

COURT FILE NUMBER 25-1859192  
ESTATE NO. 25-1859192  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY  
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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

DOCUMENT **FOURTH AFFIDAVIT OF ANDREW SEONG-JIN LEE**

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

Nicole T. Taylor-Smith  
Telephone: 403.298.2401  
Fax: 403.262.0007  
E-mail: [ntaylor-smith@millertomson.com](mailto:ntaylor-smith@millertomson.com)

File No.: 190822.0003

**FOURTH AFFIDAVIT OF ANDREW SEONG-JIN LEE**

**Sworn on July 30, 2014**

I, ANDREW SEONG-JIN LEE, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the Project Administrator and Jr. Project Manager of 3 Eau Claire Developments Inc. ("**3 Eau Claire**") and, as such, have personal knowledge of the facts and matters hereinafter deposed to except where stated to be based upon information and belief, and where so stated, I verily believe the same to be true. I am authorized to swear this Affidavit on behalf of 3 Eau Claire.
2. I make this Affidavit supplemental to my Third Affidavit sworn and filed on July 15, 2014 (the "**Third Lee Affidavit**"), to provide an update as to developments in this matter since

the Third Lee Affidavit was sworn and to respond to the cross-application filed on behalf of Bosa Properties (Eau Claire) Inc. ("**Bosa**").

3. All capitalized terms not otherwise defined herein, shall have the same meanings as are ascribed thereto in the Third Lee Affidavit.

#### DEVELOPMENTS SINCE THE LAST APPLICATION WAS ADJOURNED

4. After the application on July 16, 2014, was adjourned and the short extension granted, some of the deadlines in the Letter of Intent that 3 Eau Claire had executed with the confidential JV Partner ("**Confidential JV Partner**") needed to be extended to take into account the adjournment period.
5. Discussions between the principals of the Confidential JV Partner and 3 Eau Claire lead 3 Eau Claire to believe that the deadlines would be extended however the method by which the deadlines would be extended was not determined. I am advised by our real estate counsel, Jeffrey Selby, and do verily believe that he advised the lawyer for the Confidential JV Partner that in his view the deadlines could be extended informally through an email exchange or formally by letter agreement. The lawyer for the Confidential JV Partner took the position that the LOI had died according to its terms and that a new LOI would need to be executed. Through the week of July 21 the issue of the method to use to extend the deadlines in the LOI remain undetermined.
6. In the meantime late last week, 3 Eau Claire was contacted by Concord Pacific Developments Inc. ("**Concord Pacific**"). 3 Eau Claire had spoken to Concord Pacific about the Project in April but had not heard from Concord Pacific since. Concord Pacific enquired as to whether it was still possible to participate in the Project.
7. Given the status of the LOI with the Confidential JV Partner and the prominence of Concord Pacific, 3 Eau Claire met and had discussions with Concord Pacific late last week and over the weekend.
8. On Monday afternoon, the lawyer for the Confidential JV Partner provided 3 Eau Claire's counsel with a draft revised LOI.
9. Although, 3 Eau Claire had been confident in the Confidential JV Partner's ability to complete the Project, there were some communication difficulties in that the first language of the principals of the Confidential JV Partner is neither Korean nor English,

which made it difficult to meet the timelines prescribed by the *Bankruptcy and Insolvency Act* and the Court.

10. Late in the day on Monday, July 28, 2014, 3 Eau Claire and Concord Pacific entered into a Letter of Intent to establish a joint venture arrangement to complete the development of the Project (the "**Concord LOI**"). A copy of the Concord LOI is attached to my Fourth Confidential Affidavit. The Concord LOI contains valuation information regarding the Lands and the Project that could compromise a future sales process in the event that the LOI is not completed as contemplated and accordingly 3 Eau Claire is seeking to have it sealed.
11. 3 Eau Claire advised the Confidential JV Partner that they would not be proceeding with that LOI and that the deposit paid by the Confidential JV Partner was released.
12. The general terms of the Concord LOI are very similar to the terms of the LOI with the Confidential JV Partner referenced in paragraph 17 of the Third Lee Affidavit.
13. Concord Pacific is a well known and established developer with extensive experience with multi-family developments and are one of the top multi-family and urban community builders in Canada. Few other developers in Canada can match the experience of Concord Pacific. Concord Pacific has recently launched sales in a new condominium project in Eau Claire in Calgary which may be the most luxurious project ever developed in Calgary. The involvement of Concord will benefit the creditors and stakeholders of 3 Eau Claire. Attached as **Exhibit "A"** to this my Affidavit is a true copy of a letter from Concord Pacific containing information about their company and experience.

