schedule 10

**BOSA PROPERTIES (EAU CLAIRE) INC. PROPOSAL FOR DEVELOPMENT
AND CREDITOR REPAYMENT OF THE 3 EAU CLAIRE PROJECT**

BACKGROUND

- Without a major office tenant, the existing development approval before the City of Calgary (the "City") which contemplates two residential towers atop a retail and office podium is no longer economically viable.
- Bosa Properties (Eau Claire) Inc. ("Bosa") has redesigned the project to comprise two residential towers atop a much smaller retail podium, excluding the office portion (the "New Project"). The newly designed project fits squarely within the zoning and density already approved by the City and no new zoning approvals will be required. The building permit drawings must be revised and resubmitted to the City for approval.
- The time required to finalize the redesign of the New Project and obtain City approval for the newly designed development and building permits would be approximately six months from court approval of this transaction.
- Due to the major redesign of the New Project and the delay in commencement of the originally planned development, it is highly unlikely that any existing pre-sale contracts are enforceable against purchasers. The economic viability of the New Project will depend, in part, on the strength and velocity of new sales and the willingness of lenders to finance against the sales. It is doubtful that any lender would consider the existing sales valid or reliable for the purposes of financing any portion of the New Project or even the existing development.

NEW PROJECT

- The New Project proposed by Bosa comprises approximately 490,000 sq. ft. of residential condominium and rental units, being approximately 600 residential units and 25,000 sq. ft. of retail as a podium over an underground parkade.

IMMEDIATE STEPS

- Upon court approval of the Bosa proposal, the following would immediately occur:
 - Bosa would repay the first ranking mortgage in favour of Korea Exchange Bank of Canada ("KEB") and will take an assignment of the KEB mortgage position (or have it assigned to an affiliate of Bosa);
 - ownership in the subject property will be transferred to Bosa by way of a vesting order or the shares of 3 Eau Claire Developments Inc. ("3 Eau Claire") will be transferred to Bosa, discussed further below in connection with a gratuitous payment to the existing shareholders of 3 Eau Claire;
 - Bosa will pursue the New Project building permit with the City;
 - Bosa will pursue a commitment for construction financing for the New Project from a commercial lender;

- Bosa will commence marketing of the New Project to prospective condominium purchasers;
- Existing pre-sale contracts to purchase units in the former development proposed by 3 Eau Claire will be ordered terminated and the deposit holders will be directed by the Court to refund all deposits held back to the purchasers thereunder in full and final satisfaction of any claims of any purchasers.

GRATUITOUS PAYMENT TO SHAREHOLDERS OF 3 EAU CLAIRE

- Provided the shareholders of 3 Eau Claire are willing to transfer all of the issued and outstanding shares of 3 Eau Claire to Bosa as noted above, Bosa will pay, concurrently with the court order and the transfer of said shares to Bosa, a gratuitous payment of \$500,000 to the shareholders of 3 Eau Claire.

COMMERCIAL BUSINESS PLAN AS PART OF IMPLEMENTING PROPOSAL

- Once condominium unit sales are sufficient to support the development of the New Project, Bosa will finalize the proposed construction financing, obtain the building permit from the City and proceed with development of the New Project.
- Prior to drawing on the construction financing and commencing construction, Bosa may elect not to proceed with the New Project if, among other things, market conditions and pre-sales of condominium units do not support the economic model for the New Project. In that unlikely event, the creditors will revert to their previous position of debt and security, except that KEB will have no obligation to repay the funds advanced by Bosa and Bosa will have taken over that position. Similarly, in the event Bosa has obtained the shares of 3 Eau Claire, the shareholders will have no obligation to repay the sum received.
- Attached is Bosa's proforma budget of revenues and expenses for the development and sales of the New Project. Aggregate expenses to develop the New Project, including land costs based on Bosa's expenditures on the KEB mortgage and its own secured creditor position, are expected to be approximately \$218,000,000 with revenues of approximately \$258,000,00 showing a net profit, before distribution to any creditors, of \$40,000,000.
- Only a developer with sufficient expertise, capital backing and reputation will be capable of facilitating a development such as the New Project. In particular, Bosa brings the ability to secure very competitive financing given its parent company's ability to provide financial guarantees and the skill and expertise of Bosa's affiliated construction and development entities are well known in the industry. A construction program of this magnitude, roughly \$200,000,000 can only be carried out by a limited number of seasoned, professional developers of a certain size. Bosa's affiliation with the Bosa Group of Companies certainly places it within this very limited class of prospective developers.

