



COURT FILE NUMBER 1201-05843

COURT COURT OF QUEEN'S BENCH OF ALBERTA

COM
Feb 6 2023

JUDICIAL CENTRE CALGARY

DOCUMENT

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c-36, AS AMENDED AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC. (COLLECTIVELY, THE "**UBG GROUP OF COMPANIES**")

FOURTH REPORT OF THE RECEIVER

DATED JANUARY 30, 2022

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Counsel

Bennett Jones LLP
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Calgary, AB T2P 4K7

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Receiver

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Introduction and Background

1. On May 9, 2012, the Court of Queen's Bench of Alberta ("**Court**") issued an order ("**Initial Order**") granting the UBG Group of Companies ("**UBG**" or the "**Company**") protection pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**") (the "**CCAA Proceedings**"). Ernst & Young Inc. ("**EY**") was appointed monitor ("**Monitor**") under the Initial Order.
2. On August 10, 2016, the Court issued an Order substituting Deloitte Restructuring Inc. ("**Deloitte**") as Monitor in place of EY in connection with the move of Robert J. Taylor to Deloitte.
3. Since the date of the Initial Order, the Monitor has filed 33 reports plus 15 project-specific reports in these CCAA Proceedings in connection with various Court applications made by UBG and other parties including obtaining approval for various protocols for interim financing with several of the Company's lenders.
4. Pursuant to a Court Order made on October 18, 2017, the stay of proceedings under the Initial Order was extended from August 31, 2017, to February 28, 2018. The stay of proceedings expired on February 28, 2018.
5. Pursuant to an Order (the "**Receivership Order**") of the Court dated December 12, 2017 (the "**Date of Receivership**"), Deloitte was appointed as receiver and manager (the "**Receiver**") of certain of the Unity Builders Group of Companies (collectively "**UBG**" or the "**Companies**"). The Receivership Order was granted pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) appointing Deloitte without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "**Property**").
6. The Receivership Order was granted pursuant to an application by the Monitor. None of the UBG entities placed into receivership had any ability to advance a plan of arrangement for the benefit of creditors. The intent of the receivership is to facilitate the conclusion of the remaining administrative matters.
7. Following the granting of the Receivership Order, the Receiver issued the statutory Notice and Statement of the Receiver (the "**Notice to Creditors**") on December 21, 2017, pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada).
8. On March 5, 2018, the thirty-second report of the Monitor and first report of the Receiver (the "**First Report**") was filed in support of the Order pronounced on March 21, 2018, approving the sale of the remaining asset of Alberta Builder's Capital Inc. ("**ABC**") and the Receiver's activities to date.
9. On December 3, 2018, the thirty-third report of the Monitor and second report of the Receiver (the "**Second Report**") was filed in support of the Order pronounced on December 13, 2018 (the "**December 13 Order**"), approving distributions to creditors of UBG Land Limited Partnership, Today's Homes (2006) Inc., and Greenboro Luxury Homes (Currie Barracks 1A) Limited Partnership, the disallowance of certain claims, and the Receiver's activities to date.
10. On August 9, 2022, the thirty-fourth report of the Monitor and third report of the Receiver (the "**Third Report**") was filed in support of the Order pronounced on August 17, 2022 (the "**August 17 Order**"), approving, amongst other things, distributions to creditors of UBG Land Inc. and UBG Land Limited Partnership (collectively "**UBG Land**"), UBG Commercial Inc. and UBG Commercial Limited Partnership (collectively "**UBG Commercial**"), UBG 808 Inc. and UBG 808 Limited Partnership (collectively "**UBG 808**"), UBG 4500 Calgary Inc. and UBG 4500 Calgary Limited Partnership (collectively "**UBG 4500**"), Today's Homes (2006) Inc. ("**Today's Homes**") and Valmont at Aspen Stone Inc. ("**Valmont**"), the disallowance of certain claims, the Receiver's activities to date, and the discharge of the Monitor and termination of the CCAA proceedings. As is customary in such situations, the August 17 Order authorized Deloitte to continue to perform, as Monitor, all incidental duties required to complete the administration of these proceedings. A copy of the August 17 Order is attached hereto as **Appendix "A"**.

11. The Receivership Order, the Notice to Creditors, the First Report, the Second Report, the Third Report, and this fourth report of the Receiver (the "**Fourth Report**") can be accessed on Deloitte's website at <http://www.insolvencies.deloitte.ca/en-ca/Pages/Unity-Builders-Group-of-Companies.aspx>.
12. Unless otherwise provided, all other capitalized terms not defined in this Fourth Report are as defined in all reports and orders previously issued in respect of the CCAA Proceedings (including the Listing Order), the Receivership Order, and the First, Second, and Third Report. This Fourth Report is being written in both of Deloitte's capacities, but Deloitte will be generally referred to hereinafter as the "Receiver", except where it is appropriate to refer to it as the "Monitor".

Purpose

13. The purpose of this Fourth Report is to:

- a) Provide the Court with an update of the Receiver's activities since the date of the Third Report; and
- b) Respectfully recommend that this Honourable Court make orders:
 - i. Approving the activities, fees, and disbursements of the Receiver as described in this Fourth Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order, and the fees of the Receiver's legal counsel;
 - ii. Approving the Receiver's Interim Consolidated Statement of Receipts and Disbursements for the period from December 12, 2017, to January 25, 2023 (the "**SRD**") attached hereto as **Appendix "B"**;
 - iii. Approve the full disallowances issued by the Monitor for the claims made against UBG Builders Inc. ("**UBG Inc.**") as described in paragraph 32 of this Fourth Report;
 - iv. Approve the interim distribution of funds in respect of UBG Land and UBG Inc. as described later in this Fourth Report and outlined in **Appendix "B"**; and
 - v. Providing such further or other relief that the Court considers just and warranted in the circumstances.

Terms of reference

14. In developing this Fourth Report, the Receiver has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and on discussions with its management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information.
15. All dollar amounts in this Fourth Report are in Canadian dollars, unless otherwise indicated.

Receiver's Activities since the Third Report

16. The Receiver has undertaken and performed the following activities since the Third Report:
 - a) Concluded all CCAA matters and filed all statutory forms with the OSB to close the CCAA proceedings;

- b) Issued the final distribution to the creditors of UBG 4500, UBG 808, UBG Commercial, Today's Homes and Valmont in accordance with the August 17 Order;
- c) Corresponded with various creditors, employees and other interested parties with respect to the receivership proceedings;
- d) Addressed post receivership Goods and Services Tax ("**GST**") matters;
- e) Correspondence with various joint venturers as further discussed later in this Fourth Report;
- f) Completed a review of claims filed against UBG Inc. and issued Notices of Revision or Disallowance ("**NORs**") as further discussed later in this Fourth Report;
- g) Correspondence with Bennett Jones LLP, the Receiver's independent legal counsel on various legal matters relating to the receivership;
- h) Responded to various inquiries from creditors and other stakeholders as appropriate;
- i) Attended to matters of both general and specific nature required over the course of the receivership proceedings not referred to above; and
- j) Prepared, reviewed and finalized this Fourth Report.

Mountaineers Village II

- 17. Mountaineers Village II comprises three acres of raw land located in the Three Sisters area in Canmore, Alberta. Unity Investments holds security over this project and is owed approximately \$2.9 million. Based on information available to the Receiver, it appears that there are no other creditors of Mountaineers II.
- 18. During the CCAA proceedings, this Honourable Court approved listing the property for sale in January 2013, at a listing price of \$1.6 million. There were no formal offers received for the property and the listing agreement was allowed to expire.
- 19. Two orders have been obtained by UBG, on June 30, 2015, and June 27, 2016, approving interim financing for the purpose of paying the property taxes accruing against the property. Since the receivership commenced, property taxes have been paid by way of Receiver's certificates approved by members of the Mountaineers Investors group.
- 20. The investors who invested in Mountaineers II through Unity Investments (the "**Mountaineers Investors**") wish to have the property conveyed to them through the establishment of a holding company. The Receiver understands that the process of establishing the holding company and a mechanism to address outstanding property taxes has been underway for an extended period. UBG was advised that the trustee under the trust indenture resigned, and a plan is underway to replace the trustee and trust indenture with a new structure in the form of a syndicated mortgage. The Receiver understands that Dentons LLP and UBG are working with the Mountaineers Investors to finalize the property conveyance through a credit bid process and the Receiver expects it will make a Court application in the second quarter of 2023 seeking approval of the property conveyance to the Mountaineers Investors. The timing of the application is dependent on the progress made by Dentons LLP, UBG and the Mountaineers Investors.

UBG Land

- 21. UBG Land Inc. is the general partner of UBG Land Limited Partnership (collectively "**UBG Land**"). UBG Land's purpose was to enter into joint venture agreements ("**JVAs**") with certain third parties to acquire and build land inventories, subdivide, service and sell those lands as single and multi-family development

properties. The JVA's allowed UBG to participate in a broader range of products with a lower up front capital cost. The time horizon for development was long term.

22. UBG's legal counsel and the Monitor commenced a review of the JVA's to confirm UBG's ownership percentage, the status of each JV and whether the JVA's were in good standing at the onset of the CCAA proceedings. The value of the JVA's depended on the future development of the lands by other parties.

23. A summary of the JVA's as at the date of this Fourth Report is as follows:

Participants	Strata Laurel Lands Joint Venture	Terwilligar Heights Joint Venture	Keswick Developments Joint Venture
UBG Land LP	66%	60%	100%
Sub-participants	34%	40%	

- a) Strata Laurel Lands Joint Venture (the "**Strata JV**") was concluded and dissolved effective March 15, 2021. The Receiver understands that Strata JV assigned the final over expenditures ("**OE**") distributions to Strata Development Corp for future distribution to shareholders. Future OE distributions for UBG Land are estimated at \$4,100 less any professional fees. Timing of such payment is dependent on development schedules of other parties and is unknown at the time of this Fourth Report.
- b) MLC Land Company Inc. holds an interest in the Terwilligar Heights Joint Venture ("**Terwilligar JV**") in trust for UBG Land. The Receiver understands that the Terwilligar JV is effectively completed but not yet dissolved. The final distribution to UBG Land is estimated at \$6,500 net of professional fees. Timing of such payment is anticipated to be in 2023.
- c) Keswick Developments Ltd. Joint Venture ("**Keswick JV**") remains in progress. The Receiver received the most recent project update dated October 1, 2021, which indicated the project will continue through to the end of 2024.

24. In addition to the JVA's, UBG Land owned 21 lots located near Strathmore, Alberta. ABC Capital financed those lots. All lots were sold, and the net proceeds were distributed to the ABC Capital investors. The ABC Capital investors experienced a substantial shortfall on the lot financing in excess of \$2.0 million.

25. As at the date of this Fourth Report, the Receiver holds approximately \$668,000 for distribution to the JVA sub-participants and UBG Land creditors. The Receiver proposes to hold back approximately \$100,000 from the distribution on account of various expenses that will be incurred in connection with the interim distribution and continuing the administration of the UBG Land receivership estate including professional fees and costs.

26. Accordingly, the Receiver respectfully recommends that this Honourable Court make an Order approving the distribution of funds as set out in **Appendix "C"** of this Fourth Report.

27. A review of **Appendix "C"** indicates that there is a substantial inter-company claim owing by UBG Land to UBG Inc. in the amount of \$13,518,440. Based on the quantum of funds available for distribution approximately \$489,000 will be distributed to UBG Inc. The amount that is proposed to be distributed from UBG Land to UBG Inc. will be included in the funds to be distributed by UBG Inc.

UBG Builders Inc.

28. UBG Builders Inc. ("**UBG Inc.**") acted as head office to UBG but had no construction development or financing operations. With a few exceptions, UBG Inc. directly or indirectly owned all other UBG entities.

29. The Monitor reviewed the claims filed against UBG Inc. and issued several NORs on June 10, 2022. The Monitor received two (2) dispute notices within the NOR dispute period. Based on the Monitor's review of the dispute notices, the disputed claims should remain disallowed as:

- a) Alberta New Home Warranty (“**ANHWP**”) filed a secured claim totalling approximately \$284 million against many of the UBG entities, including UBG Inc. The Monitor disallowed the claim against UBG Inc. in full as there were no enrolment fees owing by UBG Inc. The ANHWP claim was also disallowed as the claim did not relate to UBG Inc. Based on the Monitor's review of the information included in the Dispute Notice, the ANHWP claim should remain disallowed as the Monitor understands that ANHWP holds cash reserves and letters of credit totalling approximately \$258,500 (collectively “**ANHWP Reserves**”) to address the outstanding liabilities against the certain UBG entities. The Monitor further understands that excess ANHWP Reserves of approximately \$87,000 will be returned to the Receiver. A copy of the Proof of Claim, Dispute Notice, and the Monitor's response to the Dispute Notice is attached hereto as **Appendix “D”**. ANHWP through its legal counsel, WBA Law LLP, advised the Receiver that the excess ANHWP Reserves are expected to be return to the Receiver on or before February 28, 2023.
 - b) The Town of Canmore filed a secured claim totalling approximately \$279,000 and was disallowed as this claim was settled through previous distributions from other UBG entities. The Town of Canmore also filed a contingent claim in the amount of \$800,000 which was disallowed as there are no longer any amounts outstanding to the Town of Canmore as all required work has been completed. Based on the Monitor's review of the information included in the Dispute Notice, the Town of Canmore claim should remain disallowed as the Monitor understands the Town of Canmore holds two (2) letters of credit totalling \$100,000 (collectively “**Town Reserves**”) to address the outstanding liabilities with respect to two (2) UBG development projects. A copy of the Dispute Notice is attached hereto as **Appendix “E”**.
30. Robert Friesen Investments Inc. (“**RFI**”) filed a secured claim totalling approximately \$32.7 million against UBG Inc. (the “**Friesen Claim**”). On August 29, 2012, the Monitor requested additional information with respect to the Friesen Claim to verify the amount of the secured claim. On September 20, 2022, the Receiver issued a NOR as the Monitor's request for additional information remained outstanding and the Monitor was unable to verify the amount of the secured claim. The two Affidavits of Service, attached hereto as **Appendix “F”**, outlines the steps taken by the Monitor to confirm delivery of the NOR to RFI and its legal counsel. The 14-day period for RFI to dispute the NOR issued by the Monitor expired and RFI has not disputed the NOR.
31. Subject to this Honourable Court granting the relief sought in this Fourth Report, the Receiver will hold approximately \$4.3 million for distribution to the proven UBG Inc. creditors. The Receiver proposes to hold back approximately \$750,000 from the distribution on account of various expenses that will be incurred in connection with the interim distribution and continuing the administration of the UBG Inc. receivership estate including professional fees and costs.
32. Accordingly, the Receiver respectfully recommends that this Honourable Court make Orders approving:
- a) the disallowance of the ANHWP claim, the Town of Canmore claim and the Friesen claim; and
 - b) the distribution of funds as set out in **Appendix “G”** of this Fourth Report.