#### INACCURACIES IN THE AFFIDAVIT SWORN ON BEHALF OF BOSA

14. In reviewing the Affidavit sworn by Brett Sandler on July 28, 2014 on behalf of Bosa (the "**Sandler Affidavit**") we noticed a number of inaccuracies.
15. The Sandler Affidavit states in paragraph 5 that Andrew Lee and James Park of 3 Eau Claire stated that 3 Eau Claire owned the Lands "free and clear without any debt encumbrances". This is not correct. It was obvious from anyone who reviewed a title to the property that it was encumbered. At the Introduction Phase (as defined in the Sandler Affidavit) 3 Eau Claire had planned to try to refinance all of the debt with a new lender who would subordinate to the construction financing. It turned out that the cost to

do this was too high and the debt could not be refinanced in that way but at no time did 3 Eau Claire indicate to Bosa that it had no debt.

16. The Sandler Affidavit in paragraphs 16 through 19 leave the impression that Bosa was not directly involved or had a subordinate role in the negotiations with the Commercial Tenant (as defined in the Sandler Affidavit) until early 2014. This is not the case. Bosa insisted on having direct contact with the Commercial Tenant from an early stage. As noted in the Third Lee Affidavit, by the fall of 2013 Bosa had largely taken over the negotiations and was dealing directly with the Commercial Tenant and it was 3 Eau Claire which was on the sidelines. The following are documents which establish Bosa's involvement with the Commercial Tenant when the involvement began and how it progressed (the emails have been liberally redacted to exclude information which is not relevant to the issues before the Court):
- (a) an email confirming that the Commercial Tenant and Bosa had their first direct meeting with 3 Eau Claire present in May 2013 (marked as **Exhibit "B"**);
  - (b) an email confirming that Bosa was directly involved in meetings to conclude the agreements with the Commercial Tenant in July 16, 2013 (marked as **Exhibit "C"**);
  - (c) an email confirming that in August 2013 representatives of Bosa began to have discussions with the Commercial Tenant which did not include 3 Eau Claire (marked as **Exhibit "D"**);
  - (d) by September 2013, the majority of the discussions were occurring directly between Bosa and the Commercial Tenant and 3 Eau Claire had started to be left out of the loop (marked as **Exhibit "E"**);
  - (e) in November 2013, discussions were still occurring directly between Bosa and the Commercial Tenant (marked as **Exhibit "F"**).
17. The Sandler Affidavit, in paragraph 35, questions the viability of the existing Project and the enforceability of the presale contracts with the residential purchasers, however with Concord Pacific's involvement in the Project and the current demand for office space in the Calgary market, 3 Eau Claire is hopeful that a tenant for the office space will be located and that the Project can be built as originally contemplated.

## KDIC

18. Attached as Exhibit "A" Third Lee Affidavit was a letter from Wise Asset Management Co., Ltd. ("**Wise**") confirming that KDIC had previously agreed to a proposal to refinance its indebtedness. In the Sandler Affidavit, Bosa has indicated its disbelief that KDIC has approved the arrangement.
19. Wise has been appointed by KDIC as the Trustee in Bankruptcy of the 4 Korean savings banks. The Wise letter contains a stamp that signifies KDIC's approval of the letter. Bosa has questioned this issue previously and 3 Eau Claire, had obtained email confirmation directly from KDIC to the proposal. A copy of this email and attached confirmation together with translations from Korean to English are attached as **Exhibit "G"** to this my Affidavit.
20. The creditor with the largest amount of indebtedness in this matter, by far, is under the control of KDIC.