BENEFITS TO CREDITORS

- Upon the successful completion of the New Project, budgeted sales are anticipated to well exceed the costs of the New Project and after retirement of the construction financing, payments will be made in the following priority:
 - (a) to Bosa or its affiliate mortgage holding entity to repay the amount of the KEB mortgage and, if applicable, the \$500,000 paid to the shareholders of 3 Eau Claire;
 - (b) \$2,000,000 to KDIC;
 - (c) \$8,500,000 *pari passu* to KDIC and Bosa (\$4,250,000 each);
 - (d) \$12,000,000 *pari passu* to KDIC, Bosa and the other creditors approved by the court, as set out below, as to \$5,000,000, \$5,000,000 and \$2,000,000 respectively;
 - (e) *pari passu* to KDIC and Bosa on a 50/50 basis until KDIC has received, in aggregate from all of the above distributions, \$25,000,000; and
 - (f) the balance, if any, to Bosa.
- In addition, given that there appear to be a number of smaller creditors who may wish to have an early recovery, Bosa will offer to pay the lesser of 20% and \$1,000 to all creditors with claims of \$10,000 or less upon approval of the proposal, all such claims to be assigned to Bosa or its affiliate.
- Based on the above priorities, by the time distributions in item (e) above are complete, creditors will have received \$36+ million, including the repayment of the KEB mortgage as acquired by Bosa, the payment of smaller creditor claims and the \$500,000 gratuitous payment to the 3 Eau Claire shareholders.
- Upon the completion of the distributions noted above the following creditors will receive the amounts set out as follows being the percentage of their total claimed amounts as set out in the table below:

Creditor	Amount Claimed	Amount Paid	Percentage Recovered
KEB*	\$8,500,000	\$8,500,000	100%
Computershare (KDIC)	\$26,680,000	\$25,000,000	93.70%
Other Creditors**	\$3,222,000	\$2,000,000	62.07%

* The KEB Mortgage may be closer to \$9,000,000 based on accrued interest and costs, but Bosa will pay 100% of the outstanding balance of the KEB Mortgage to obtain an assignment to Bosa or its affiliate once that balance is determined with certainty.

** Sherbrook Capital Inc., MMP Structural Engineers Ltd., PM Rec Holdings Inc. and the entire group of the unsecured creditors claiming, according to the Trustee's report, approximately \$1,800,000.

- Bosa does not propose to pay any amount to 1713744 Alberta Ltd. as we understand this represents 3 Eau Claire's original equity (or the equity of its shareholders) in the original project and as such, the amount should be fully subordinated. Further, repaid fair recovery is reflected in the proposed \$500,000 payment for the share transfer should such occur.

- Bosa would not propose to obtain any priority in respect of the distribution of proceeds on account of its registered mortgage of roughly \$4,700,000 that ranks ahead of a number of the Other Creditors, except as otherwise set out in the above distribution.

CLASSIFICATION OF CREDITORS

- While the precise structure for voting may change depending upon which position the related party, 1713744 Alberta Ltd. takes, the following is currently envisioned:

Class I – KEB

Class II – Computershare (KDIC)

Class III – All other creditors excluding 1713744 Alberta Ltd., (Bosa agrees to subordinate its claims as set out above).

TIMELINE

- The development program and timing for the New Project would be as follows from the date of Court approval of this Proposal:

Time from Milestone	Time From Court Approval of Proposal	Action
+6 months from Court Approval	+6 months	Finalize revised plans and obtain building City approvals in principal to building permit for the New Project;
+9 months from revised plans/City approvals	+15 months	Marketing and securing pre-construction condominium sales (pre-sales)
+3 years from commencement of pre-sales	+51 months (4 years, 3 months)	Construction and delivery of the New Project
+3 months from delivery of New Project	+54 months (4 years, 6 months)	Cash distributions to all creditors after sales of the condominiums are complete and cash flow is realized

BOSA'S STRENGTHS

- Affiliates of Bosa within the Bosa Group of Companies, including Axiom Builders Inc., its construction company, have a tremendous amount of experience and expertise. They have successfully completed projects over the last ten years with construction budgets in excess of \$2 Billion, including:

(a) Projects in Calgary with budgets in excess of \$160 Million:

(i) The Drake, a concrete residential high-rise on 7th Street, S.W.;

- (ii) The Guardian Towers, residential high-rises on 11th Street, S.E.; and
- (b) Projects for their own and account and on behalf of other reputable real estate developers including Concert Properties, Intracorp, Wesgroup and Grosvenor.

- Bosa has demonstrated its ability to obtain financing for, and improve the design and economics of, the existing project. The ability to secure market financing for a project of this magnitude is enjoyed only by a limited class of developers and entities with covenants sufficient to satisfy market lenders. 3 Eau Claire, even before the bankruptcy proceeding, lacked the expertise and creditworthiness to satisfy lender requirements for construction financing necessary to carry out the development.
- Bosa's intimate knowledge with the site and the market eliminates the due diligence risk of a new proponent and increases the likelihood of the New Project proceeding in the most timely and economical manner which will ultimately benefit the creditors.

Finally, it is important to note that Bosa has previous experience with financing and ultimately completing distressed projects. In 2009, an affiliate of Bosa Properties was instrumental in supporting and ultimately completing the Jameson House Project, a 36 storey, mixed-use high-rise development project in downtown Vancouver with a development value of \$180 million through a ground-breaking restructuring under the *Companies' Creditors Arrangement Act*. When the Bosa Properties affiliate came on the scene, the project had no construction financing and over \$50MM in creditor claims. The Bosa Group brought both creativity and experience and the Plan of Arrangement was ultimately passed and repaying the majority of secured and unsecured creditors on the project. Creditor realization of approximately 97% was achieved.