Greenboro Luxury Homes

33. All matters with respect to Greenboro Luxury Homes (“**GLH**”) have been substantially completed as at the date of this Fourth Report.
34. The December 13 Order approved the final GLH statement of receipts and disbursements which included hold backs totalling \$82,000 for anticipated expenses to be incurred in connection with the distribution to creditors and concluding the GLH receivership administration.
35. As at the date of this Third Report, the Receiver holds approximately \$99,000 as fewer expenses were incurred to complete the GLH receivership proceedings than anticipated.

36. As previously outlined in paragraph 29(a) of this Fourth Report, ANHWP advised the Receiver that it holds cash reserves with respect to GLH totalling \$25,000.
37. There will be a final distribution to the GLH creditors; however, the timing of the final distribution is dependent on the receipt of the excess ANHWP Reserves.

Origins at Cranston Inc.

38. All matters with respect to Origins have been substantially completed as at the date of this Fourth Report.
39. As previously outlined in paragraph 29(a) of this Fourth Report, ANHWP advised the Receiver that it holds cash reserves with respect to Origins of approximately \$23,000.
40. There will be a final distribution to the Origins creditors; however, the timing of the final distribution is dependent on the receipt of the excess ANHWP Reserves.

Tuscany Developments

41. All matters with respect to Tuscany have been substantially completed as at the date of this Fourth Report.
42. As previously outlined in paragraph 29(a) of this Fourth Report, ANHWP advised the Receiver that it holds cash reserves with respect to Tuscany of approximately \$25,000.
43. The Receiver has commenced its review of the claims filed against Tuscany Developments. The timing of a distribution to creditors is dependent on the review of creditor claims and receipt of the excess ANHWP Reserves.

Wilderness Homes by Riverdale Inc.

44. All matters with respect to Wilderness Homes have been substantially completed as at the date of this Fourth Report.
45. As previously outlined in paragraph 29(a) of this Fourth Report, ANHWP advised the Receiver that it holds cash reserves with respect to Wilderness Homes of approximately \$14,000.
46. There will be a final distribution to the Wilderness Homes creditors, however; the timing of the final distribution is dependent on the receipt of the excess ANHWP Reserves.

Fees and Disbursements of the Receiver

47. The Receiver's professional fees are calculated based on hours spent at rates established by each professional based on their qualifications and experience.
48. The Receiver's fees and disbursements in relation to the administration of the Receivership up to and including January 25, 2023, total approximately \$493,000 (excluding GST). This total comprises 60 interim invoices for Receiver's fees and disbursements from December 12, 2017, to November 15, 2022, totalling approximately \$442,000, and unbilled work-in-progress to January 25, 2023, of approximately \$51,000.
49. In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to required and necessary duties of the Receiver hereunder and are reasonable in the circumstances. A summary of the invoices is attached as **Appendix "H"**. Detailed time records supporting the invoices are available in the office of the Receiver.

Fees and Disbursements of Legal Counsel

50. The Receiver's legal counsel's cumulative fees and disbursements on this matter total approximately \$104,000 (excluding GST) to December 31, 2022. The accounts of the Receiver's legal counsel are calculated based on hours spent at rates established by each professional based on their qualifications and experience. The Receiver is of the opinion that legal counsel's fees are reasonable and appropriate in the circumstances. A summary of the invoices is attached as **Appendix "I"**. Detailed time records supporting the invoices are available in Bennett Jones' offices.

Interim Statement of Receipts and Disbursements

51. The interim Consolidated Statement of Receipts and Disbursements reflecting the administration of the receivership for the period December 12, 2017, to January 25, 2023, attached hereto as **Appendix B"**, is summarized below:

	UBG Builders Inc. (Consolidated)	UBG 808 Calgary Inc.	UBG Commercial	UBG 4500	UBG Land Inc.	Alberta Builder's Capital Inc.	Today's Homes (2006) Inc.	Valmont at Aspen Stone Inc.	Greenboro Luxury Homes Inc.	Mountaineers Village II Inc.	Total
Receipts	4,035,731	7,680	182,702	15,208	986,723	625,355	769,509	17,279	272,837	19,333	6,932,358
Disbursements	(253,385)	(5,133)	(180,000)	(11,708)	(318,837)	(622,801)	(740,271)	-	(174,326)	(19,178)	(2,325,638)
Estate balance at January 25, 2023	3,782,346	2,548	2,702	3,500	667,886	2,555	29,238	17,279	98,511	155	4,606,720

Conclusions and Recommendations

52. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Section 13(b) of the Fourth Report and such further and other relief, as this Honourable Court deems appropriate in the circumstances.

* * *

All of which is respectfully submitted at Calgary, Alberta this 30th day of January 2023.

DELOITTE RESTRUCTURING INC.,

solely in its capacity as

Court-appointed Receiver and Manager

of the Property (as defined herein)

and not in its personal or corporate capacity

Per:

Ryan Adlington, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX "A"

CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of the
document digitally filed on Aug 17, 2022

CLERK'S STAMP

COURT FILE NUMBER

1201-05843

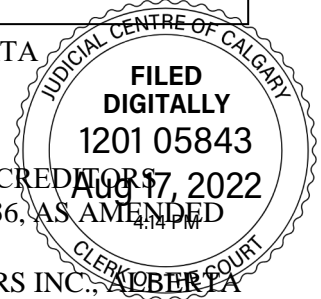
COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS'
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED



AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC. (COLLECTIVELY, THE "UBG GROUP OF COMPANIES")

DOCUMENT:

ORDER (Distribution / Approval of Activities; Interim Statement of Receipts and Disbursements; Fees and Disbursements / Disallowances / Discharge of Monitor)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7
Attention: Chris Simard
Telephone No.: (403) 298-4485
Facsimile No.: (403) 265-7219
Our File: 76797.1

DATE ON WHICH ORDER WAS PRONOUNCED: August 17, 2022

LOCATION OF HEARING OR TRIAL: Calgary

NAME OF JUDGE WHO MADE THIS ORDER: Justice R. A. Neufeld

UPON THE APPLICATION of Deloitte Restructuring Inc., the Court-appointed Monitor of the UBG Group of Companies and the Receiver of certain of the UBG Group of Companies (the "**Receiver**", the "**Monitor**" or, in both capacities, "**Deloitte**"); **AND UPON** having read the Application and the 34th Report of the Monitor/3rd Report of the Receiver dated August 9, 2022 (the "**Report**"), and the pleadings and proceedings in this Action, all filed; **AND UPON** hearing the submissions of counsel for the Receiver and counsel for other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

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

Approval of Deloitte's Actions

2. The actions taken by Deloitte, both in its capacities as Monitor and Receiver, as reported in the Report, are hereby approved and ratified.

Approval of Receiver's Receipts and Disbursements

3. The Receiver's Interim Consolidated Statement of Receipts and Disbursements, attached as Appendix "B" to the Report, is hereby approved.

Approval of Receiver's Fees and Disbursements

4. The Receiver's accounts for fees and disbursements, as set out in the Report, are hereby approved without the necessity of a formal passing of its accounts.
5. The accounts of the Receiver's legal counsel Bennett Jones LLP, for its fees and disbursements, as set out in the Report, are hereby approved without the necessity of a formal assessment of its accounts.

Distribution of Proceeds

6. The Receiver is hereby authorized and directed to make the following distributions, subject to the holdbacks identified in the Report:
 - (a) to the creditors of UBG Land Inc. and UBG Land Limited Partnership (collectively "**UBG Land**"), the proceeds held by the Receiver, in accordance with the distribution schedule attached as Appendix "C" to the Report;
 - (b) to the creditors of UBG Commercial Inc. and UBG Commercial Limited Partnership (collectively "**UBG Commercial**"), the proceeds held by the Receiver, in accordance with the distribution schedule attached as Appendix "D" to the Report;
 - (c) to the creditors of UBG 4500 Calgary Inc. and UBG 4500 Calgary Limited Partnership (collectively "**UBG 4500**"), the proceeds held by the Receiver, in accordance with the distribution schedule attached as Appendix "F" to the Report;
 - (d) to the creditors of UBG 808 Inc. and UBG 808 Limited Partnership (collectively "**UBG 808**"), the proceeds held by the Receiver, in accordance with the distribution schedule attached as Appendix "H" to the Report;

(e) to the equity investors of Today's Homes (2006) Inc., the proceeds held by the Receiver, in accordance with the distribution schedule attached as Appendix "K" to the Report; and

(f) to the equity investor of Valmont at Aspen Stone Inc., the proceeds held by the Receiver, in accordance with the distribution schedule attached as Appendix "L" to the Report.

Disallowances of Claims

7. The following disallowance of claims issued by the Monitor are hereby approved:

(a) the Monitor's disallowance of the claim of Lear Construction Management Ltd. and Paycon Holdings Ltd. against UBG 808.

Notice to Missing Creditors

8. The Receiver is hereby authorized and directed to immediately publish a notice on its website maintained with respect to these proceedings, notifying the creditors who are entitled to distributions in the amount of \$36,254 (as described in paragraph 81 of the Report) but who cannot be located (the "**Missing Creditors**") that they must claim such distributions by contacting the Receiver on or before September 15, 2022. If any Missing Creditors fail to contact the Receiver by that date, the Receiver is authorized to redistribute those Missing Creditors' dividends to the remaining creditors with proven claims.

Discharge of Monitor and Termination of CCAA Proceedings

9. On the evidence before the Court, the Monitor has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings under the *Companies' Creditors Arrangement Act* up to and including the date hereof, and the Monitor shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Monitor, or with leave of the Court.

10. No action or other proceedings shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor, except with prior leave of this Court on Notice to the Monitor, and upon such terms as this Court may direct.
11. The Monitor is hereby discharged as Monitor of the UBG Group of Companies, provided however, that notwithstanding its discharge herein: (a) the Monitor shall remain Monitor for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Monitor shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Monitor in its capacity as Monitor.
12. The proceedings herein under the *Companies' Creditors Arrangement Act* are hereby terminated (but, for clarity, the Receivership proceedings herein are not terminated).

Service

13. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
14. Service of this Order on any party not attending this application is hereby dispensed with.



Justice of the Court of Queen's Bench of Alberta

APPENDIX “B”

IN THE MATTER OF THE RECEIVERSHIP OF THE UBG GROUP OF COMPANIES
COMBINED INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD DECEMBER 12, 2017 TO JANUARY 25, 2023

	UBG Builders Inc. (Consolidated)	UBG 808 Calgary Inc.	UBG Commercial	UBG 4500	UBG Land Inc.	Alberta Builder's Capital Inc.	Today's Homes (2006) Inc.	Valmont at Aspen Stone Inc.	Greenboro Luxury Homes Inc.	Mountaineers Village II Inc.	Total
Receipts											
Transfer from (to) other receivership estates	(57,941)				70	37,774	70		7,796	12,231	-
Transfer from (to) CCAA estates:											
Greenboro Luxury Homes LP									269,379		269,379
Greenboro Estate Homes LP	39,388										39,388
Valmont at Aspen Stone LP								17,279			17,279
American Builders Capital (US) Inc.	10,089										10,089
Greenboro Homes LP	15,815										15,815
High Pointe LP	1,336										1,336
Origins at Cranston LP	10,097										10,097
South Terwillegar Village LP	80,415										80,415
UBG Alberta Builders LP	4,777										4,777
Village on the Park LP	52,650										52,650
Wilderness Homes by Riverdale LP	2,869										2,869
Wilderness Ridge at Stewart Creek Inc.	390										390
Retainer				11,133							11,133
Interest	41,804	48	202	1,157	38,746	2,479	3,739		3,718	2	91,895
Intercompany dividend											
Today's Homes (2006) Inc.	2,354					13,898	(16,252)				-
UBG Land Inc.	3,526,625				(4,097,828)	571,204					-
Greenboro Luxury Homes Inc.	8,056								(8,056)		-
UBG 4500 Calgary Inc.			238,426	(238,426)							-
UBG Commercial Inc.	48,294	7,633	(55,926)								-
Joint Venture income					5,045,736						5,045,736
Advance from Monitor	70										70
Sale of assets				241,345							241,345
Security Deposit	6,381										6,381
Other/trust funds	242,264										242,264
Miscellaneous other receipts							10,000				10,000
Rental income										7,100	7,100
GST Refund							8,256				8,256
Settlement							763,696				763,696
Total receipts	4,035,731	7,680	182,702	15,208	986,723	625,355	769,509	17,279	272,837	19,333	6,932,358
Disbursements											
Dividend payments		5,133			232,961	585,027	693,066		146,312		1,662,499
Payments to secured creditors			180,000								180,000
Receiver's fees	151,031			3,869	70,404	35,909	37,690		25,069	18,198	342,169
Legal Fees	82,883			7,366	11,318		1,545		1,545		104,657
GST paid	12,060			473	4,085	1,795	1,961		1,330	910	22,614
Operating expenses							5,939				5,939
Appraisal fees	7,341										7,341
Filing fees paid to Official Receiver	70				70	70	70		70	70	420
Total disbursements	253,385	5,133	180,000	11,708	318,837	622,801	740,271	-	174,326	19,178	2,325,638
Estate balance at January 25, 2023	3,782,346	2,548	2,702	3,500	667,886	2,555	29,238	17,279	98,511	155	4,606,720
Proposed transactions											
Miscellaneous receipts - ANHWP Reserves	61,914								25,000		86,914
Intercompany dividends	488,727				(488,727)						-
Distribution to creditors	(3,582,987)				(79,159)		(29,238)	(17,279)			(3,708,663)
Distribution to Joint Venture Sub Participants											-
Estimated Holdback for Continuing Administration	750,000	2,548	2,702	3,500	100,000	2,555	0	-	123,511	155	984,971