## BOSA'S PROPOSAL

21. It has been a concern of 3 Eau Claire for some time Bosa would try to take to Project away from 3 Eau Claire. As a former partner of 3 Eau Claire, Bosa had access to far greater information regarding the Project than other creditors. It was unable to conclude the agreement with the Commercial Tenant and is now using its status as creditor to take the Project away from 3 Eau Claire. It appears to be underestimating the value of the Lands and the Project.
22. The Bosa Proposal (attached as Exhibit "H" to the Sandler Affidavit) is contingent on multiple events occurring, including the project being completed and the claim of 1713744 Alberta Ltd. being disallowed. The 3 Eau Claire proposal contemplated in conjunction with the Concord LOI is more timely, and certain and may ultimately result in a better outcome for the creditors and stakeholders of 3 Eau Claire than would be achieved in Bosa's draft proposal.

## CONCLUSION

23. 3 Eau Claire has, in good faith, been diligently pursuing activities aimed at the presentation of a proposal to its creditors under the BIA.

24. To the best of my knowledge, information and belief, none of the 3 Eau Claire's creditors will be materially prejudiced if the Court grants the relief being sought by the 3 Eau Claire.

25. 3 Eau Claire is requesting a full 45 day extension to in order to do the following:

- (a) finalize the joint venture agreement with Concord;
- (b) make the formal submission to KDIC
- (c) make a Proposal to its creditors.

The full 45 days will be required to accomplish these steps.

26. I make this Affidavit in support of an application to the Court for an Order extending the time for 3 Eau Claire to file a Proposal for an additional 45 days, increasing the Administrative Charge and for an Order sealing the Fourth Confidential Affidavit of Andrew Seong-Jin Lee as well as to oppose Bosa's cross-application for appointment of a Receiver.

SWORN BEFORE ME at the City of )  
Calgary, in the Province of Alberta, this )  
3 day of July, 2014. )

\_\_\_\_\_)  
A Commissioner for Oaths in and for the )  
Province of Alberta )

NICOLE T. TAYLOR-SMITH  
Barrister & Solicitor

  
\_\_\_\_\_) ANDREW SEONG-JIN LEE

This is Exhibit " A "  
Referred to in the affidavit of  
Andrew S. George-Lisler  
Sworn before me this 30  
day of July, A.D. 2014



July 30, 2014

To Whom it may Concern:

A Commissioner for Oaths in and  
For the Province of Alberta

NICOLE T. TAYLOR-SMITH  
Barrister & Solicitor

RE: Background on Concord Pacific

We have been requested by 3 Eau Claire Developments Inc. to provide some background information regarding our company and some of the developments that we have completed.

Concord Pacific Developments Inc. was established in 1987 for the purpose of purchasing and developing the former Expo 86 (World Exposition) lands on False Creek in downtown Vancouver. The company was successful in purchasing the land after an international competition process and then renamed the property Concord Pacific Place, in May 1988. The Concord Group has since expanded into building other large scale master-planned communities and single site projects across Canada and in London, England and has developed over 100 concrete high rise residential buildings to date. Over the years, the Concord Group has continued to grow into other industry sectors including software and information technology, telecommunication, and independent renewable power generation.


Concord Pacific is a leading developer of urban, master-planned residential neighbourhoods in Canada. The company builds comprehensive urban communities that create long-term value for residents. Concord Pacific owns and is currently developing the two largest, urban residential/commercial projects in Canada – Concord Pacific Place on Vancouver's downtown waterfront, and Concord CityPlace in downtown Toronto. These communities have reshaped the landscapes and redefined urban living in their respective cities. Concord Pacific has been rated as the #1 Developer in Canada for sales volume and recently won the prestigious Grand Geogie Award for having British Columbia's best multi-family development of the year.

Concord Pacific is well-capitalized and has extensive experience with multi-family development projects with budgets typically in the range of \$150 million to \$300 million.

Recently Concord Pacific has commenced development of The Concord in Calgary which is located in the Eau Claire area on the bank of the Bow River. Concord Pacific has had experience in taking over projects in distress and managing them through to successful completion including a multi-phase concrete high rise residential project in Surrey, British Columbia.

Concord Pacific has the skill, expertise, and financial ability necessary to develop and complete the 3 Eau Claire Project.