Mixed Use - Condo/Rental/Commercial

	Original Budget	Previous Budget	Current Budget	Variance	Costs to Date
	08-Jul-14				

July-28-14

PROJECT INCOME					
Residential - Condo					\$ 151,937,500
Residential - Rental					\$ 93,368,636
Retail					\$ 13,227,273
Total Income					\$ 258,533,409

PROJECT COSTS					
Land Costs					
Land Cost					\$ 14,200,000
PTT				28	\$ 5,780
					\$ 14,205,780

Construction Costs					
Construction Budget					\$ 154,087,534
Construction Contingency					\$ 3,852,188
					\$ 157,939,723

Soft Costs					
	Units	Unit Rate			
Land Mitigation & Servicing					
Offsite Servicing	1	\$ 1,600,000			\$ 1,600,000
City Eng Fees	1	50,000			50,000
Telus	1	35,000			35,000
Atco Gas	1	50,000			50,000
Cable	1	35,000			35,000
Offsite Misc	1	100,000			100,000
Other	-	-			-
Other	-	-			-
Other	-	-			-
Public Art	-	-			-
Other	-	-			-
					\$ 1,870,000

Professional Fees					
Misc Consultants	\$ 157,939,723	5.00%			\$ 7,900,000
					\$ 7,900,000

Development & Misc					
Predevelop	1	-			-
Land Carrying	1	-			-
Rezoning App	1	20,000			20,000
Subdivision Application	604	315			190,124
Dev Permit	1	490,000			490,000
+15 Contribution	1	750,000			750,000
Parking Cash In Lieu	-	40,000			-
Building Permit	1	1,400,000			1,400,000
Strata Survey	1	150,000			150,000
Condominium Certificate	1	25,000			25,000
Building Signage	1	60,000			60,000
Amenity Furnishings/Art	1	300,000			300,000
Airspace Subdivision	1	300,000			300,000
Road Closure App	1	-			-
Servicing Agreement	1	75,000			75,000
					\$ 3,760,124

Legal Fees					
General	1	\$ 300,000			\$ 300,000
Disclosure Statem	1	30,000			30,000
Unit Closings	322	650			210,000
Purchaser Defaults	-	-			-
					\$ 540,000
Strata Survey	604	\$ 300.00			\$ 190,000
Insurance	\$ 157,939,723	0.5%			\$ 790,000

Customer Service					
New Home Warranty	322	\$ 500.00			\$ 161,207
Manual & Tool Boxes	322	75.00			24,181
Customer Service	322	1,900.00			612,588
Homeowner Protection	322	775.00			249,871
					\$ 1,047,845

Administration					
Property Taxes During Constr	1	\$ 2,330,000			\$ 2,330,000
Dev Mgmt Fee	154,087,534	1.50%			2,000,000
Post Completion Costs, UII	1	50,000			50,000
					\$ 4,380,000

Financing Costs					
Interest During Construction			4.50%		\$ 11,700,000
Loan Placement Fee	\$ 184,935,503	0.50%			924,678
Appraisals	1	6,000			6,000
Legal Fees	1	50,000			50,000
Bank Charges	1	7,000			7,000
Discharge fees	604	150			100,000
Guarantee Fee	\$ 183,465,503	1.50%			2,700,000
Letters of Credit	1	10,000			10,000
Subtotal					\$ 3,797,678
Total Financing					\$ 15,497,678

Marketing & Sales					
	\$ 151,937,500	5.00%			\$ 7,600,000
					\$ 7,600,000

Commercial Lease up					
Marketing	1	\$ 300,000			\$ 300,000
TI Allowance	25,000	\$ 40.00			1,000,000
GST on Asset	\$ 93,368,636	3.20%			\$ 3,000,000
					\$ 4,300,000

Subtotal Soft Costs					
					\$ 29,977,969
Contingency		5.00%			\$ 1,470,000
Total Soft Costs & Other					\$ 30,847,969

TOTAL PROJECT COSTS					
					\$ 218,491,149

PROJECT PROFIT					
					\$ 40,042,260

% of Cost 18.33%

PROJECT STATISTICS/ASSUMPTIONS

Component	Gross Area	Net Area	Efficiency	Units	Parking	Avg Unit Size
Site	82,592					
Residential	275,000	233,750	85%	322	322	725
Rental	215,000	182,750	85%	281	183	650
COM	25,000	25,000	100%		50	
Total Project	515,000	441,500			604	555
RES FSR	15.03					
COM FSR	0.77					
Total FSR	15.80					

PROJECT REVENUES, COSTS, PROFIT

PROJECT REVENUE & VALUATION

Component Revenue (NOI)	Net Area	Rate	Subtotal	Vac & Other Deduct
Residential Condo	233,750	\$ 650.00	\$ 151,937,500	\$ 151,937,500
Residential Rental	182,750	\$ 511	\$ 93,368,636	\$ 93,368,636
CRU	25,000	\$ 30.00	\$ 750,000	
Less:			\$ 750,000	
Struct. & Vac.		3%	\$ 22,500	
		NOI	\$ 727,500	
Cap Rate		5.50%	\$ 13,227,273	
T.I.		\$ 40.00	1,000,000	
Total				\$ 258,533,409

ESTIMATED CONSTRUCTION COSTS

	Units	Rate		
Demolition	1	\$		\$ -
Parking	555	\$ 46,000.00		\$ 25,537,534
Residential - Condo	275,000	\$ 261		\$ 71,775,000
Residential - Rental	215,000	\$ 240		\$ 51,600,000
CRU	25,000	\$ 207		\$ 5,175,000
		Subtotal Construction		\$ 154,087,534
		Environmental		\$ -
		Subtotal Construction		\$ 154,087,534
			2.50%	\$ 3,852,188
Total Construction Cost				\$ 157,939,723