APPENDIX "C"

In the Matter of the Receivership of
UBG LAND INC.
Statement of Receipts and Disbursements
for the period from December 12, 2017 to January 25, 2023
\$CDN

Receipts

Joint Venture Distribution	5,045,736
Interest	38,746
Transfer from other estates	70
Total Receipts	5,084,552

Disbursements

OR Fees	70
Receiver's Fees	70,404
Legal Fees	11,318
GST on disbursements	4,085
Distribution to Creditors	4,159,544
Distribution to Joint Venture sub participants	171,246
Total Disbursements	4,416,666

Estate balance as at January 25, 2023 **667,886**

Accrual

Hold back for continuing receivership administration	(100,000)
Estimated distribution to creditors	567,886

Schedule 1

In the Matter of the Receivership of
 UBG LAND INC.
 Dividend Sheet
 \$CDN

Schedule 1

	Admitted for Dividend	Dividend Payment	Remaining Claim amount	Proposed Distribution
Secured Claims				
Burnco Rock Products Ltd.	11,120	11,120	-	-
The Residential Electrical Contract Corporation o/a Trecc Electric	50,595		-	-
		50,595		
	61,715	61,715	-	-
Unsecured Claims				
ABC Investors	2,189,568	571,204	1,618,364	79,159
MT Land Inc. (claim withdrawn)	-	-	-	-
UBG Builders Inc. ¹	13,518,440	3,526,625	9,991,815	488,727
	15,708,008	4,097,828	11,610,180	567,886
Total Claims	15,769,723	4,159,544	11,610,180	567,886

¹ Denotes intercompany claim

APPENDIX “D”



Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary AB T2P 0R8
Canada

July 7, 2022

WBA Law LLP
c/o The Alberta New Home Warranty Program
Attn: Tyler F.A. Derksen
1413, 2 Street SW
Calgary, AB T2R 0W7

Tel: 403-267-0501
Fax: 403-718-3681
www.deloitte.ca

Via email: tderksen@wbalaw.ca

**Subject: UBG Builders Inc. - Receivership
Dispute Notice**

We are in receipt of your Dispute Notice dated June 24, 2022, in respect of the Notice of Revision or Disallowance in respect of the Proof of Claim filed by The Alberta New Home Warranty Program ("ANHWP") against UBG Builders Inc. ("UBG Inc.").

Based on the Receiver's review of the Dispute Notice, your claim should remain disallowed as the Receiver understands that ANHWP holds cash reserves and letters of credit (collectively "ANHWP Reserves") to address the outstanding liabilities against the following UBG entities. The Receiver further understands that any excess ANHWP Reserves will be returned to the Receiver in due course.

Estate Name	ANHWP Reserve		Incurred Liabilities	Refund to Receiver
	Cash	LOC		
Tuscany Developments (2006) Inc.	25,000	25,000	25,000	25,000
Origins at Cranston Inc.	40,000		16,973	23,027
Wilderness Homes by Riverdale Inc.	25,000		11,113	13,887
Greenboro Luxury Homes Inc.	25,000		-	25,000
Alpine Homes (2006) Inc.	43,500		43,500	-
Village on the Park Inc.	75,000		75,000	-
	233,500	25,000	171,586	86,914

The Receiver kindly requests that the excess funds in the amount of approximately \$86,914 be paid to the Receiver as soon as possible by way of cheque or wire transfer (instructions attached for reference).

Should you have any questions, please contact the undersigned.

Yours sincerely,

DELOITTE RESTRUCTURING INC.

In its capacity as Receiver and Manager
of UBG Builders Inc. and in its capacity as
Monitor of the Unity Builders Group of Companies,
and not in its personal capacity.

Ryan Adlington, CPA, CA, CIRP, LIT
Senior Vice-President

Enclosure(s)



Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary AB T2P 0R8
Canada

Tel: 403-261-8106
Fax: 403-718-3681
www.deloitte.ca

**Deloitte Restructuring Inc.
ITF UBG Builders Inc. - Consolidated
Wire Payment Instructions**

Beneficiary	VersaBank 410 - 121 Research Drive Saskatoon, Saskatchewan Canada S7N 1K2
Beneficiary Account Number	073781001718
Beneficiary Bank	RBC – Royal Bank of Canada 154 1st Avenue S Saskatoon, Saskatchewan Canada S7K 1K2
Financial Institution Number	003
Transit Number	07378
Swift Code	ROYCCAT2
ABA Routing #	02100021
For Further Credit to	Deloitte Restructuring Inc. ITF UBG Builders Inc, – Consolidated A/C 7709282 850 -2 Street SW Suite 700 Calgary, AB T2P 0R8

TIME RECEIVED
June 24, 2022 at 9:02:26 AM MDT

REMOTE CSID
403 244 1948

DURATION
79

PAGES
5

STATUS
Received

Jun. 24. 2022 9:21AM

No. 0492 P. 1



FAX

Date: June 24, 2022 **Number of Pages** 5
including cover page:

To: Deloitte Restructuring Inc.
Attention: Mr. Ryan Adlington/Ms. Naomi McGregor
403-718-3681

From: Tyler F.A. Derksen

File No.: 143911

RE: **IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
RSC 1985, C C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF UBG BUILDERS INC.,
Court File No. 1201-05843**

This Fax is privileged and may contain confidential information. If you have received this Fax in error or if there are any problems with the transmission of this fax, please contact Jalene Boehm at 403. 228.8362.

Message:

The information contained in this fax is confidential and subject to solicitor/client privilege. If the reader is not the intended recipient or the agent thereof, you are hereby notified that any dissemination, distribution or copying of this fax is strictly prohibited. If you have received this fax in error, please notify us immediately and destroy this copy. Thank you.



Lawyer: Tyler F.A. Derksen
Direct Line: 403. 228.8391
Email: tderksen@wbalaw.ca

Assistant: Jalene Boehm
Direct Line: 403. 228.8362
Email: jboehm@wbalaw.ca

File No. 143911/TFAD

June 24, 2022

Via Fax #403-718-3681

Mr. Ryan Adlington/Ms. Naomi McGregor
Deloitte Restructuring Inc., the Court-appointed Monitor of
the Applicants Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary, AB T2P 0R8

Dear Sir and Madam:

**Re: IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, C C-36, AS
AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UBG
BUILDERS INC.,
Court File No. 1201-05843**

Please find attached our Dispute Notice for service upon you as issued by the Monitor. We will provide the documentation supporting the liabilities incurred as soon as we are able.

Yours truly,
WBA LAW LLP

A handwritten signature in black ink, appearing to read 'T. Derksen', is written over a horizontal line.

TYLER F.A. DERKSEN
TFAD/jb

SCHEDULE "E"**COURT FILE NUMBER 1201-05843****COURT COURT OF QUEEN'S BENCH OF ALBERTA****JUDICIAL CENTRE CALGARY****IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, C C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD.,
EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006)
INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES
(2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMESS
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.**

(COLLECTIVELY, THE "APPLICANTS")**DOCUMENT DISPUTE NOTICE****(Reverse Claims Procedure)****Claim Reference Number: Action # 1201 05843****Name of Applicant(s)**

**Against which a Claim is asserted: Tuscany Developments (2006) Inc. Origins at Cranston Inc.
Wilderness Homes by Riverdale Inc. Greenboro Luxury
Homes Inc. Alpine Homes (2006) Inc. Village on the Park
Inc.**

1. Particulars of Creditor:

The Alberta New Home Warranty Program
(the "Creditor")

2. Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes:

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Amount Allowed by Monitor for:			Amount claimed by Creditor:	
	Voting	Distribution		Voting	Distribution
Unsecured Claim	NIL	NIL	Unsecured Claim	\$ N/A	NIL
Secured Claim	NIL	NIL	Secured Claim	\$ N/A	\$171,586.00

3. REASON(S) FOR THE DISPUTE:

The Creditor, ***The Alberta New Home Warranty Program*** (the "Program"), provides the following reasons for disputing its Claim as set out in the Notice of Revision or Disallowance:

1. Defined terms not defined in this Dispute Notice or the Notice of Revision or Disallowance have the meaning ascribed in the Order of the Court of Queen's Bench of Alberta, dated June 15, 2012 (the "Claims Procedure Order").
2. All values contained herein are in Canadian Dollars unless otherwise noted.
3. The Program holds \$50,000.00 in security from Tuscany Developments (2006) Inc. ("TDI"). The security that the Program holds is \$25,000.00 in cash and \$25,000.00 in a line of credit. The Program incurred liability of \$25,000.00 relating to TDI. The Program proposes that \$25,000.00 cash be applied against its liabilities relating to TDI and that the remaining balance of the \$25,000.00 line of credit be returned to the Monitor.
4. The Program holds \$40,000.00 in cash from Origins at Cranston Inc. ("OCI"). The Program incurred liability of \$16,973.00 relating to OCI. The Program proposes that \$16,973.00 in cash be applied against its liabilities relating to OCI and that the remaining balance of \$23,027.00 be returned to the Monitor.

5. The Program holds \$25,000.00 in cash from Wilderness Homes by Riverdale Inc. ("WHRI"). The Program incurred liability of \$11,113.00 relating to WHRI. The Program proposes that \$11,113.00 in cash be applied against its liabilities relating to WHRI and that the remaining balance of \$13,887.00 be returned to the Monitor.
6. The Program holds \$25,000.00 in cash from Greenboro Luxury Homes Inc. ("GLH"). The Program has not incurred any liability relating to GLH and proposes that the full \$25,000.00 in cash be returned to the Monitor.
7. The Program holds \$43,500.00 from Alpine Homes (2006) Inc. ("AHI"). The Program incurred liability of \$43,500.00 relating to AHI. The Program proposes that \$43,500.00 in cash be applied against its liabilities relating to AHI.
8. The Program holds \$75,000.00 from Village on the Park Inc. ("VPI"). The Program incurred liability of \$75,000.00 relating to VPI. The Program proposes that \$75,000.00 be applied against its liabilities relating to VPI.

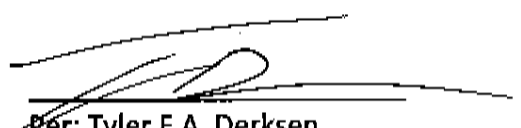
SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must **within 14 days of the date of receipt of the Notice of Revision or Disallowance** deliver to the Monitor this Dispute Notice either by prepaid register mail, personal service, courier or facsimile transmission to the following address. Dispute Notices shall be deemed to be received two business days from the date of mailing upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or, if delivered outside of normal business hours, on the next Business Day.

Deloitte Restructuring Inc., the Court-appointed Monitor of the Applicants
Deloitte Restructuring Inc.
700, 850 - 2nd Street SW
Calgary, AB T2P 0R8
Attention: Mr. Ryan Adlington / Ms. Naomi McGregor
Fax: 403.718.3681

Dated this 24th day of June, 2022

Name of creditor: ***The Alberta New Home Warranty Program***



Per: Tyler F.A. Derksen
Barrister & Solicitor
WBA LAW LLP
1413, 2nd Street SW
Calgary, Alberta
T2R 0W7

TIME RECEIVED
June 24, 2022 at 9:02:26 AM MDT

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No. 0492 P. 1



FAX

Date: June 24, 2022 **Number of Pages** 5
including cover page:

To: Deloitte Restructuring Inc.
Attention: Mr. Ryan Adlington/Ms. Naomi McGregor
403-718-3681

From: Tyler F.A. Derksen

File No.: 143911

RE: **IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
RSC 1985, C C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF UBG BUILDERS INC.,
Court File No. 1201-05843**

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Message:

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Lawyer: Tyler F.A. Derksen
Direct Line: 403. 228.8391
Email: tderksen@wbalaw.ca

Assistant: Jalene Boehm
Direct Line: 403. 228.8362
Email: jboehm@wbalaw.ca

File No. 143911/TFAD

June 24, 2022

Via Fax #403-718-3681

Mr. Ryan Adlington/Ms. Naomi McGregor
Deloitte Restructuring Inc., the Court-appointed Monitor of
the Applicants Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary, AB T2P 0R8

Dear Sir and Madam:

**Re: IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, C C-36, AS
AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UBG
BUILDERS INC.,
Court File No. 1201-05843**

Please find attached our Dispute Notice for service upon you as issued by the Monitor. We will provide the documentation supporting the liabilities incurred as soon as we are able.