Yours truly,  
**CONCORD PACIFIC DEVELOPMENTS INC.**

  
Cliff McCracken  
Senior Vice President

## Unknown

From: Sung-Jin Lee [lee.sung.j@gmail.com]  
 Sent: Wednesday, May 29, 2013 5:40 PM  
 To: Jeffrey Selby; Joshua I. Selby; Norm Starnes; Bruce McKenzie; Don Squires; Larry Delf; Trevor Skinner; Chris Ritter; James; James Jeong-Myung Kang; Don Dessario  
 Cc: Irene Saki Okawara  
 Subject: Bosa & [REDACTED] Meeting

Hello Gentlemen,

The meeting with [REDACTED] & Bosa went very well.

Short version of the meeting is that both parties' comfort level was increased through today's meeting. From [REDACTED] perspective, Bosa / Axiom's expertise toward the project and being able to secure financing are very positive aspects. And from the Bosa's side, it was very comforting to see how deeply [REDACTED] was engaged with the project.

Over all it was very valuable meeting for all parties.

With respect to project schedules going forward, the rough agreement was discussed:

June:

1. Lease Agreement Executed
2. Bosa & 3 Eau Claire – Agreement
3. Lender's Commitment Letter
4. Structure & Construction Reviews

July:

1. Ground Breaking Ceremony (after Stampede)
2. Commencement of Excavation (end of July / early August)

Please let me know if you have any questions.  
 Thanks.

Kind regard,

*Andrew SJ Lee*  
 3 Eau Claire Developments Inc.  
 615 – 3 Avenue S.W.  
 Calgary, Alberta T#P 0G6  
 t: (403) 453 - 5004  
 f: (403) 453 - 5353  
 c: (403) 671 – 2659  
[lee.sung.j@gmail.com](mailto:lee.sung.j@gmail.com)

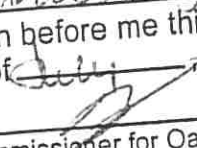
This is Exhibit "B"  
 Referred to in the affidavit of  
Andrew Sung-Jin Lee  
 Sworn before me this 30  
 day of July, A.D. 2014  
 \_\_\_\_\_  
 A Commissioner for Oaths in and  
 For the Province of Alberta

NICOLE T. TAYLOR-SMITH  
 Barrister & Solicitor



Unknown

From: Larry Delf [Larry.Delf@ca.cushwake.com]  
Sent: Tuesday, July 16, 2013 1:46 PM  
To: Jeffrey Selby; Joshua I. Selby  
Subject: FW: [REDACTED] Meeting tomorrow

This is Exhibit "C"  
Referred to in the affidavit of  
Andrew Sung Jin Lee  
Sworn before me this 30  
day of July A.D. 2014  
  
A Commissioner for Oaths in and  
For the Province of Alberta

From: Larry Delf  
Sent: Tuesday, July 16, 2013 12:21 PM  
To: 'Andrew SJ Lee'; 'Colin Bosa'  
Cc: 'James Park'  
Subject: [REDACTED] Meeting tomorrow

NICOLE T. TAYLOR-SMITH  
Barrister & Solicitor

Hi Colin,

Further to Sung-Jin's email, please let me summarize.

1. Yes, we are very close to concluding this and yes, it has been going on a long time.
2. Given the pressure to get documentation finalized so that the rest of the pieces fall in place to allow us to get construction started, the meeting was called for tomorrow to have all the stakeholders present for expediency.
3. Peter [REDACTED] is my primary contact and he will be going on holidays this Friday for 2 weeks, as will the Director of Real Estate - [REDACTED]. Therefore you can see the motivation.
4. Most of the discussion tomorrow will focus on the DCA (Development and Construction Agreement).
5. The key issues for discussion within the DCA are:

[REDACTED]

[REDACTED] is very motivated to conclude this deal and see the project move ahead. Having said that, there are still some moving pieces that need to be finalized (as above). Assuming you are the development partner it is important for you to be part of these final discussions. There is a fairly short window to get all this done so hopefully at the end of the day tomorrow, we will have reached success. [REDACTED]

[REDACTED]

Colin, please feel free to call me if you want any additional background or if you want to chat about this further. The meeting will be downtown at McCarthy's offices so dependent upon when you land, we could have a quick pre-meeting before we arrive at McCarthy's.

In any event, I look forward to seeing you tomorrow.