\$ 306.68

Schedule 11

July 28, 2014

Mr James Park,
Director
3 Eau Claire Developments Inc

Dear Sir:

Re: Proposed development of 633 - 3rd Avenue SW, Calgary, Alberta through a Joint Venture

We are writing to you to establish the general terms upon which certain agreements (the “**Contracts**”) will be negotiated and finalized between certain corporate entities incorporated by 3 Eau Claire Developments Inc. or its principals (“**3ECD**”), as promoter and joint venture participant, and Concord Pacific Investments Inc. (“**Concord Pacific**”), as a joint venture partner, (and being referred to as “**Joint Venturer**” in the singular and “**Joint Venturers**” in plural) in respect to the proposed high-rise mixed use, commercial residential development (the “**Project**”) at 633 - 3rd Avenue SW, Calgary, Alberta (the “**Development Site**”).

Under the proposed Contracts, 3ECD and Concord Pacific will form a joint venture whereunder the estimated capitalization of the Joint Venture will be made in accordance with Section 2 below, and by third party financing.

Free and clear title to the property comprising the Development Site will be transferred by 3ECD to a corporation as bare trustee (the “**Nominee**”), the shareholding of the Nominee will be held 85% by **Concord Pacific** and 15% by 3ECD. Management of the Joint Venture will occur through the Board of Directors of the Nominee (meeting concurrently as a Board of Directors of the Nominee and as the management committees of the Joint Venture). Concord Pacific will have a majority of the members of the Board of Directors for the Nominee.

1. Intent of Development: 3ECD and Concord Pacific wish to develop the Project as a concrete high rise, mixed use project with a commercial component comprised of 12 stories, and a residential condominium component of approximately 450 units, and approximately 7 levels of underground vehicular parking. The number of residential units is subject to change in the discretion of the Joint Venturers and the final Project is to be mutually determined, finalized, and approved by the Joint Venturers. Specific rents on the commercial portion (and any sales price) and the residential unit prices will be determined considering bona fide market conditions after consultation with professional advisors taking into consideration properties, locations and available amenities.

2. Investment of 3ECD:

. All plans and specifications and development work of the proposed development will be assigned to the Joint Venture.

3ECD will also contribute the Development Site (agreed to having a value of \$35,000,000) at a representative value of \$10,000,000 for the purposes of the 3ECD investment. It is anticipated that 3ECD will be paid \$25,000,000 for the Development Site on funding of the Joint Venture. The 3ECD contribution will constitute a 15% retained interest in the Project.

3ECD will be responsible for its own costs relating to the existing judicial proceedings and to secure Court approval of this transaction, and its costs relating to the Contracts, but all other Project Costs will be funded as Project Costs.

3. Investment of Concord Pacific:

The Concord Pacific will invest \$25,000,000.00 (representing a 85% interest in the Joint Venture) as initial capital investment to the Joint Venture payable as follows:

- (a) \$250,000.00 by July 29, 2014, payable on execution of this Letter of Intent will be held in Concord Pacific's legal counsel's trust account (and considered a non-refundable deposit upon signing of the Joint Venture Agreement subject only to Condition 7(b)(i) and 7(b)(ii) below), to be released to 3ECD upon satisfaction of Condition 7(b)(ii) below;
- (b) \$2,250,000.00 within three business days after signing of JV Agreement as further deposit will be held in Concord Pacific's legal counsel's trust account, to be released to 3ECD upon satisfaction of the condition in paragraph 7(b)(ii) below; and
- (c) \$22,500,000.00 on satisfaction of Condition 7(b)(ii) to be released in accordance with the contracts and the terms of any Court Order arising in respect of Condition 7(b)(ii), below.

4. Project Financing:

Concord Pacific will arrange all financing required to commence, carry out and complete the Development, and if required, provide all guarantees. Funding of all ongoing costs of the Project will be the responsibility of, and in the sole discretion of, Concord Pacific. To the extent Concord Pacific contributes cash because third party financing is not available, it will be by way of debt with 3 ECD having the right to participate pro rata.

Insert Rider as new paragraph: Partners Initial Contribution

Partners Initial Contribution will be \$35 million. 3ECD's Initial Contribution will be deemed to be \$10 million. Concord Pacific's Initial Contribution will be cash of \$25 million

5. Proposed Contracts/Due Diligence:

The parties shall have until August 29, 2014 (the "**Due Diligence Date**") to complete documentation and enter into the JV Agreement and any other agreements as may be reasonably determined necessary by the parties and Concord Pacific shall have until the Due Diligence Date to complete and satisfy itself with the results of its due diligence as more particularly set out in the following paragraph, failing either of which, the provisions of this Letter of Intent shall be considered expired and terminated and of no force and effect whatsoever and neither party shall have any liability whatsoever to the other, excepting those matters expressed to continue beyond termination or expiry of this Letter of Intent. Upon termination or expiry of this Letter of Intent, all deposits paid by Concord Pacific hereunder shall be returned forthwith to Concord Pacific without deduction and the parties hereto hereby irrevocably authorize and direct Concord Pacific's legal counsel to make such payment.