Yours truly,
WBA LAW LLP

A handwritten signature in black ink, appearing to read 'T. Derksen', is written over a horizontal line.

TYLER F.A. DERKSEN
TFAD/jb

SCHEDULE "E"**COURT FILE NUMBER****1201-05843****COURT****COURT OF QUEEN'S BENCH OF ALBERTA****JUDICIAL CENTRE****CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, C C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD.,
EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006)
INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES
(2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMESS
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.**

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT**DISPUTE NOTICE**

(Reverse Claims Procedure)

Claim Reference Number:**Action # 1201 05843****Name of Applicant(s)****Against which a Claim is asserted:**

**Tuscany Developments (2006) Inc. Origins at Cranston Inc.
Wilderness Homes by Riverdale Inc. Greenboro Luxury
Homes Inc. Alpine Homes (2006) Inc. Village on the Park
Inc.**

1. Particulars of Creditor:

The Alberta New Home Warranty Program
(the "Creditor")

2. Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes:

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Amount Allowed by Monitor for:			Amount claimed by Creditor:	
	Voting	Distribution		Voting	Distribution
Unsecured Claim	NIL	NIL	Unsecured Claim	\$ N/A	NIL
Secured Claim	NIL	NIL	Secured Claim	\$ N/A	\$171,586.00

3. REASON(S) FOR THE DISPUTE:

The Creditor, ***The Alberta New Home Warranty Program*** (the "Program"), provides the following reasons for disputing its Claim as set out in the Notice of Revision or Disallowance:

1. Defined terms not defined in this Dispute Notice or the Notice of Revision or Disallowance have the meaning ascribed in the Order of the Court of Queen's Bench of Alberta, dated June 15, 2012 (the "Claims Procedure Order").
2. All values contained herein are in Canadian Dollars unless otherwise noted.
3. The Program holds \$50,000.00 in security from Tuscany Developments (2006) Inc. ("TDI"). The security that the Program holds is \$25,000.00 in cash and \$25,000.00 in a line of credit. The Program incurred liability of \$25,000.00 relating to TDI. The Program proposes that \$25,000.00 cash be applied against its liabilities relating to TDI and that the remaining balance of the \$25,000.00 line of credit be returned to the Monitor.
4. The Program holds \$40,000.00 in cash from Origins at Cranston Inc. ("OCI"). The Program incurred liability of \$16,973.00 relating to OCI. The Program proposes that \$16,973.00 in cash be applied against its liabilities relating to OCI and that the remaining balance of \$23,027.00 be returned to the Monitor.

5. The Program holds \$25,000.00 in cash from Wilderness Homes by Riverdale Inc. ("WHRI"). The Program incurred liability of \$11,113.00 relating to WHRI. The Program proposes that \$11,113.00 in cash be applied against its liabilities relating to WHRI and that the remaining balance of \$13,887.00 be returned to the Monitor.
6. The Program holds \$25,000.00 in cash from Greenboro Luxury Homes Inc. ("GLH"). The Program has not incurred any liability relating to GLH and proposes that the full \$25,000.00 in cash be returned to the Monitor.
7. The Program holds \$43,500.00 from Alpine Homes (2006) Inc. ("AHI"). The Program incurred liability of \$43,500.00 relating to AHI. The Program proposes that \$43,500.00 in cash be applied against its liabilities relating to AHI.
8. The Program holds \$75,000.00 from Village on the Park Inc. ("VPI"). The Program incurred liability of \$75,000.00 relating to VPI. The Program proposes that \$75,000.00 be applied against its liabilities relating to VPI.

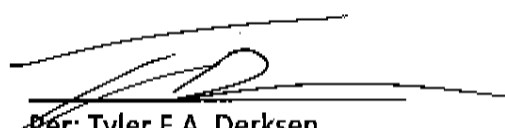
SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must **within 14 days of the date of receipt of the Notice of Revision or Disallowance** deliver to the Monitor this Dispute Notice either by prepaid register mail, personal service, courier or facsimile transmission to the following address. Dispute Notices shall be deemed to be received two business days from the date of mailing upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or, if delivered outside of normal business hours, on the next Business Day.

Deloitte Restructuring Inc., the Court-appointed Monitor of the Applicants
Deloitte Restructuring Inc.
700, 850 - 2nd Street SW
Calgary, AB T2P 0R8
Attention: Mr. Ryan Adlington / Ms. Naomi McGregor
Fax: 403.718.3681

Dated this 24th day of June, 2022

Name of creditor: ***The Alberta New Home Warranty Program***



Per: Tyler F.A. Derksen
Barrister & Solicitor
WBA LAW LLP
1413, 2nd Street SW
Calgary, Alberta
T2R 0W7

SCHEDULE "B"

Aug 31/12

COURT FILE NUMBER

1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION
BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

PROOF OF CLAIM

(Claims Procedure)

Proof of Claim

For Claims Arising Before May 9, 2012

(See Reverse for Instructions)

Regarding the claim of The Alberta New Home Warranty Program (referred to
in this form as "the creditor"). (name of creditor)

All notices or correspondence regarding this claim to be forwarded to the creditor at the following address:

301, 30 Springborough Blvd
SW. Calgary, AB T3H 0N9

Telephone: 403-253-9237

Fax: 403-253-5062

I, Angela Koal
(name of person signing claim)
of Calgary
(name of city, town, etc.)

Residing in the City
(city, town, etc.)
In the province of Alberta

Do hereby certify that:

☒ 1. I am the creditor

or

I am Director, Financial Services & Risk Management of the creditor.
(If an officer or employee of the company, state position or title)

☒ 2. I have knowledge of all the circumstances connected with the claim referred to in this form.

3. Check box of appropriate CCAA debtor that your claim is against:

<input checked="" type="checkbox"/>	Alpine Homes (2006) Inc.
<input type="checkbox"/>	Edgewater at Griesbach Inc.
<input checked="" type="checkbox"/>	Elite Homes (2006) Ltd.
<input checked="" type="checkbox"/>	Evolution By Greenboro Inc.
<input type="checkbox"/>	Greenboro Communities (2006) Inc.
<input checked="" type="checkbox"/>	Greenboro Estate Homes (2006) Ltd.
<input checked="" type="checkbox"/>	Greenboro Homes (2006) Ltd.
<input checked="" type="checkbox"/>	Greenboro Luxury Homes Inc.
<input checked="" type="checkbox"/>	High Pointe Inc.
<input checked="" type="checkbox"/>	Mountaineers Village (2006) Inc.
<input type="checkbox"/>	Mountaineers Village II Inc.
<input checked="" type="checkbox"/>	Origins at Cranston Inc.
<input checked="" type="checkbox"/>	South Terwillegar Village Inc.
<input type="checkbox"/>	The Bridges Management Inc.

<input checked="" type="checkbox"/>	Alpine Homes Limited Partnership
<input type="checkbox"/>	Edgewater at Griesbach Limited Partnership
<input checked="" type="checkbox"/>	Elite Homes Limited Partnership
<input checked="" type="checkbox"/>	Evolution by Greenboro Limited Partnership
<input type="checkbox"/>	Greenboro Communities Limited Partnership.
<input checked="" type="checkbox"/>	Greenboro Estate Homes Limited Partnership
<input checked="" type="checkbox"/>	Greenboro Homes Limited Partnership
<input checked="" type="checkbox"/>	Greenboro Luxury Homes (Currie Barracks 1A) Limited Partnership
<input checked="" type="checkbox"/>	High Pointe Limited Partnership
<input type="checkbox"/>	Mountaineers Village Limited Partnership
<input type="checkbox"/>	Mountaineers Village II Limited Partnership
<input checked="" type="checkbox"/>	Origins at Cranston Limited Partnership
<input checked="" type="checkbox"/>	South Terwillegar Village Limited Partnership
<input type="checkbox"/>	The Bridges Limited Partnership

<input type="checkbox"/>	The Ledges Inc.
<input checked="" type="checkbox"/>	Timberline Lodges (2006) Inc.
<input checked="" type="checkbox"/>	Today's Communities (2006) Inc.
<input checked="" type="checkbox"/>	Today's Homes (2006) Inc.
<input checked="" type="checkbox"/>	Tuscany Developments (2006) Inc.
<input checked="" type="checkbox"/>	UBG Alberta Builders (2006) Inc.
<input checked="" type="checkbox"/>	UBG Alpine Homes (2006) Ltd.
<input type="checkbox"/>	UBG Bridges Inc.
<input type="checkbox"/>	UBG Commercial Inc.
<input type="checkbox"/>	UBG Land Inc.
<input type="checkbox"/>	UBG 4500 Calgary Inc.
<input type="checkbox"/>	UBG 75 Canmore Inc.
<input type="checkbox"/>	UBG 808 Calgary Inc.
<input checked="" type="checkbox"/>	Valmont at Aspen Stone Inc.
<input checked="" type="checkbox"/>	Valour Park at Currie Inc.
<input type="checkbox"/>	Village at the Hamptons Inc.
<input checked="" type="checkbox"/>	Village on the Park Inc.
<input checked="" type="checkbox"/>	Wilderness Homes By Riverdale Inc.
<input checked="" type="checkbox"/>	Wilderness Ridge at Stewart Creek Inc.
<input checked="" type="checkbox"/>	UBG Builders Inc.
<input type="checkbox"/>	UBG Lot Deposit Corp.

<input type="checkbox"/>	The Ledges Limited Partnership
<input checked="" type="checkbox"/>	Timberline Lodges Limited Partnership
<input checked="" type="checkbox"/>	Today's Communities Limited Partnership
<input checked="" type="checkbox"/>	Today's Homes Limited Partnership
<input checked="" type="checkbox"/>	Tuscany Developments Limited Partnership
<input checked="" type="checkbox"/>	UBG Alberta Builders Limited Partnership
<input checked="" type="checkbox"/>	UBG Alpine Homes Limited Partnership
<input type="checkbox"/>	UBG Bridges Limited Partnership
<input type="checkbox"/>	UBG Commercial Limited Partnership
<input type="checkbox"/>	UBG Land Limited Partnership
<input type="checkbox"/>	UBG 4500 Calgary Limited Partnership
<input type="checkbox"/>	UBG 75 Canmore Limited Partnership
<input type="checkbox"/>	UBG 808 Calgary Limited Partnership
<input checked="" type="checkbox"/>	Valmont at Aspen Stone Limited Partnership
<input checked="" type="checkbox"/>	Valour Park at Currie Limited Partnership
<input type="checkbox"/>	Village at the Hamptons Limited Partnership.
<input checked="" type="checkbox"/>	Village on the Park Limited Partnership.
<input checked="" type="checkbox"/>	Wilderness Homes by Riverdale Limited Partnership
<input checked="" type="checkbox"/>	Wilderness Ridge at Stewart Creek Limited Partnership
<input type="checkbox"/>	UBG Builders (USA) Inc.
<input type="checkbox"/>	Unity Investments (2012) Inc.

The CCAA Debtor (check appropriate box above) was, as at May 9, 2012, and still is indebted to the creditor in the sum of \$ 284,024,532.52 CDN as shown by the statement of account attached hereto and marked "Schedule A". Claims should not include the value of goods and/or services supplied after May 9, 2012. If a creditor's claim is to be reduced by deducting any counter claims to which the CCAA Debtor is entitled and/or amounts associated with the return of equipment and/or assets by the CCAA Debtor, please specify.

(This amount includes the creditor's maximum potential exposure on all homes/units/projects approved by the creditor for warranty coverage)

Tab 4 284011.184
 Tab 7 13,348.52
284,024,532.52

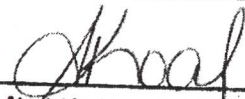
The statement of account must specify the vouchers or other evidence in support of the claim including the date and location of the delivery of all services and materials. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest.

4. ☐ A. Unsecured claim. \$_____. In respect to the said debt, the creditor does not and has not held any assets as security.
- ☒ B. Secured claim. \$ 284,024,532.52. In respect of the said debt, the creditor holds assets valued at \$ Unknown as security:

Provide full particulars of the security, including the date on which the security was given and the value at which the creditor assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "B".

Dated at Calgary, AB, this 30 day of July, 2012.
Insert city and date of signature

Witness


(signature of individual completing the form)

Must be signed and witnessed

APPENDIX “E”

VIA FAX to 403.718.3681

June 27, 2022

Deloitte Restructuring Inc.
the Court-appointed Monitor of the Applicants
Deloitte Restructuring Inc.
700, 850-2nd Street SW Calgary, AB T2P 0R8
Attention: Mr. Ryan Adlington/Ms. Naomi McGregor

Re. Action #1201-05843
UBG Builders Inc. et al - *Company Creditors Arrangement Act*
Notice of Revision or Disallowance of Claims
Notice of Dispute

Further to my conversation with Naomi today regarding the above matter, the Town of Canmore received the Notice of Revision or Disallowance of Claims sent by letter dated Friday June 10, 2022 on Monday June 13, 2022, being the following regular business day for the Town of Canmore. I have enclosed a Notice of Dispute on the part of the Town of Canmore for service on today's date, within 14 days of receipt of the Notice of Disallowance.