LD

Larry Delf

7/29/2014

Senior VP | Director Business Development  
Cushman & Wakefield Ltd.  
111 - 5th Avenue SW, Suite 1730  
Calgary, AB T2P 3Y6

Dir: 403.261.1118  
Mob: 403.850.7796  
Email: [larry.delf@ca.cushwake.com](mailto:larry.delf@ca.cushwake.com)

-  
[www.cushmanwakefield.com](http://www.cushmanwakefield.com)

**From:** Andrew SJ Lee [<mailto:sjlee@3ecd.net>]  
**Sent:** Tuesday, July 16, 2013 11:56 AM  
**To:** 'Colin Bosa'  
**Cc:** Larry Delf; 'James Park'  
**Subject:** [REDACTED] agreements - MEMO

Hi Colin,

As discussed over the phone, we have been doing numerous back and forth between two parties on the agreements, and we can say that we are down to few points on the Master Agreement and Lease Agreement. The MEMO does a good job summarizing outstanding issues on Master Agreement and Lease Agreement.

[REDACTED]

As we understand, Peter [REDACTED] wants to finish this deal by this week, and he wants all key players there at the meeting so we can agree on issues and make decisions on them.

Please let me know if you have any question on the MEMO and the agreements.  
Thanks.

Kind Regards,

*Andrew Sung-Jin Lee*  
3 Eau Claire Developments Inc.  
#102, 615 - 3 Avenue S.W.  
Calgary, Alberta T2P 0G6  
t: (403) 453 - 5004  
f: (403) 453 - 5353  
c: (403) 671 - 2659  
[sjlee@3ecd.net](mailto:sjlee@3ecd.net)

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7/29/2014

Unknown

From: Colin Bosa [cbosa@bosaproperties.com]  
 Sent: Sunday, August 25, 2013 9:32 PM  
 To: Andrew SJ Lee; 'James Park' (bicsta@gmail.com); Jeffrey Selby; Joshua I. Selby; Larry Delf (Larry.Delf@ca.cushwake.com)  
 Cc: Dachner, Arnon (arnon.dachner@dentons.com); Hermann Nuessler; Mike McDonough; Michael Deighton; Brett Sandler  
 Subject: Re:Call

Gentleman,

I just got off the phone with Peter. Good news is that we will see you all tomorrow. He understood our position on our deal breaking points and is opening to trying and resolving them. We will be playing with some ideas tomorrow.

I will send a follow up email summarizing the discussion and we can review tomorrow before we meet with [REDACTED]

Thanks,

Colin



**Bosa Properties Inc.**  
 1201 - 838 West Hastings St  
 Vancouver, BC V6C 0A6  
 Ph: 604 299 1363  
 Fax: 604 299 6460  
 www.bosaproperties.com



This is Exhibit "D"  
 Referred to in the affidavit of  
Andrew Selby, in Lee  
 Sworn before me this 30  
 day of July, A.D. 2014

\_\_\_\_\_  
 A Commissioner for Oaths in and  
 For the Province of Alberta

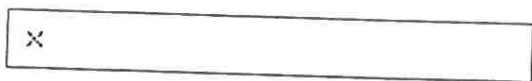
NICOLE T. TAYLOR-SMITH  
 Barrister & Solicitor

Unknown

**From:** Jeffrey Selby  
**Sent:** Monday, September 09, 2013 8:59 AM  
**To:** Trevor Skinner; Joshua I. Selby  
**Cc:** Sung-Jin Lee (lee.sung.j@gmail.com); James (bicsta@gmail.com)  
**Subject:** RE: Email documents from McCarthy 's  
**Attachments:** [REDACTED] 3 Eau Claire/Bosa - Revised Master Agreement and Guarantee; [REDACTED] 3 Eau Claire/Bosa - Revised Outstanding Issues List

See attached received on Friday. As I understand there are ongoing discussions directly between Colin Bosa and Peter [REDACTED] (and I believe Larry was deeply involved) we are somewhat without information that would allow us to proceed very far at this point. In talking with Arnon (Bosa's lawyer) late the prior week – we were advised that things were still being negotiated and he had not done anything in regard to the [REDACTED] paper at that time. I understand that a conference call is to occur at 10 AM this morning but we weren't invited.