From the date of mutual execution of this Letter of Intent until the Due Diligence Date, Concord Pacific and its employees, agents and consultants shall conduct all investigations, examinations and other due diligence in respect of the Project that Concord Pacific deems necessary in its sole and unfettered discretion, including without limitation, financial matters, construction matters, zoning and other governmental approvals, market studies, the existing of pre-sales, title, environmental and soil conditions and economic feasibility. 3ECD shall provide to Concord Pacific all information, studies, reports, materials, approvals, and other documentation whatsoever in respect of the Project on or before July 31, 2014.

6. Investment Interest/Return: It is anticipated that the interest of 3ECD and the Concord Pacific and the returns for the Venture may be summarized as follows, and in the following priority:

- (a) all outstanding and unpaid Project Costs incurred after the date of the Joint Venture will be paid;
- (b) all construction financing will be paid;
- (c) all contributions to Project Costs incurred after the date of the Joint Venture and not funded by construction financing will be paid;
- (d) Return of Partners Initial Contribution on a proportionate and pari passu basis; and,
- (e) the Joint Venturers will share the resultant profits derived from the sales of the Project in proportion to their proportionate interests in the Joint Venture on a pari passu basis (85:15).

7. Conditions/Terms: The Contract shall, amongst other things as negotiated, incorporate the following terms and conditions:

- (a) All Joint Venturers must be generally and reasonably acceptable to one another and must qualify to the reasonable satisfaction of 3ECD as accredited investors or otherwise as this investment is limited to specific persons having dealings with 3ECD and is neither generally open to the public or available to members of the public who do not qualify for appropriate exemption under Securities Commission requirements, and all Joint Venturers will, on request of 3ECD provide evidence of such qualification.
- (b)
 - (i) 3ECD shall have until July 31, 2014, to secure appropriate Court approvals as determined necessary by 3ECD's solicitors to enable this transaction to proceed; and,
 - (ii) 3ECD shall have until October 6, 2014 to otherwise secure approval of its proposal to its creditors as may be reasonably determined necessary by 3ECD's solicitors.

8. Confidentiality:

Except as may otherwise be required by law, neither party shall disclose neither the existence or substance of this Letter of Intent nor any of the information provided by 3ECD in connection with the development as proposed hereunder (other than to their confidential advisors and lenders or in otherwise enforcing the Contracts or this Letter of Intent), without the prior written consent of the other — this obligation shall be binding and shall survive termination or expiry of this Letter of Intent.

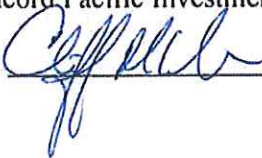
9. Exclusivity:

The parties agree that during the currency of this Letter of Intent, neither party will not solicit or entertain any other competing offers from third parties and shall in good faith and earnest co-operate with each other in entering in the completion of the Contracts as contemplated herein.

The parties will negotiate the Contract in good faith, and shall maintain all information regarding this letter, and the negotiations herein as confidential (subject to disclosure to the parties respective professional advisors and investors, who shall maintain the confidentiality hereof as well). Each party acknowledges and agrees that the information passing between the parties has significant value, and is subject to the proprietary interests of the party providing such information, and this acknowledgement shall survive the termination or expiry of this Confidential Term Sheet.

This LOI is open for your acceptance (by signing the enclosed copy as indicated below and returning same to the writer at our offices) no later than 5:00 PM MDT on July 28, 2014. _____

Concord Pacific Investments Inc.

Per: 

Date: July 28, 2014

3 Eau Claire Developments Inc.

Per: 

Date: July 28, 2014

Schedule 12

MARKET VISION REAL ESTATE STRATEGIES INC.

Tuesday July 29, 2014

Dear Mr. Mannas,

We are pleased to submit our Offer to Purchase the property known as 3 Eau Claire, in downtown Calgary.

Attached: Signed Offer to Purchase
 Signed Brokerage Remuneration Agreement
 Letter Abler Finance

Based on recent events, we felt it prudent to inform all other parties to this negotiation of the existence of this new Offer to Purchase. Please insure this document is delivered to the Partners of 3 Eau Claire Developments Inc.

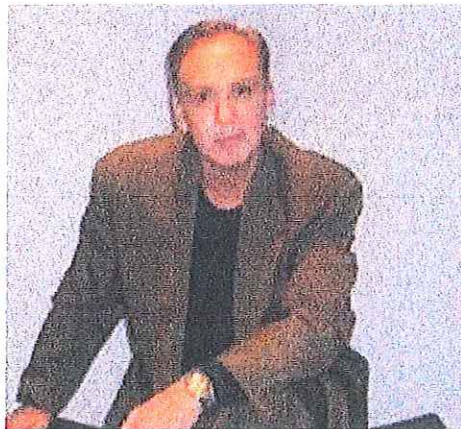
Best Regards,

C.Z. Lamoureux

Cody Z. Lamoureux

President & C.E.O.
Market Vision Real Estate Strategies Inc.
marketvision@shaw.ca
Business: 403-250-1711

CODY Z. LAMOUREUX



MARKET VISION REAL ESTATE STRATEGIES INC.