As discussed, the Town of Canmore acknowledges satisfaction of its Contingent Claim of \$800,000; however, disputes the reasons for disallowance of this claim being that there are no longer any outstanding amounts owing to the Town of Canmore in respect of development projects as all the required work was undertaken. The Town of Canmore continues to claim \$100,000 of the Contingent Claim for development obligations secured by two Letters of Credit totaling \$100,000 that were paid to the Town of Canmore to rectify deficiencies in the developer's work, some of which remains unrectified. We respectfully request that this remaining claim be documented in the Receiver-Monitor's report to the Court and that the payment of the above amounts to the Town of Canmore be approved by the Court.

Please contact me with any questions.

Yours Sincerely,



Adam Driedzic
Town Solicitor

SCHEDULE
"E"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
RSC 1985, cC-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF UBG BUILDERS INC., ALBERTA
BUILDERS CAPITAL INC., ALPINE HOMES (2006)
INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006)
LTD., EVOLUTION BY GREENBORO INC., GREENBORO
COMMUNITIES (2006) INC., GREENBORO ESTATE
HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE
INC., MOUNTAINEERS VILLAGE (2006)
INC., MOUNTAINEERS VILLAGE II INC., ORIGINS AT
CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES
INC., TIMBERLINE LODGES (2006) INC., TODAY'S
COMMUNITIES (2006) INC., TODAY'S HOMES (2006)
INC., TUSCANY DEVELOPMENTS (2006) INC., UBG
ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES
(2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL
INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500
CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY
INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT
CURRIE INC., VILLAGE AT THE HAMPTONS
INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS
RIDGE AT STEWART CREEK INC.
(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

DISPUTE NOTICE

(Reverse Claims Procedure)

Claim Reference Number: Action #1201-05843

Name of Applicant(s) against which a Claim is asserted: UBG Builders Inc.
Alpine Homes (2006) Inc.; UGB Alpine Homes (2006) Ltd;
Mountaineers Village (2006) Inc.; Mountaineers Village II Inc.
UGB 75 Canmore Inc.

1. Particulars of Creditor:

Full Legal Name of Creditor:
Town of Canmore (the "Creditor")

Full Mailing Address of the Creditor:
Town of Canmore
Civic Centre
902 7 Ave
Canmore, AB T1W 3K1
Attn: Legal Department

Other Contact Information of the Creditor:
Telephone Number: (403) 678-1553
Email Address: adam.driedzic@canmore.ca
Facsimile Number: (403) 678-1524
Attention: Adam Driedzic, Town Solicitor

2. Particulars of Original Creditor from whom you acquired the Claim, if applicable:

Not Applicable.

3. Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes:

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	<u>Amount allowed by Monitor</u>		<u>Amount claimed by Creditor</u>	
	<u>Voting</u>	<u>Distribution</u>	<u>Voting</u>	<u>Distribution</u>
Secured Claim	NA	\$0.00	NA	\$0.00
Unsecured Claim	NA	\$0.00	NA	\$100,000.00

REASONS FOR THE DISPUTE:

1. The Town of Canmore's outstanding claims are directed at the group of companies carrying on business in Canmore under the names of Alpine Homes and Mountaineer's Village or both. The Town of Canmore understands this to include the applicants Alpine Homes (2006) Inc., UBG Alpine Homes (006) Ltd., Mountaineers Village (2006) Inc., Mountaineers Village II Inc., UBG 75 Canmore Inc. and UBG Builders Inc., the entity listed in the Proof of Claim form as Alpine Homes Limited Partnership, and further entities not listed in the Proof of Claim form including UBG Alpine Homes Limited Partnership, UBG Alpine Homes Ltd. and Mountaineers Village (Canmore) Inc.
2. The Town acknowledges that its Contingent Claim of \$800,000 was satisfied for the purpose; however disputes the reasons for disallowance with respect to \$100,000 of the Contingent Claim.
3. With respect to \$100,000 of the Contingent Claim, this amount remained owing to the Town of Canmore with respect to the development projects, as not all work required of the developers was undertaken or not all obligations of the developers were met.
4. The Town has received payment from the developers' lenders for the full amounts of two Letters of Credit each in the amount of \$50,000 that were held to secure the developer's obligations, for a total of \$100,000.
5. The Town of Canmore has applied the funds received towards completing the developer's obligations and rectifying deficiencies in the developer's work as articulated below.

Re. Hubman Landing Duplexes

6. The Town of Canmore permitted the development of the condominium project with the municipal address of 210 Hubman Landing, Canmore, Alberta (the "Hubman Landing Duplexes") under Development Permit 2005-146 and registered Development Agreement 051 485 327.
7. Development Agreement 051 485 327 was signed by UBG Alpine Homes Ltd.
8. Letter of Credit No.P336214C08419 issued by the Royal Bank of Canada provided the Town of Canmore with \$50,000 in security for performance of development obligations under Development Agreement 051 485 327.
9. Development Permit 2005-146 required encroachment agreements for structures in right of ways.
10. Development Agreement 051 485 327 required encroachment agreements for structures in right of ways.
11. Utility Right of Way 041014095 in favor of the Town of Canmore is registered against the units of bareland condominium plan 0414562.
12. Utility Right of Way 041014095 secures utility right of way plan 0410097.
13. Utility right of way plan 0410097 appears on condominium plan 0414562 in locations including Units 1 through 5, to the rear of the current buildings.
14. The holders of Development Permit 2005-146 and Development Agreement 051 485 327 constructed the current structures and buildings on Units 1 through in condominium plan 0414562 of so that structures including the eaves of these buildings encroached into utility right of way plan 0410097, in breach of Utility Right of Way 041014095.
15. The developers did not enter encroachment agreements with the Town of Canmore permitting the encroachments as required by Development Permit 2005-146 and Development Agreement 051 485 327.
16. The Town of Canmore attempted to re-negotiate and replace utility right of ways with multiple individual property owners of Units 1 through 5, and to discharge existing utility right of ways from title. Most but not all of this rectification work was completed.

17. The Town of Canmore prepared and attempted to enter encroachment agreements with subsequent property owners. This rectification work remains uncompleted.
18. On or around October 28, 2015, the Town wrote the Royal Bank of Canada to advise that Letter of Credit No. P336214C08419 could not be released due to the outstanding issue of the encroachment into the Utility Right of Way. This notice was copied to the solicitors for UBG Builders Inc. and the Monitor.
19. On or around June 22, 2017, the Royal Bank of Canada released the full amount of \$50,000 secured by The Letter of Credit to the Town of Canmore.
20. The completion of the developers' obligations to the Town of Canmore under Development Permit 2005-146 and Development Agreement 051 485 327 that were secured by Letter of Credit No. P336214C08419 remain deficient, and the Town's efforts to resolve the issue of encroachments into the utility right of way are ongoing.

Re. Mountaineers' Village I

21. The Town of Canmore permitted the development of the condominium project known as Mountaineer's Village I under Development Permit 2005-471 and registered Development Agreement 051 473 075.
22. Development Agreement 051 473 075 was executed by Mountaineers Village (Canmore Inc.).
23. Letter of Credit No. BMT011412OS issued by the Bank of Montreal in the amount of \$50,000 secured the developers' obligations on Development Agreement 051 473 075. This amount was a reduction to the amount of the original security to account for the remaining uncompleted or deficient development work articulated herein.
24. As of 2021, there were deficiencies on the developer's work to be completed under Development Agreement 051 473 075 including paving and parking, landscaping, garbage enclosures and engineering service tie ins with existing municipal infrastructure.
25. Regarding garbage enclosures: Development Agreement 051 473 075 required the developers to construct enclosed garbage facilities. The garbage facilities have not been enclosed.
26. Regarding parking, paving and tie ins to municipal infrastructure: Development Agreement 051 473 075 generally requires construction to comply with municipal standards and guidelines, and specifically requires the developers to comply with any municipally approved plans for driveway and pedestrian safety. The developers constructed vehicle access to Mountaineers Village I in a manner that fragmented the public sidewalk in front of Mountaineers Village I and the adjacent lot that was proposed for Mountaineers Village II. This vehicle access to Mountaineers Village I as constructed by the developers provided no features for vehicle speed control or pedestrian safety. This did not comply with municipal plans, standards or guidelines.
27. Further regarding parking and paving: the paved parking for Mountaineers Village I encroaches onto the lot proposed for Mountaineers Village II and ends with unfinished edges.
28. On or around October 5, 2012, the Town wrote the Bank of Montreal demanding full and complete payment on Letter of Credit No. BMT011412OS.
29. On or around October 19, 2012, the Bank of Montreal released the full \$50,000 secured by Letter of Credit No. BMT011412OS to the Town of Canmore.
30. As of June of 2022, the Town of Canmore has completed the sidewalk paving across the vehicle access road to Mountaineers Village I.

31. Apart from the completion of the sidewalk by the Town of Canmore, the above-listed deficiencies on the developers' obligations to the Town of Canmore under Development Permit 2005-471 and Development Agreement 051 473 075 remain.

Total Claim

32. The Town of Canmore claims the \$50,000 received on Letter of Credit Letter of Credit for the Hubman Landing Duplexes as articulated above and the \$50,000 received on Letter of Credit for Mountaineers' Village I as articulated above for a total of \$100,000.
33. The costs incurred and continued to be incurred by the Town of Canmore to rectify the developer's deficiencies will exceed the amount of its claim.
34. The Town respectfully requests that this Dispute Notice or the reasons for the claim articulated herein be included by the Receiver-Monitor in its report to the Court, to be approved by the Court as payment of the above claim to the Town of Canmore.

SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must **within fourteen days of the date of receipt of the Notice of Revision or Disallowance** deliver to the Monitor this Dispute Notice either by prepaid registered mail, personal service, courier, or facsimile transmission to the following address. Dispute Notices shall be deemed to be received two business days from the date of mailing, upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or, if delivered outside of normal business hours, on the next Business Day.

Deloitte Restructuring Inc., the Court-appointed
Monitor of the Applicants Deloitte Restructuring Inc.
700, 850 – 2nd Street SW Calgary, AB T2P 0R8
Attention: Mr. Ryan Adlington/Ms. Naomi McGregor
Fax: 403.718.3681

DATED this 27th day of June, 2022

Witness: 

Name of creditor: The Town of Canmore

Per: 
Name: Adam Driedzic
Title: Town Solicitor

APPENDIX “F”

COURT FILE NUMBER 1201-05843

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC. (COLLECTIVELY, THE "UBG GROUP OF COMPANIES")

DOCUMENT:

AFFIDAVIT OF SERVICE

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

BENNETT JONES LLP

Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard
Telephone No.: (403) 298-4485
Facsimile No.: (403) 265-7219
Our File: 76797.1

AFFIDAVIT OF NAOMI McGREGOR**Sworn on October 25, 2022**

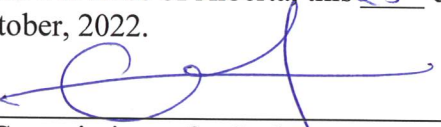
I, Naomi McGregor, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am a Senior Manager, Financial Advisory for Deloitte Restructuring Inc., the Court-Appointed Monitor of UBG Group of Companies and the Court-appointed Receiver of certain of the UBG Group of Companies ("**Deloitte**"). As such, I have personal knowledge of the matters hereinafter deposed to except where stated to be based on information and belief, in which case I believe the same to be true.
2. On September 21, 2022, I served Robert Friesen Investments Inc. ("**RFI**") with Deloitte's Notice of Disallowance of RFI's proof of claim filed in accordance with the Claims Procedure Order granted in this Action on June 15, 2012. A true copy of RFI's proof of claim is attached to this Affidavit as **Exhibit "1"** and a true copy of Deloitte's Notice of Disallowance is attached to this Affidavit as **Exhibit "2"**.
3. I served the Notice of Disallowance by couriering it to the following addresses:

Robert Friesen Investments Inc. Third Floor, 14505 Bannister Road S.E. Calgary AB T2X 3J3	Robert Friesen Investments Inc. 808 – 55 Avenue NE Calgary AB T2E 6Y4
---	---
4. The Bannister Road address is the registered office of RFI, as disclosed in the Alberta Corporate Registry search attached as **Exhibit "3"** to this Affidavit. The 55 Avenue address was the address for service provided by RFI in its proof of claim, attached hereto as Exhibit "1".
5. The package was successfully delivered to the Bannister Road address on September 21, 2022. Attached as **Exhibit "4"** to this Affidavit is a copy of the proof of delivery to the Bannister Road address.
6. The package that was couriered to the 55 Avenue address was returned by the courier company, because RFI was not listed on the building's registry.

7. I am advised by Rebecca McDougall, an executive assistant with Deloitte, and believe, that on September 22, 2022, she also attempted to make contact with RFI via telephone, by calling the telephone number RFI had provided on its proof of claim. However, that telephone number is no longer in service.

Sworn before me at the City of Calgary,
in the Province of Alberta, this 25 day of
October, 2022.


A Commissioner for Oaths
in and for the Province of Alberta


NAOMI McGREGOR

CASSIE POON
A Commissioner for Oaths
In and for Alberta
My Commission Expires December 09, 2023

THIS IS **EXHIBIT "1"** REFERRED TO
IN THE AFFIDAVIT OF NAOMI
McGREGOR SWORN THE 25 DAY OF
OCTOBER, 2022.