Jeffrey Selby | Partner



3400 Suncor Energy Centre, 150-6th Avenue SW, Calgary, AB T2P 3Y7  
 Direct: 403.294.7046 / 403.233.7117 | Fax: 403.767.8877 | Email: jselby@parlee.c

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**From:** Trevor Skinner [mailto:Trevor.Skinner@ca.cushwake.com]  
**Sent:** Monday, September 09, 2013 8:41 AM  
**To:** Jeffrey Selby; Joshua I. Selby  
**Subject:** FW: Email documents from McCarthy 's

Gents, I am now back from vacation and Larry has left this weekend for three weeks. Can you be sure to include me on all correspondence. Can you resend what was sent on Thursday. It was not enclosed with Larry's.

**From:** Larry Delf  
**Sent:** Friday, September 06, 2013 8:45 PM  
**To:** Trevor Skinner  
**Subject:** Fwd: Email documents from McCarthy 's

This is Exhibit "E"  
 Referred to in the affidavit of  
Andrew Sung-Jin Lee  
 Sworn before me this 30  
 day of July, A.D. 2014

[Signature]  
 A Commissioner for Oaths in and  
 For the Province of Alberta

LD  
 Larry Delf

Begin forwarded message:

**From:** Jeffrey Selby <jselby@parlee.com>  
**Date:** September 6, 2013, 7:43:13 PM MDT  
**To:** "Sung-Jin Lee (lee.sung.j@gmail.com)" <lee.sung.j@gmail.com>, "James (bicsta@gmail.com)" <bicsta@gmail.com>, "jkang@3ecd.net" <jkang@3ecd.net>  
**Cc:** Larry Delf <Larry.Delf@ca.cushwake.com>, "Joshua I. Selby" <joshselby@parlee.com>

NICOLE T. TAYLOR-SMITH  
 Barrister & Solicitor

**Subject: Email documents from McCarthy 's**

See attached received late today. We will look at the documents for discussion Monday (I haven't heard of any progress that would make this more urgent at this point).

Jeffrey Selby | Partner

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We have taken precautions to minimize the risk of transmitting software viruses, but we advise you to carry out your own virus checks on any attachment to this message. We cannot accept liability for any loss or damage caused by software viruses.

Unknown

From: Colin Bosa [cbosa@bosaproperties.com]
Sent: Sunday, November 17, 2013 2:46 PM
To: Jeffrey Selby; Brett Sandler; Dachner, Arnon
Cc: Nikelski, Robert; Dow, Linda; Sung Jin Lee; James (bicsta@gmail.com); jameskang009@gmail.com; Joshua I. Selby; Larry Delf (Larry.Delf@ca.cushwake.com)
Subject: FW: Next Steps

I just received this. See below.

I will respond to him to tell us the names of Lenders that Kieth knows of who have agreed to this, and we will speak to them.

cb

From: Peter [redacted] [mailto:Peter.[redacted]@redacted.ca]
Sent: Sunday, November 17, 2013 1:40 PM
To: Colin Bosa; 'larry.delf@ca.cushwake.com'
Cc: Brian [redacted] (Legal Dept)
Subject: Re: Next Steps

This is Exhibit " F "
Referred to in the affidavit of
Sung Jin Lee
Sworn before me this 30
day of July, A.D. 20 14
A Commissioner for Oaths in and
For the Province of Alberta

NICOLE T. TAYLOR-SMITH
Barrister & Solicitor

Colin,

Thanks for your thoughtfully worded note.

We are setting up a call for tomorrow afternoon to discuss the [redacted] with Kieth and Jeff. We are not the first major tenant to have sought a [redacted] so we are not sure where this is breaking down. Our concern at a high level is [redacted] There has to be a solution to the issue. Let me explore further with Kieth and Jeff. I will call you on Monday. It might also be helpful to get Arnon's thoughts on how to resolve the issue.

Peter

From: Colin Bosa [mailto:cbosa@bosaproperties.com]
Sent: Saturday, November 16, 2013 01:11 PM
To: Peter [redacted] 'Larry Delf' <Larry.Delf@ca.cushwake.com>
Subject: RE: Next Steps

Peter,

The below sounds good, however I received the attached email from Kieth spelling out your final position with respect to the [redacted] I spoke with [redacted] yesterday about your request, they will not agree to it. [redacted]

[redacted]
it is simply that I won't be able to satisfy it.