OFFER TO PURCHASE

MARKET VISION REAL ESTATE STRATEGIES INC. OR ASSIGNEES OR NOMINEES ("Buyer") represented by FRANCESCA SERAFINI of REAL ESTATE PROFESSIONALS INC. (the Real Estate Agent for the Buyer) hereby offers to purchase from 3 EAU CLAIRE DEVELOPMENTS INC. ("Seller") represented by WALSH MANNAS of AVISON YOUNG REAL ESTATE ALBERTA INC. (the Real Estate Broker for the Seller) the lands, which are located municipally at 633 - 3RD Avenue SW, Calgary, Alberta; and legally described as:

**Plan A1
Block 14
Lots 1 - 10 INCLUSIVE
(The Property)**

The Property will include the lands, all buildings, fixtures and improvements located thereon and all chattels, equipment inventories and supplies located on the Property and owned by the Seller.

1. PRICE

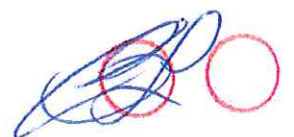
The Purchase Price shall be **FOURTY TWO MILLION (\$42,000,000.00) DOLLARS** payable as follows:

\$ 250,000.00 First Deposit to be paid to the Buyers Solicitor within four (4) Business Days of the Effective Date and Final Acceptance of this Offer to Purchase and to be held in an interest bearing trust account until completion date; interest to be credited to the Buyer on closing. This First Deposit shall be transferred to the Sellers Solicitor upon removal of all the Conditions Precedent contained in paragraph 4 of this Offer to Purchase.

\$ 750,000.00 Second Deposit to be paid, to the Sellers Solicitor, together with the removal of Conditions Precedent contained in this Offer to Purchase, and to be held in an interest bearing trust account pending closing; interest to be credited to the Buyer on closing. The Buyer reserves the right to register a Caveat on Title to secure deposit monies, pending final closing.

\$ 41,000,000.00 By way of Cash and/or mortgage proceeds on closing.

\$ 42,000,000.00 PURCHASE PRICE



2. CLOSING

The date of Possession and Closing shall be October 31, 2014 at 12:00 noon (hereinafter referred to as the "Closing Date"), upon which date all taxes, utilities, interest, tenant and pre-sale deposits plus interest prepaid rent, rent and all other incomings and outgoings with respect to the Property shall be adjusted between the Buyer and the Seller. Transfers are to be prepared at the expense of the Seller. Registration of the documents at the Land Titles Office is to be at the expense of the Buyer. The Buyer shall have the option of an earlier possession and Closing Date.

3. TITLE

Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

4. CONDITION PRECEDENT - THE PURCHASER

This Offer to Purchase is subject to the following Conditions Precedents that are for the sole benefit of the Buyer and may be removed at the sole discretion of the Buyer.

FIRST: Purchaser's inspection of and satisfaction with the Property in its entirety on or before **August 15, 2014.**

SECOND: Purchaser shall have conducted and be satisfied, in its sole discretion, with its review and the results of any investigations, studies, reports, reviews, searches, audits, inspections, tests, inquiries, analyses, of or with respect to the existing property including, without limitation, with respect to the Leases, Documents, Permitted Encumbrances, title, land-use, zoning, development, building or other permits, agreements or laws affecting the Property, area and boundaries of the Property, soil, and environmental matters and the state, condition, repair, suitability, availability or terms and conditions of any of the forgoing and the feasibility and suitability of the Property for the Buyers intended use on or before **September 30, 2014.**

THIRD: The purchase price will include all work in place to date with regard to the proposed development of the existing site. This will include, but not be limited to, all architectural, landscaping, engineering and any other consultant drawings. All site surveys. All permit applications, permits issued and all correspondence issued both to and from all authorities having jurisdiction. All reports completed by architects, engineers, consultants including geotechnical, environmental, civil, mechanical, electrical, acoustical as well as any traffic, building envelope and building code studies. All pre-sale contracts and client information. All models, renderings or marketing materials available as well as construction quotations from contractors and / or suppliers. The Seller hereby warrants that the above information and all accounts payable for all work in place to date have been paid in full and that there are no contracts that must be assumed by the Buyer, on or before **September 30, 2014.**



The Purchaser may, at its sole discretion, remove these Conditions Precedent in writing on or before the above noted times, failing which, this Offer to Purchase shall be null and void and be no further force or effect and the First and Second Deposit plus interest, if any, herein shall be returned and released to the Purchaser without delay.

5. FAILURE TO COMPLETE

If this Offer to Purchase is accepted within the time herein limited for acceptance, and all the aforesaid Conditions Precedent are satisfied or waived in writing, and provided the Seller satisfies all its obligations under this Offer To Purchase document, and the Buyer subsequently fails to complete the purchase of the Property pursuant to the terms and conditions contained herein, then the First and Second Deposit of **ONE MILLION (\$1,000,000.00) DOLLARS** shall be forfeited to the Seller and agreed as sole liquidated damages and the Buyer shall have no interest in the Property and will discharge any Caveat it may have filed against the title of the Property pursuant to this Offer To Purchase and the Seller and Buyer shall have no further claims against each other whatsoever.

If this Offer To Purchase is accepted within the time herein limited for acceptance, and all the aforesaid Conditions Precedent are removed in writing, and provided the Buyer satisfies all its obligations under this Offer To Purchase and the Seller fails to complete the sale of the Property pursuant to the terms and conditions contained herein, then the First and Second deposits together with interest shall be returned and released to the Buyer. If the Seller fails or refuses to complete the Contract according to its terms, then the other party may pursue all available remedies. The Buyer's remedies include claiming additional damages and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

6. CANADIAN RESIDENT

The Seller and Purchaser warrant that they are residents of Canada for all of the purposes under the Income Tax Act (Canada) and are G.S.T. registrants. The Buyer will make the appropriate filings as required by the Excise Tax Act (Canada).