CASSIE POON
A Commissioner for Oaths
In and for Alberta
My Commission Expires December 09, 2023

Rec'd July 5, 2012

Proof of Claim

Aug 31, 2012

For Claims Arising Before May 9, 2012

(See Attached for Instructions)

Regarding the claim of ROBERT FRIESEN INVESTMENTS INC (referred to in this form as "the creditor").
(name of creditor)

All notices or correspondence regarding this claim to be forwarded to the creditor at the following address:

808 - 55 AVE N.E.
CALGARY ALBERTA T2E 6Y4

Telephone: 403-569-4852 Fax: 403-275-7514

I, ROBERT FRIESEN Residing in the CITY
(name of person signing claim) (city, town, etc.)
of CALGARY In the province of ALBERTA
(name of city, town, etc.)

Do hereby certify that:

☐ 1. I am the creditor

or

I am DIRECTOR of the creditor.
(if an officer or employee of the company, state position or title)

☒ 2. I have knowledge of all the circumstances connected with the claim referred to in this form.

3. Check box of appropriate CCAA debtor that your claim is against:

- | | |
|--------------------------|------------------------------------|
| <input type="checkbox"/> | Alpine Homes (2006) Inc. |
| <input type="checkbox"/> | Edgewater at Griesbach Inc. |
| <input type="checkbox"/> | Elite Homes (2006) Ltd. |
| <input type="checkbox"/> | Evolution By Greenboro Inc. |
| <input type="checkbox"/> | Greenboro Communities (2006) Inc. |
| <input type="checkbox"/> | Greenboro Estate Homes (2006) Ltd. |
| <input type="checkbox"/> | Greenboro Homes (2006) Ltd. |
| <input type="checkbox"/> | Greenboro Luxury Homes Inc. |
| <input type="checkbox"/> | High Pointe Inc. |

- | | |
|--------------------------|---|
| <input type="checkbox"/> | Alpine Homes Limited Partnership |
| <input type="checkbox"/> | Edgewater at Griesbach Limited Partnership |
| <input type="checkbox"/> | Elite Homes Limited Partnership |
| <input type="checkbox"/> | Evolution by Greenboro Limited Partnership |
| <input type="checkbox"/> | Greenboro Communities Limited Partnership. |
| <input type="checkbox"/> | Greenboro Estate Homes Limited Partnership |
| <input type="checkbox"/> | Greenboro Homes Limited Partnership |
| <input type="checkbox"/> | Greenboro Luxury Homes (Currie Barracks 1A) Limited Partnership |
| <input type="checkbox"/> | High Pointe Limited Partnership |

<input type="checkbox"/>	Mountaineers Village (2006) Inc.	<input type="checkbox"/>	Mountaineers Village Limited Partnership
<input type="checkbox"/>	Mountaineers Village II Inc.	<input type="checkbox"/>	Mountaineers Village II Limited Partnership
<input type="checkbox"/>	Origins at Cranston Inc.	<input type="checkbox"/>	Origins at Cranston Limited Partnership
<input type="checkbox"/>	South Terwillegar Village Inc.	<input type="checkbox"/>	South Terwillegar Village Limited Partnership
<input type="checkbox"/>	The Bridges Management Inc.	<input type="checkbox"/>	The Bridges Limited Partnership
<input type="checkbox"/>	The Ledges Inc.	<input type="checkbox"/>	The Ledges Limited Partnership
<input type="checkbox"/>	Timberline Lodges (2006) Inc.	<input type="checkbox"/>	Timberline Lodges Limited Partnership
<input type="checkbox"/>	Today's Communities (2006) Inc.	<input type="checkbox"/>	Today's Communities Limited Partnership
<input type="checkbox"/>	Today's Homes (2006) Inc.	<input type="checkbox"/>	Today's Homes Limited Partnership
<input type="checkbox"/>	Tuscany Developments (2006) Inc.	<input type="checkbox"/>	Tuscany Developments Limited Partnership
<input type="checkbox"/>	UBG Alberta Builders (2006) Inc.	<input type="checkbox"/>	UBG Alberta Builders Limited Partnership
<input type="checkbox"/>	UBG Alpine Homes (2006) Ltd.	<input type="checkbox"/>	UBG Alpine Homes Limited Partnership
<input type="checkbox"/>	UBG Bridges Inc.	<input type="checkbox"/>	UBG Bridges Limited Partnership
<input type="checkbox"/>	UBG Commercial Inc.	<input type="checkbox"/>	UBG Commercial Limited Partnership
<input type="checkbox"/>	UBG Land Inc.	<input type="checkbox"/>	UBG Land Limited Partnership
<input type="checkbox"/>	UBG 4500 Calgary Inc.	<input type="checkbox"/>	UBG 4500 Calgary Limited Partnership
<input type="checkbox"/>	UBG 75 Canmore Inc.	<input type="checkbox"/>	UBG 75 Canmore Limited Partnership
<input type="checkbox"/>	UBG 808 Calgary Inc.	<input type="checkbox"/>	UBG 808 Calgary Limited Partnership
<input type="checkbox"/>	Valmont at Aspen Stone Inc.	<input type="checkbox"/>	Valmont at Aspen Stone Limited Partnership
<input type="checkbox"/>	Valour Park at Currie Inc.	<input type="checkbox"/>	Valour Park at Currie Limited Partnership
<input type="checkbox"/>	Village at the Hamptons Inc.	<input type="checkbox"/>	Village at the Hamptons Limited Partnership.
<input type="checkbox"/>	Village on the Park Inc.	<input type="checkbox"/>	Village on the Park Limited Partnership.
<input type="checkbox"/>	Wilderness Homes By Riverdale Inc.	<input type="checkbox"/>	Wilderness Homes by Riverdale Limited Partnership
<input type="checkbox"/>	Wilderness Ridge at Stewart Creek Inc.	<input type="checkbox"/>	Wilderness Ridge at Stewart Creek Limited Partnership
<input checked="" type="checkbox"/>	UBG Builders Inc.	<input type="checkbox"/>	UBG Builders (USA) Inc.
<input type="checkbox"/>	UBG Lot Deposit Corp.	<input type="checkbox"/>	Unity Investments (2012) Inc.

The CCAA Debtor (check appropriate box above) was, as at May 9, 2012, and still is indebted to the creditor in the sum of \$32,731,000.⁰⁰ CDN as shown by the statement of account attached hereto and marked "Schedule A". Claims should **not** include the value of goods and/or services supplied after May 9, 2012. If a creditor's claim is to be reduced by deducting any counter claims to which the CCAA Debtor is entitled and/or amounts associated with the return of equipment and/or assets by the CCAA Debtor, please specify.

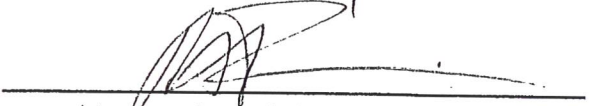
The statement of account must specify the vouchers or other evidence in support of the claim including the date and location of the delivery of all services and materials. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest.

4. ☐ A. **Unsecured claim.** \$_____. In respect to the said debt, the creditor does not and has not held any assets as security.
- ☒ B. **Secured claim.** \$32,731,000.⁰⁰. In respect of the said debt, the creditor holds assets valued at \$32,731,000.⁰⁰ as security:

Provide full particulars of the security, including the date on which the security was given and the value at which the creditor assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "B".

Dated at CALGARY, this 24 day of JULY, 2012.
Insert city and date of signature

Witness


(signature of individual completing the form)

Must be signed and witnessed

Schedule "A"

General Ledger System
 Wide General Ledger Report: Accrual Ledger
 Company : 1000 USG Builders Inc.
 Division : 01/01/2012 to 05/31/2012
 Division(s) : 2991
 Account(s) : 2991
 Sub-Ledger(s) : *
 Print Details: no
 Currency: CAN

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 6:54PM User: xegang

Account Code	Div. Code	Sub-Ledger	Posting Date	Group Jr Number	Unit No.	Primary / Ancillary Memo	Detail Memo	Amount	Total Month	Account Balance
2991	000000	RFI	01/01/2012	PJ 00065947	0004	Shareholder loans - USG entities				
2991	000000	RFI	01/13/2012	PJ 00065947	0004	Inv:GL1760 1000:Robert Friesen Investments Inc.		5,000.00		-32,456,000.00
2991	000000	RFI	01/31/2012	PJ 00065947	0004	Inv:GL1760 1000:Robert Friesen Investments Inc.		10,000.00		-32,461,000.00
2991	000000	RFI	02/13/2012	GJ 00065947	0003	Inv:GL1760 1000:Robert Friesen Investments Inc.		10,000.00	25,000.00	-32,471,000.00
2991	000000	RFI	02/24/2012	GJ 00065947	0001	A/T to 90000		10,000.00		-32,481,000.00
2991	000000	RFI	03/12/2012	GJ 00070420	0002	Inv:GL1760 1000:Robert Friesen Investments Inc.		10,000.00	20,000.00	-32,491,000.00
2991	000000	RFI	03/27/2012	GJ 00071149	0002	A/T to 90000 rfi		8,000.00		-32,499,000.00
2991	000000	RFI	04/10/2012	PJ 00071959	0001	W/T - RFI to USG		-350,000.00	-342,000.00	-32,849,000.00
2991	000000	RFI	04/25/2012	PJ 00072840	0004	Inv:GL1760 1000:Robert Friesen Investments Inc.		11,000.00		-32,860,000.00
2991	000000	RFI	05/02/2012	GJ 00073185	0001	W/T to RFI		11,000.00	22,000.00	-32,871,000.00
2991	000000	RFI						10,000.00	10,000.00	-32,741,000.00
2991	000000					Total Division...		-265,000.00		-32,731,000.00
2991						Total Account...			-265,000.00	-32,731,000.00
2991						Total Report...			-265,000.00	-32,731,000.00

General Ledger System
 Wide General Ledger Report: Accrual Ledger
 Company : 90000 Robert Friess Investments Inc.
 Period : 01/01/2012 to 05/31/2012 6:53PM User: regang
 Division(s) : 000000
 Account(s) : 1760
 Sub-Ledger(s): 1000
 Print Details: no
 Currency: CAN

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Account Code	Div. Code	Sub-Ledger	Posting Date	Group Jr Number	Unit No.	Primary / Ancillary Memo	Detail Memo	Amount	Total Month	Account Balance
1760	000000	1000	01/03/2012	CR 00066090	0001	Shareholder loan account - USG entities				
1760	000000	1000	01/13/2012	CR 00065923	0001	Deposit:2606:USG Builders Inc.		-5,000.00		32,466,000.00
1760	000000	1000	01/13/2012	CR 00067932	0001	Deposit:2633:USG Builders Inc.		-10,000.00		32,451,000.00
1760	000000	1000	02/13/2012	CR 00068217	0002	Deposit:2687:USG Builders Inc.		-10,000.00	-25,000.00	32,441,000.00
1760	000000	1000	02/24/2012	CR 00068420	0001	A/T fr 1000		-10,000.00		32,431,000.00
1760	000000	1000	03/12/2012	CR 00070420	0001	Deposit:2717:USG Builders Inc.		-8,000.00	-20,000.00	32,421,000.00
1760	000000	1000	03/27/2012	GJ 00071149	0001	A/T fr 1000 usg	A/T fr 1000 usg	350,000.00	342,000.00	32,413,000.00
1760	000000	1000	04/10/2012	CR 00071976	0001	Deposit:2833:USG Builders Inc.		-11,000.00		32,763,000.00
1760	000000	1000	04/26/2012	CR 00072858	0001	Deposit:2836:USG Builders Inc.		-11,000.00		32,752,000.00
1760	000000	1000	05/02/2012	GJ 00073185	0002	A/T fr 1000		-10,000.00	-32,000.00	32,741,000.00
1760						Total Account...		265,000.00	265,000.00	32,731,000.00
1760						Total Report...			265,000.00	32,731,000.00

MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the 28th day of April, 1998,

BETWEEN:

ROBERT FRIESEN INVESTMENTS INC., a
corporation incorporated under the laws of Alberta and
having an office at Calgary, Alberta

(hereinafter called "OPCO")

- and -

UBG BUILDERS INC., a corporation incorporated
under the laws of Canada and having an office at Calgary,
Alberta

(hereinafter called "UBG")

WITNESSES THAT WHEREAS:

- A. OPCO desires to retain UBG to provide management and consulting services in the operation of the Business (as hereinafter defined), which OPCO is willing to provide;
- B. OPCO and UBG desire to enter into this Agreement for the purposes of setting forth the terms and conditions under which UBG will provide such services to OPCO.

NOW THEREFORE in consideration of the foregoing recitals, the following covenants and mutual benefits to be derived from this Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I APPOINTMENT OF UBG

1.01 UBG Appointed

Subject to the terms and conditions hereof, OPCO hereby appoints UBG to provide management and related consulting services as more fully defined herein, to, for and on behalf of OPCO in relation to the Business, and UBG hereby accepts such appointment and confirms that it shall provide such services to OPCO in relation to the Business through its employees and through other consultants from time to time.

1.02 Standard of Performance by UBG

UBG shall, in connection with the performance of its duties hereunder, exercise such degree of care and skill as would reasonably be exercised by an experienced manager of a business or venture similar to the Business.