I now find myself in a situation where I have made commitments to trades and spending dollars in an effort to get Construction going. As a courtesy can you let me know tomorrow if this is a deal breaker for you, and if you are not prepared to back off on this request. Again I don't mean to be dismissive, however if this project isn't going ahead I would like to know asap, [REDACTED]

I am around all day tomorrow if you would like to discuss.

Thanks,

Colin

**From:** Peter [REDACTED] [mailto:Peter.[REDACTED]@[REDACTED].ca]  
**Sent:** Friday, November 15, 2013 1:39 PM  
**To:** Colin Bosa; 'Larry Delf'  
**Cc:** Dawn [REDACTED]; Brian [REDACTED] (Legal Dept); Lauren [REDACTED]  
**Subject:** Next Steps

Colin and Larry,

We have seen some comments back from the Landlord on the lease. Thank-you. The [REDACTED] and [REDACTED] is with the Landlord for comment. The [REDACTED] and the [REDACTED] are to follow sometime early next week.

Our thought is that it would be good for our respective counsel to have a call on any issues arising on the above agreements (likely Tuesday) with the business teams speaking on Wednesday if necessary. We'll ask Lauren to send out an invitation to the usual smaller team to hold some time on Wednesday in anticipation of such a call.

Peter

**Peter** [REDACTED]  
General Counsel and Corporate Secretary  
[REDACTED]  
[REDACTED]  
Calgary, AB, [REDACTED]  
Direct: [REDACTED]  
Cell: [REDACTED]  
Email: peter.[REDACTED]@[REDACTED].ca

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Referred to in the affidavit of Andrew Seong Jin Lee  
Sworn before me this 30  
day of July, A.D. 2014

Sung-Jin Lee <lee.sung.j@gmail.com>

A Commissioner for Oaths in and  
For the Province of Alberta

담보권 해지 조건 등 문위에 대한 회신

NICOLE T. TAYLOR-SMITH  
Barrister & Solicitor

Mon, Dec 2, 2013 at 9:03 AM

Sung-Jin Lee <lee.sung.j@gmail.com>  
To: Brett Sandler <bsandler@bosaproperties.com>  
Cc: Bosa - Colin <cbosa@bosaproperties.com>, James <bicsta@gmail.com>  
Bcc: "jkang@3ecd.net" <jkang@3ecd.net>

Good morning Brett,

Below email is from Min Gyu Kwon (Assistant Manager) from KDIC; he was sitting across on your left hand side when we met Mr. Kwon & Mr. Cho in Seoul.

In summary, the letter states:

1. Total outstanding loan amount as of 2013/12/02: ₩25,386,009,006 won
  - o Principal: ₩19,765,600,000 won
  - o Interest Payable: ₩5,620,409,006 won

\*As it was agreed through repayment term, we have applied normal rate of interest not the overdue interest rate to calculate the interest payment amount

\*Interest Payable amount is not taking in to consideration of portion of paid interests (estimated to be around ₩200,000,000 ~ ₩300,000,000)

2. Discharge Requirements:
  - o Repayment of ₩13,000,000,000 won
  - o 4<sup>th</sup> Priority Caveat Registration In the amount of ₩7,050,000,000 won (₩19,765,600,000 - ₩13,000,000,000 = ₩6,770,000,000 remaining principal balance + Unpaid Wise Asset fund management fee of around ₩280,000,000)

In addition to this email, I've sent Colin a Confirmation Letter from Wise Asset Management Ltd under KDIC's seal. That Confirmation Letter was requested by Jeff Kim at Pine Tree Capital to confirm 3 Eau Claire & KDIC's agreement.

Please give me a call this morning to discuss.  
Thanks.

Kind regard,

*Andrew S. Lee*

3 Eau Claire Developments Inc.  
615 - 3 Avenue S.W.  
Calgary, Alberta T2P 0G6  
t: (403) 453- 5004  
f: (403) 453- 5353  
c: (403) 671 - 2659  
lee.sung.j@gmail.com

----- Forwarded message -----  
From: 권민규 <neogyu@kdic.or.kr>



Date: 2013/12/1  
 Subject: 담보권 해지 조건 등 문의에 대한 회신  
 To: 썬기리 이성신 담당 <lee.sung.j@gmail.com>  
 Cc: 조계환 <choghw@kdic.or.kr>

안녕하십니까? 예금보험공사 권민규 선임조사역입니다.