The Seller agrees that if the Buyer is registered under the Excise Tax Act for the collection and remittance of Goods and Services Tax that it will accept on closing the Buyer as agreement in writing to be liable, to self-access and to remit to the appropriate government authority all GST which is payable in connection with the transfer of this Property made pursuant to this Agreement of Purchase and Sale or if so requested by the Buyers, to jointly elect to have the assets sold under this Agreement supplied with no tax payable.

7. PROPERTY INFORMATION AND ACCESS

The Seller shall, within five (15) business days of Acceptance of this Offer to Purchase, provide to the Buyer copies of all due diligence information specified in Section 4 Conditions Precedent of this Offer to Purchase. The Seller shall provide the information and any other information that is reasonably requested by the Buyer, if that information is in the possession of the Seller.

8. SELLERS REPRESENTATIONS AND WARRANTIES

The Seller, to the best of its knowledge, represents that:

Handwritten signature in blue ink and a red circular stamp or seal.

a) Between the date of acceptance of this Offer to Purchase and the Closing Date the Seller shall continue to operate and rent the Property as a prudent Landlord and in the best interests of a prudent Landlord.

b) To the best of the Sellers knowledge, as at the date of acceptance of this Offer to Purchase, the Seller is not aware of any non-compliance with all laws, bylaws and regulations, whether federal, provincial, municipal or otherwise, as it relates to the Property.

c) To the best of the Sellers knowledge it has not at any time received any work order or other notice of deficiency from the City of Calgary or any other agency thereof or from any other governmental authority where under the Seller is required to cure, repair or rectify any breach or non-compliance of the Property or any use thereof with any applicable statute, bylaws, regulations, ordinance or order, which has not been cured, repaired, rectified or which will otherwise remain outstanding at the Closing Date.

d) Between the date of acceptance of this Offer to Purchase and the Closing Date, the Seller will not enter into any material agreements extended beyond the Closing Date regarding the Property, except month-to-month tenancies, without the written consent of the Buyer, such consent not to be unreasonably withheld.

e) To the best of the Sellers knowledge, the Property has never been used as a gasoline station, or for the storage of any gasoline, oil, toxic substances or hazardous waste.

f) To the Sellers reasonable knowledge, the Property is in compliance with all applicable building codes, fire codes and municipal regulations and ordinances.

g) The Seller confirms that any current Management Contract will terminate on the Closing Date.

9. ADDITIONAL TERMS

Term: The obligations of 3 Eau Claire Development Inc. under this Agreement are subject to the authorization of the Court of Queen's Bench of Alberta to the proposed sale/disposition contemplated herein.

Term: Once the Offer to Purchase becomes firm with a One Million (\$1,000,000.00) Dollar Non-Refundable Deposit, the Seller will allow for a maximum thirty (30) day extension on the Closing Date, if required.

Term: After removal of Conditions Precedent, at the Buyers option, the Seller will attempt to provide or assign the existing lease space (Sale Centre and Business Offices) to the Buyer, in the existing building directly east of the property.

10. INSURANCE

The Property, at any time after acceptance shall remain at the risk and liability of the Seller until the completion of the Closing and the Seller shall maintain at its expense all insurance thereon or in respect of the same until the completion of the Closing. In the event of damages exceeding \$100,000.00 to the Property prior to Closing, the Buyer may elect to either take the insurance proceeds and complete the transaction or terminate the Offer To Purchase and the Deposits made, plus interest if any, by the Buyer shall be returned to the Buyer without delay.



11. CLOSING DOCUMENTATION

Fifteen (15) business days prior to Closing, the Seller agrees to deliver to the Buyers solicitors, in addition to any other closing documentation;

- a) Transfers in registerable form on the Property;
- b) The leases and other agreements and contracts;
- c) All existing pre-sale deposits or prepaid rents, plus accrued interest;
- d) A single assignment directed to the Buyer by the Seller, of each individual lease of space on the Property. The Buyer shall deliver a covenant to assume the Sellers obligations under the assigned leases from the Closing Date and to indemnify and save the Seller harmless with respect thereto. The Seller shall deliver a covenant to indemnify and save harmless the Buyer in respect of the Sellers obligations under the assigned leases prior to the Closing Date;
- e) A written direction from the Seller to the Lessee of the Property directing such tenant to pay all future rentals to the Buyer, or as the Buyer may direct in advising the tenant of the change of ownership;
- f) A bill of sale in registerable form for all chattels and assets (to be free and clear of all encumbrances), other than real property being acquired hereunder and those registered in favor of a financial institution as security pursuant to the first mortgage. The Seller to provide a list identifying all appliances, chattels and assets;
- g) A statement of adjustments accompanied by an undertaking by the Seller to readjust any errors, omissions or changes in the Statement Of Adjustments, together with an undertaking to turn over to the Buyer all rents received after the Closing Date which are the property of the Buyer; the Buyer shall deliver a corresponding undertaking to the Seller;
- h) All duplicate keys and master keys in its possession to sales offices and facilities on or off the Property, with regard to the 3 Eau Claire business and marketing processes,
- i) Adjustment for real estate property taxes.