ARTICLE II
DUTIES AND OBLIGATIONS OF UBG

2.01 List of General Duties and Obligations of UBG

Subject to and in accordance with the terms and provisions of this Agreement, UBG shall, from and after the date of this Agreement and during the currency of this Agreement and any renewals or extensions thereof, provide and furnish OPCO with such services as are required to operate and maintain for and on behalf of OPCO, the Business and assets of the Business, and, without limiting the generality of the foregoing, shall:

- (a) appoint and retain all personnel (excluding officers and directors) reasonably required to perform the duties hereunder as employees of UBG, and to provide for and pay promptly to such employees all wages, salaries and/or employee benefits to which they may be entitled;
- (b) keep and maintain the assets used in the Business in good condition and repair (reasonable wear and tear excepted) and in efficient operating condition and make, or contract for the making of, for and on behalf of OPCO, such alterations, improvements and additions thereto and replacements thereof as UBG may reasonably deem necessary or advisable in the interest of economy and efficiency of operation, all in accordance with good business practice, subject always to the approval of the board of directors of OPCO;
- (c) receive and collect for and on behalf of OPCO all revenues or other amounts receivable in connection with the conduct of the Business and pay and discharge for and on behalf of OPCO all costs, expenses and liabilities payable and incurred in connection with the conduct of the Business;
- (d) prepare and file returns in respect of and pay for the account of OPCO all property, business, sales, use and excise taxes and customs duties, due by OPCO as a result of its ownership, use or acquisition of its property or the conduct of the Business;
- (e) perform or cause to be performed for the account of OPCO all of its obligations, the performance of which is required in order to maintain in good standing the contracts to which OPCO or UBG for and on behalf of

OPCO is a party, including without limitation, equipment leases, conditional sales contracts, employment and consulting contracts, customer service agreements and all other agreements constituting or relating to the Business including, but not limited to;

- (i) the performance by UBG or OPCO of their respective obligations and duties thereunder including the payment of all amounts due under any of such agreements;
 - (ii) the preparation of applications for and obtaining of all requisite licences, permits, consents or approvals of Regulatory Authorities (as hereinafter defined); and
 - (iii) the preparation and filing with Regulatory Authorities of all reports required by law;
- (f) acquire for and on behalf of OPCO additional real or personal property and assets and interests therein in connection with the conduct or expansion of the Business on such terms as UBG may determine (subject to the approval of OPCO's board of directors), and at OPCO's direction, sell, assign, transfer or encumber for the account of OPCO the assets of OPCO;
- (g) comply with all applicable laws, orders, rules and regulations relating to the Business now in effect or hereafter promulgated by any person or governmental or regulatory authorities in Canada, or any province, or any other governmental authority having jurisdiction ("Regulatory Authorities");
- (h) keep and preserve the assets used in the Business free from attachments, executions, liens or judgments except for security granted in the ordinary course or business in respect of the obligations of the Business;
- (i) rent, purchase and acquire for and on behalf of OPCO such computer hardware, machinery, equipment, material, supplies and other facilities as may be required for the conduct of the Business;
- (j) keep and maintain good and complete records pertaining to the Business and assets thereof and the performance by UBG of its duties hereunder including but not limited to detailed books of account and records as will properly reflect in accordance with generally accepted accounting principles consistently applied on transactions of OPCO or UBG for and on behalf of OPCO in relation to the operation of the Business and the performance of UBG's duties hereunder and for which UBG will seek reimbursement hereunder in a central location, and make such records

and accounts available to OPCO at all reasonable times for inspection, audit and/or reproduction;

- (k) promptly notify OPCO of any material change or development relating to the Business; and
- (l) enter into all contracts for and on behalf of OPCO and perform such other duties and have such other powers as may be reasonably necessary in connection with the operating of the Business, subject to the approval of OPCO's board of directors.

2.02 List of Specific Duties and Obligations of UBG

Subject to and in accordance with the terms and provisions of this Agreement and the approval from time to time of OPCO's board of directors, UBG shall manage and direct the Business and its operations and without limiting the generality of the foregoing, shall, in connection with the management, direction and operation of the Business, provide:

- (a) supervision services to comprise and include the management, supervision and control of all day-to-day operations. Such operations shall include, but not be limited to, the provision of employees and related office personnel if necessary, provided further that UBG will consult with OPCO concerning any compensation of all such personnel for which OPCO will be required to reimburse UBG hereunder;
- (b) sales and marketing services to comprise and include services relating to the maintenance and enhancement of the Business and goodwill of OPCO, the negotiation of contracts in the name of OPCO on behalf of or as agent of OPCO, and generally, apprising and reporting to OPCO on all arrangements considered or proposed from time to time;
- (c) administration, accounting and bookkeeping services to comprise and include the maintenance of all requisite books of account pertaining to all disbursements and expenses which reflect or represent expenditures made for and on behalf of OPCO and of receipts which reflect or represent revenues accruing to OPCO in operations supervised, managed or controlled by UBG under the terms of this Agreement, including the preparation from time to time, as required, of budgets and the furnishing of monthly returns of operating results, and the maintenance of accounting information required for the orderly management of the business;
- (d) financial services including management of cash flow, debt, banking, creditor and government relations, acquisitions and divestitures and other related duties or functions arising from time to time;

- (e) other services which will include the procuring from experts and consultants of such special computing, programming, engineering, design, legal, accounting and other professional services as may be necessary or desirable in connection with the management, direction and operation of the Business; and
- (f) the defense and settlement of all claims and demands and payment of, to the extent that the same are not compensated by insurance, all damages and liabilities arising from the conduct of the Business.

2.03 Actions Not to be Taken by UBG

Notwithstanding the provisions of Sections 2.01 and 2.02, UBG shall not take any actions now or hereafter prohibited by OPCO as may be set out in writing by OPCO.

ARTICLE III
COMPENSATION OF UBG

3.01 UBG

UBG shall be entitled to receive a fee for the performance of its duties hereunder for each fiscal year of OPCO equal to that portion of the net income of OPCO for such year from the Business, calculated in accordance with generally accepted accounting principles prior to payment of such fee, as the parties hereto shall agree upon effective as at the end of such fiscal year. Such agreement shall be made at such time after the year end as the parties may agree, but not later than 180 days from the year end of OPCO and shall be evidenced by duly passed directors' resolutions of each of the parties.

3.02 Reimbursement of UBG

Upon receipt of an invoice from UBG, OPCO shall promptly reimburse UBG for all costs directly attributable to services provided, excluding salaries.

3.03 GST

OPCO shall pay to UBG all GST or similar taxes, as may be required from time to time on the amounts payable to UBG.

ARTICLE IV
BOOKS, RECORDS, INSPECTION

4.01 UBG to Facilitate Inspection

UBG shall facilitate the right of OPCO and its duly authorized employees and representatives to enter into and upon the premises of UBG at all reasonable times for the purpose of inspecting the same and the activities and operations constituting or relating to the Business. UBG shall provide all reasonable facilities and assistance for the convenience of such inspectors in the performance of their duties. OPCO and its representatives shall have the right at all reasonable times to inspect, review and require UBG, where practicable and reasonable, to furnish copies of the books and records and related materials, and to consult with the employees of UBG and any contractors retained by UBG in respect of the Business.

4.02 Records to be Confidential

All records, including reports, relating to the Business or OPCO shall be treated as confidential by UBG and UBG shall take or cause to be taken such reasonable precautions as may be necessary to prevent the disclosure thereof to any unauthorized person, firm or corporation.

ARTICLE V
NOTICE

5.01 Notices

Any notice or other writing required or permitted to be given hereunder or for the purposes hereof (hereinafter to this Section called a "notice") to any party shall be sufficiently given if delivered personally, or if sent by prepaid registered mail, to such party at #1, 2023 - 2nd Ave. S.E., Calgary, Alberta T2E 6K1, or at such other address as the party to whom such writing is to be given shall have last notified to the party giving the same in the manner provided in this section. Any notice delivered to the party to whom it is addressed as hereinbefore provided shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a business day then the notice shall be deemed to have been given and received on the business day next following such day. Any notice mailed as aforesaid shall be deemed to have been given and received on the third (3rd) business day next following the date of its mailing.

ARTICLE VI
INTERPRETATION AND GENERAL

6.01 Definitions

For the purpose of this Agreement, the term "Business" means the business operations and investments of OPCO including its home building business, and the management of the direct and indirect investments that OPCO may have in other corporations' shares and debt from time to time.

6.02 Title to Assets

All of the property and assets utilized in the Business are and shall remain the property of OPCO.

6.03 Governing Law

This Agreement shall be construed and interpreted in accordance with the laws of the Province of Alberta, and each of the parties hereby submits to the non-exclusive jurisdiction of the courts having jurisdiction in Alberta.

6.04 Canadian Dollars

Any statement of or reference to dollar amounts herein shall mean coin and currency of Canada.

6.05 Words in Singular or Importing Gender

Unless the context otherwise requires, words importing the singular shall include the plural, words importing gender shall include masculine, feminine and neuter genders and words importing persons shall include firms and corporations and vice versa.

6.06 Headings and Index for Reference Only

The division of this Agreement into articles and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction of interpretation hereof.

6.07 Further Assurances

The parties agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and/or implement the provisions or intent of this Agreement.

6.08 Enurement

This Agreement shall not be assignable by either party without the express written consent of the other party hereto but subject thereto shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigned.

6.09 Term

This Agreement shall have an initial term of two (2) years from the effective date hereof and thereafter shall be automatically renewed without further action or formality for successive one (1) year terms provided that either party may terminate this Agreement upon the expiry of the initial term or any renewal term by giving written notice not less than three (3) months prior to the expiry of such initial term or renewal term.

IN WITNESS WHEREOF the parties have executed these presents by their respective duly authorized officers effective the date first above written.

ROBERT FRIESEN INVESTMENTS INC.

Per: 

UBG BUILDERS INC.

Per: 

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated SEPTEMBER 30, 2008.

FROM: UBG BUILDERS INC.

(the "Borrower")

TO: ROBERT FRIESEN INVESTMENTS INC.

(the "Lender")

1. SECURITY INTEREST

1.1 In consideration of the obligations (defined herein) of the Borrower to the Lender, the Borrower hereby:

- (a)** mortgages and charges as a fixed and specific charge, and assigns and transfers to the Lender, and grants to the Lender a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:

 - (i)** all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii)** all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii)** all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, monies and choses in action (all of which is collectively called the "Accounts");
 - (iv)** all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;
 - (v)** all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade

integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is hereinafter collectively called the AIntellectual Property@);

- (vi) all the Borrower=s contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule A attached to this Security Agreement;
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to the Lender a general and continuing security interest and charges by way of a floating charge:
- (i) all of the Borrower's right, title and interest in all its present and after acquired real, immovable and leasehold property, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected with or appurtenant to this property or separately owned or held, including all structures, plant and other fixtures and including all mineral claims, mineral rights and leases, all oil, gas and hydrocarbon rights and interests (all of which is collectively called the AReal Property@) and excluding the personal property described in Clause 1.1(a); and
 - (ii) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of the Lender created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the ASecurity Interests@, and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the ACollateral@.

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Borrower shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as the Lender shall direct.

2.2 All the Borrower=s consumer goods are excepted out of the Security Interests; provided that for the

purposes of Collateral in the Yukon the Security Interests shall include Special Consumer Goods as that term is defined in the *Personal Property Security Act* (Yukon); provided further that for the purposes of Collateral in Saskatchewan the Security Interests shall include consumer goods of the Borrower.

3. **ATTACHMENT**

The Borrower agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Borrower has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Borrower confirms that there has been no agreement between the Borrower and the Lender to postpone the time for attachment of the Security Interests and that it is the Borrower's understanding that the Lender intends the Security Interests to attach at the same time.

4. **PURCHASE MONEY SECURITY INTEREST**

The Borrower acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that monies advanced by the Lender, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. **OBLIGATIONS SECURED**

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by the Lender from the Borrower or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Borrower to the Lender, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by the Lender and the Borrower's obligation and liability under any contract or guarantee now or in the future in existence whereby the Borrower guarantees payment of the debts, liabilities and/or obligations of a third party to the Lender, and for the performance of all obligations of the Borrower to the Lender, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the AObligations@).

6. **REPRESENTATIONS AND WARRANTIES**

6.1 The Borrower represents and warrants to the Lender and acknowledges that the Lender is relying on the following representations and warranties:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and

provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound;

- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Borrower has provided a written memorandum to the Lender accurately setting forth all prior names under which the Borrower has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;
- (d) if the Borrower is an individual, that individual's full name and address as set forth on page 1 of this Security Agreement are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to the Lender or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to the Lender is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Borrower, in which a decision adverse to the Borrower would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Borrower; and the Borrower agrees to promptly notify the Lender of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to the Lender in writing and which, if known to the Lender, might reasonably be expected to deter the Lender from extending credit or advancing funds to the Borrower;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by the Lender, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by the Lender;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats

or aircraft, the Borrower has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to the Lender;

- (i) the Collateral is and/or will be located at the place(s) described in Schedule A and will not be removed from such location(s) without the prior written consent of the Lender;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Borrower, if the Borrower is a corporation, or, if the Borrower is a partnership, of the partners of the Borrower, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Borrower's obligations valid and there is no restriction contained in the constating documents of the Borrower or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Borrower to borrow money or give security; and
- (k) the Borrower's place(s) of business and chief executive office are correctly described in Schedule A.