문의하신 내용에 대한 회신입니다.

(1) 채무액('13.12.2 현재 기준) : 25,386,009,006 원(KRW)

▷ 대출원금 : 19,765,600,000 원(KRW)

▷ 미지급이자 : 5,620,409,006 원(KRW)

\* 금번 상환 조건 협의 결과에 따라 인체이자율을 적용하지 않고 정상이자율을 적용함

\* 미지급이자 금액은 일부 기상환 이자(2~3억원 추정)를 고려하지 않은 개략적인 금액임

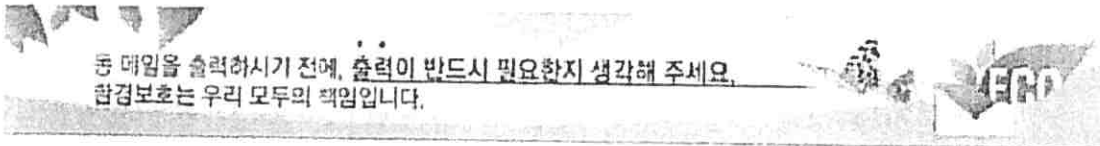
(2) 담보해지 조건


▷ 130억원(KRW) 상환

▷ 약 70.5억원(KRW) 4순위 caveat 설정(130억원 제외한 원금 잔액 67.7억원 + 와이즈에셋 펀드 운용보수 약 2.8억원)

감사합니다.

예금보험공사 자산관리2부 권민규 선임조사역(02-758-0664)



 KDIC - Confirmation Lt [KOR].pdf  
 938K

# 확 인 서

2013. 11. 20.

와이즈에셋자산운용 주식회사는 '현대와이즈캘거리사모부동산투자신탁 2-3-4호' (대출원금 197.7억원, 차주 : 3Eau Claire Development Inc.) 펀드의 운용회사로서, 대출원금중 130억원 일부 상환과 관련하여 다음과 같은 사항을 확인한다.

- 다 음 -

1. 기존 대출에 대하여 발생한 연체 이자를 정상이자로 환원한다.  
- 2호 : 10.5%, 3호 및 4호 : 11.5%
  2. 130억원 상환후 대출 원금 잔액 70억원의 담보를 위하여 캘거리 토지에 담보권의 최후순위(4순위)로 caveat 등재한다.
  3. 대출 잔액 70억원에 대한 장래 이자율은 5.2%로 하되, 초과사업이익 발생시 11.2%까지 연동한다.
- ▶ 상기 3가지 확인 사항은 대출원금 197.7억원중 130억원을 2013. 12. 31. 이전에 일시불로 상환하는 것을 전제로 함.

Wise Asset Management Company Limited

와이즈에셋자산운용 주식회사

파산관재인 에금보험공사 대리인 박병원

Trustee in Bankruptcy, KDIC, representative Park, Byung-won

#3

4

## Confirmation

2013. 11. 20

Wise Asset Management Co. Ltd. as a fund managing company of 'CALGARY REAL ESTATE PRIVATE FUND No.2 No.3 and No.' (Loan principle amount: KRW ₩19,770,000,000, Borrower: 3Eau Claire Developments Inc.) hereby confirms the followings regarding the repayment of KRW ₩13,000,000,000 as a partial repayment of the loan principle.

- Followings -

1. To convert the imposed delinquent interest rate of the unpaid principle to standard interest rate.  
- No.2 : 10.5%, No.3 and No.4 : 11.5%
2. The remaining balance of KRW ₩7,000,000,000 after the repayment of KRW ₩13,000,000,000 will be charged against the land by a Caveat as the last priority (4<sup>th</sup>).
3. The interest rate for the deferred balance of KRW ₩7,000,000,000 is 5.2%. But if there is an excess profit of the project, the interest rate is bound up to 11.2%.
4. Those foregoing 3 confirmed items are based on the repayment of KRW ₩13,000,000,000 out of total principle of KRW ₩19,770,000,000, being paid in a lump sum before 2013. 12. 31.

Wise Asset Management Co. Ltd.

Byung-Won Park

Trustee in Bankruptcy,

Korea Deposit Insurance Corporation