12. NOTIFICATION

Notification by facsimile transmission is acceptable.

All notices to be given to the Seller at:

Attention: **Walsh Mannas
Avison YoungReal Estate
Alberta Inc.**

Address: **Suite 309, 401 - 9th Avenue SW
Calgary, Alberta**

All notices to be given to the Buyer at:

Attention: **Francesca Serafini
Real Estate Professionals Inc.**

Address: **#100, 5810 – 2nd Street SW
Calgary, Alberta T2H 0H2**



Direct: (403) 232-4381

Telephone: (403) 703-8685

Facsimile: (403) 262-3325

Facsimile: (403) 476-7696

Email: walsh.mannas@avisonyoung.com

Email: serafini@telus.net

13. SELLER AND BUYER AGREE THAT:

a) Time shall be of the essence.

b) This Offer to Purchase shall ensure to the benefit of and be binding upon the heirs, executors, administrators, and assigns of the parties hereto.

c) The obligations and representations of all parties hereunder are deemed to be made again on the Closing Date and shall continue in full force and effect and shall not be deemed to be merged in any conveyance or conveyances to be given to the Seller for a period of eight months after closing.

d) This Offer to Purchase constitutes the entire agreement between the Seller and the Buyer and there are no representations, warranties, collateral agreements or conditions affecting the Property or the Agreement of Purchase and Sale arising out of acceptance of this Offer, other than as are set forth herein.

e) This Offer to Purchase shall be governed by the laws of the Province Of Alberta.

14. NOMINATION OF CORPORATION

The Seller acknowledges that the Buyer may choose to assign the Offer to Purchase or incorporate a new corporation for the purposes of completing this transaction and acquiring title to the Property and if the Buyer chooses to do so, this agreement shall be deemed to have been amended to insert the name of the assignee or corporation as Buyer, the new corporation shall be deemed to be the Buyer for all purposes relating to this agreement and the transaction contemplated herein and Market Vision Real Estate Strategies Inc. shall have no further liability or obligations whatsoever hereunder.

15. SECURITY FOR BROKERAGE RENUMERATION

In consideration of Real Estate Professionals Inc. agreeing to act as the Buyer's Agent in the sale of the aforementioned property from **3 Eau Claire Developments Inc.** to **Market Vision Real Estate Strategies Inc.**, we the Seller agree to pay Francesca Serafini of Real Estate Professionals Inc. a commission equal to 1.5% of the gross sale price of the above described property, plus applicable G.S.T. The attached Commission Agreement is to be signed by the Seller and the Buyer, forming a part of this contract.

The Seller does hereby irrevocably assign to the Selling Agents Brokerage enough of the Purchase Price to pay all sums due and owing to the Selling Agents Brokerage, and agrees to pay any unpaid balance of the Commission to the Selling Agents Brokerage upon possession and closing.



16. DISCLOSURE

The Seller acknowledges that one or more of the parties to this Agreement is a licensed Real Estate Agent in the Province of Alberta, and is buying the property for the sole purpose of speculation and may develop, sell now or in the near future for a profit.

17. ADVICE

a) This Contract is intended to create binding legal obligations. The Seller and Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.

b) This Contract may be signed and sent by either **Facsimile** or **Email** and this procedure will be as effective as signing and delivering an original copy.

18. CONFIDENTIALITY

Both the Seller and the Buyer shall use reasonable efforts to keep confidential, and to ensure that its advisors and employees keep confidential all matters pertaining to this agreement. The Buyer shall not use any of the project documentation for any purpose not related to the current negotiations and Offer to Purchase.

19. ACCEPTANCE

This Offer/Counter Offer to Purchase is open for acceptance until **5:00 p.m.** (Calgary Time) on the **1st** Day of **August, 2014.**


DATED BY THE BUYER as of this 29th day of July, 2014 in the City of Calgary, Province of Alberta.

THE "BUYER"

MARKET VISION REAL ESTATE STRATEGIES INC.



**Cody Z. Lamoureux
Authorized Signatory For
Market Vision Real Estate Strategies Inc.**



Witness

DATED BY THE SELLER as of this ____ day of July, 2014, in the City of Calgary, Province of Alberta.

THE "SELLER"

3 EAU CLAIRE DEVELOPMENTS INC.

Authorized Signatory

3 EAU CLAIRE DEVELOPMENTS INC.

Witness

Authorized Signatory

3 EAU CLAIRE DEVELOPMENTS INC.

Witness

FINAL SIGNING

Final signing of this contract occurred at ____ a.m. / p.m. on July ____, 2014.

Initials of the person who signed last. _____

CONVEYANCING

Buyers Lawyer:	Mr. Clive Llewellyn at Llewellyn Law
Lawyer's Address:	2440 Kensington Rd. NW
	Calgary, AB T2N 3S1
Lawyer's Telephone:	403-457-1550
Lawyer's Facsimile:	403-457-1552
Legal Assistant:	Zarmeen Zubair (403-453-0512) zzubair@llewellynllp.com

Sellers Lawyer:	_____
Lawyer's Address:	_____
Lawyer's Telephone:	_____
Lawyer's Facsimile:	_____