7. COVENANTS OF THE BORROWER

7.1 The Borrower covenants with the Lender that while this Security Agreement remains in effect the Borrower will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for the Lender's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) promptly pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Borrower shall in good faith contest its obligations so to pay and shall furnish to the Lender such security as the Lender may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by the Lender arising out of any term of the

commitment letter or the Loan Agreement between the Lender and the Borrower including, without limitation, inspection, administration and returned cheque handling fees;

- (g) promptly pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by the Lender in connection with granting loans or credit to the Borrower, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Borrower's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty the Lender becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) any sums the Lender pays as fines, clean up costs because of contamination of or from your assets. Further you will indemnify the Lender and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this Security Agreement is terminated;
 - (ix) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by the Lender as security for the Obligations, protect the Lender from liability in connection with the Security Interests or assist the Lender in its loan and credit granting or realization of the Security Interest, including any actions under the *Bankruptcy and Insolvency Act* (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to the *Bankruptcy and Insolvency Act* (Canada);
- (h) at the Lender's request, execute and deliver further documents and instruments and do all acts as the Lender in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify the Lender promptly of:

- (i) any change in the information contained in this Security Agreement relating to the Borrower, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Borrower respecting any Accounts;
 - (v) any claims against the Borrower including claims in respect of the Intellectual Property or of any actions taken by the Borrower to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Borrower of Collateral that was disposed of by the Borrower; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
 - (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
 - (l) permit the Lender and its representatives, at all reasonable times, access to the Collateral including all of the Borrower's property, assets and undertakings and to all its books of account and records, whether at your premises or at your financial advisors, for the purpose of inspection and the taking of extracts, and the Borrower will render all assistance necessary;
 - (m) permit and does consent to the Lender contacting and making enquiries of the Borrower=s lessors as well as assessors, municipal authorities and any taxing body;
 - (n) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
 - (o) deliver to the Lender from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow the Lender to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Borrower regarding the Borrower's business;
 - (iv) such information concerning the Collateral, the Borrower and the Borrower's business and affairs as the Lender may reasonably require;
 - (p) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
 - (q) with respect to copyright forming part of the Intellectual Property, provide to the Lender waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
 - (r) receive and hold in trust on behalf of and for the benefit of the Lender all proceeds from the sale or other disposition of any Collateral; and
 - (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement.
- 7.2 Any amounts required to be paid to the Lender by the Borrower under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.
- 7.3 This Security Agreement shall remain in effect until it has been terminated by the Lender by notice of termination to the Borrower and all registrations relating to the Security Agreement have been discharged.
8. **INSURANCE**
- 8.1 The Borrower covenants that while this Security Agreement is in effect the Borrower shall:
- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as the Lender may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
 - (b) cause the insurance policy or policies required by this Security Agreement to be assigned to the Lender, including a standard mortgage clause or a mortgage endorsement, as the Lender may require;
 - (c) pay all premiums respecting such insurance, and deliver all policies to the Lender, if required.

- 8.2 If proceeds of any required insurance becomes payable, the Lender may, in its absolute discretion, apply these proceeds to the Obligations as the Lender sees fit or release any insurance proceeds to the Borrower to repair, replace or rebuild, but any release of insurance proceeds to the Borrower shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.
- 8.3 The Borrower will promptly, on the happening of loss or damage to the Collateral, notify the Lender and furnish to the Lender at the Borrower's expense any necessary proof and do any necessary act to enable the Lender to obtain payment of the insurance proceeds, but nothing shall limit the Lender's right to submit to the insurer a proof of loss on its own behalf.
- 8.4 The Borrower authorizes and directs the insurer under any required policy of insurance to include the name of the Lender as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by the Lender to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- 8.5 If the Borrower fails to maintain insurance as required, the Lender may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as the Lender may wish to maintain.

9. OTHER PROHIBITIONS

Without the prior written consent of the Lender the Borrower will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2;
- (c) where the Borrower is a corporation:
 - (i) issue, purchase or redeem its shares;
 - (ii) change its voting control;
 - (iii) permit any of its shareholders to sell, transfer or dispose of its shares;
 - (iv) declare or pay any dividends on any of its shares; or
 - (v) repay or reduce any shareholders loans or other debts due to its shareholders;
- (d) change its name, merge with or amalgamate with any other entity.

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

10.1 Except as provided by this Security Agreement, without the Lender=s prior written consent the Borrower will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 So long as the Borrower is not in default under this Security Agreement the Borrower may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business, provided that the proceeds of any such disposition shall be held in trust for and on behalf of the Lender.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Borrower holding the proceeds in trust for and on behalf of the Lender and subject to the Lender=s exclusive direction and control. Nothing restricts the Lender=s rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with the Lender=s prior written consent.

11. **PERFORMANCE OF OBLIGATIONS**

If the Borrower fails to perform its covenants and agreements under this Security Agreement, the Lender may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of the Lender, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by the Lender shall be immediately payable by the Borrower to the Lender with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. **ACCOUNTS**

Notwithstanding any other provision of this Security Agreement, the Lender may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Borrower, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Borrower in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held in trust for the Lender.

13. **APPROPRIATION OF PAYMENTS**

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Lender sees fit, and the Lender may at any time change any appropriation as the Lender sees fit.

14. **DEFAULT**

14.1 Unless waived by the Lender, the Borrower shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Borrower and the Lender in any of the following events:

- (a) the Borrower defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Borrower is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with the Lender, or any representation or warranty of the Borrower to the Lender is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Borrower or a guarantor of the Borrower declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Borrower or a guarantor of the Borrower; or
- (f) the Borrower or a guarantor of the Borrower ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or a part of the Collateral; or
- (h) if the Borrower is a corporation and any member or shareholder:
 - (i) commences an action against the Borrower; or
 - (ii) gives a notice of dissent to the Borrower in accordance with the provisions of any governing legislation; or
- (i) if the Borrower is a corporation and its voting control changes without the Lender's prior written consent; or
- (j) the Borrower uses any monies advanced to it by the Lender for any purpose other than as agreed upon by the Lender; or
- (k) without the Lender's prior written consent, the Borrower creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or

- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
 - (m) the Borrower enters into an amalgamation, a merger or other similar arrangement with any other person without the Lender's prior written consent or, if the Borrower is a corporation, it is continued or registered in a different jurisdiction without the Lender's prior written consent; or
 - (n) the Lender in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
 - (o) the lessor under any lease to the Borrower of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Borrower; or
 - (p) the Borrower causes or allows hazardous materials to be brought upon any lands or premises occupied by the Borrower or to be incorporated into any of its assets, or the Borrower causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
 - (q) any permit, license, certification, quota or order granted to or held by the Borrower is cancelled, revoked or reduced, as the case may be, or any order against the Borrower is enforced, preventing the business of the Borrower from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Borrower=s business; or
 - (r) if an individual, the Borrower dies or is declared incompetent by a court of competent jurisdiction.
- 14.2 The floating charge created by this Security Agreement over Real Property shall become a fixed charge upon the earliest of:

- (a) the occurrence of an event described in Clause 14.1(a), (b), (c), (d), (e) or (f), or
- (b) the Lender taking any action pursuant to Clause 15 to enforce and realize on the Security Interests;

and for the better securing to the Lender repayment of the Obligations the Borrower mortgages to the Lender all of the Borrower=s estate and interest in the Real Property.

15. ENFORCEMENT

- 15.1 If the Borrower is in default under this Security Agreement the Lender may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests the Lender may take any action permitted by law or in equity as it may deem expedient and in

particular, without limitation, the Lender may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the AReceiver®) of all or any part of the Collateral, with or without bond as the Lender may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Borrower=s premises at any time and take possession of the Collateral with power to exclude the Borrower, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as the Lender deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Lender may seem reasonable, provided that if any sale, lease or other disposition is on credit the Borrower will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use, sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Borrower and not of the Lender and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Lender under this Security Agreement, and in addition shall have power to:

- (a) carry on the Borrower=s business and to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Borrower's creditors or a proposal on behalf of the Borrower under the *Bankruptcy and Insolvency Act* (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Borrower for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Borrower ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as the Lender, in its absolute discretion and to the full extent permitted by

law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by the Lender respecting or incidental to:
 - (i) the exercise by the Lender of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to the Lender of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to the Lender of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING THE LENDER

- 16.1 To the full extent permitted by law, the Lender shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Lender shall manage the Collateral upon entry or seizure, nor shall the Lender be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Lender shall not be bound to do, observe or perform or to see to the observance or performance by the Borrower of any obligations or covenants imposed upon the Borrower nor shall the Lender, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Lender be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Borrower waives any provision of law permitted to be waived by it which imposes greater obligations upon the Lender than described above.
- 16.2 Neither the Lender nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of the Lender, the Borrower or any other party respecting the Collateral. The Lender shall also not be liable for any misconduct, negligence, misfeasance by the Lender, the Receiver or any employee or agent of the Lender or the Receiver, or for the exercise of the rights and remedies conferred upon the Lender or the Receiver by this Security Agreement.
- 16.3 The Lender or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Borrower, co-obligants, guarantors and others and with the Collateral and other securities as the Lender may see fit without liability to the Borrower and without prejudice to the Lender's rights respecting the Obligations or the Lender's right to hold and realize the Collateral. The Borrower shall not be released nor shall its liability be in any way reduced because the Lender has done or concurred in the doing of anything whereby a guarantor would be released in whole or in part.

- 16.4 Notwithstanding anything to the contrary in any security held by the Lender for the Obligations, each part is given as additional, concurrent and collateral security to the remainder of the security. The Lender in its sole discretion may realize upon or abstain from realizing on any security for the Obligations in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise or abstaining from exercising of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.
- 16.5 Any right of the Lender and any obligation of the Borrower arising under any other agreements between the Lender and the Borrower shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Borrower to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of the Lender's commitment letter or Loan Agreement with the Borrower shall survive the signing and registration of this Security Agreement and the Lender's advancement of any money to the Borrower and any legal fees, commitment fees, standby fees or administration fees owing by the Borrower shall be secured by the Collateral.
- 16.6 In the event that the Lender registers a notice of assignment of Intellectual Property the Borrower shall be responsible for and shall indemnify the Lender against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.
- 16.7 Notwithstanding any taking of possession of the Collateral, or any other action which the Lender or the Receiver may take, the Borrower now covenants and agrees with the Lender that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to the Lender at the time of such disposition, the Borrower shall immediately pay to the Lender an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Borrower agrees that the Lender may bring action against the Borrower for payment of the deficiency, notwithstanding any defects or irregularities of the Lender or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

The Borrower irrevocably appoints the Lender or the Receiver, as the case may be, with full power of substitution, as the attorney of the Borrower for and in the name of the Borrower to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Borrower is obliged to sign, endorse or execute and generally to use the name of the Borrower and to do everything necessary or incidental to the exercise of all or any of the powers conferred on the Lender, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall survive any mental infirmity of the Borrower subsequent to the execution hereof.

18. CONSOLIDATION

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. **NO OBLIGATION TO ADVANCE**

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by the Lender shall bind the Lender to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Borrower to the Lender.

20. **WAIVER**

The Lender may permit the Borrower to remedy any default without waiving the default so remedied. The Lender may at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by the Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right.

21. **NOTICE**

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

22. **EXTENSIONS**

The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Borrower, the Borrower=s account debtors, sureties and others and with the Collateral and other security interests as the Lender may see fit without prejudice to the Borrower=s liability or the Lender's right to hold and realize on the Security Interests.

23. **NO MERGER**

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by the Lender now or in the future from the Borrower or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. **RIGHTS CUMULATIVE**

The Lender=s rights and remedies set out in this Security Agreement, and in any other security agreement held by the Lender from the Borrower or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Borrower and the Lender that may be in effect from time to time.

25. **ASSIGNMENT**

The Lender may, without notice to the Borrower, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Borrower agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Lender's rights and remedies under this Security Agreement and the Borrower will not assert as a defense, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against the Lender in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. **SATISFACTION AND DISCHARGE**

Any partial payment or satisfaction of the Obligations, or any ceasing by the Borrower to be indebted to the Lender shall not be a redemption or discharge of this Security Agreement. The Borrower shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Borrower and, subject to applicable law, payment to the Lender of an administrative fee to be fixed by the Lender and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Lender in connection with the Obligations and such release and discharge. The Borrower shall, subject to applicable law, pay an administrative fee, to be fixed by the Lender, for the preparation or execution of any full or partial release or discharge by the Lender of any security it holds, of the Borrower, or of any guarantor or covenantor with respect to any Obligations.

27. **ENVIRONMENT**

The Borrower represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) the Collateral and Real Property are and will remain free of environmental damage or contamination;
- (e) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Borrower's business or assets including without limitation the Collateral;
- (f) it will advise the Lender immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide the Lender with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Borrower and it consents to the

Lender contacting and making enquiries of environmental officials or assessors;

- (h) it will not install on or under any land mortgaged to the Lender storage tanks for petroleum products or any hazardous substance without the Lender's prior written consent and only upon full compliance with the Lender's requirements and local ordinances or regulations;
- (i) it will from time to time when requested by the Lender provide to the Lender evidence of its full compliance with the Borrower's obligations in this Clause 27.

28. **ENUREMENT**

This Security Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Borrowers and its heirs, executors, administrators, successors and any assigns permitted by the Lender, as the case may be.

29. **INTERPRETATION**

29.1 In this Security Agreement:

- (a) A Collateral@ has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) The Act@ means the *Personal Property Security Act* (Alberta), and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the jurisdiction referred to in subclause 29.1(b). For enforcement purposes, the Borrower hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which the Lender enforces its rights and remedies hereunder.

30. **COPY OF AGREEMENT AND FINANCING STATEMENT**

The Borrower:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from the Lender a copy of any financing statement or financing change statement filed, or any verification statement or other document

received at any time respecting this Security Agreement.

31. **TIME**

Time shall in all respects be of the essence.

32. **INDEPENDENT ADVICE**

The Borrower acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. **SASKATCHEWAN LAW**

If the Borrower is a corporation, the Borrower agrees as follows:

- (a) that the *Land Contracts (Actions) Act* of Saskatchewan shall have no application to any action, as defined in the *Land Contracts (Actions) Act* of Saskatchewan, respecting this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of the Lender under this Security Agreement or any mortgage or charge created by this Security Agreement as the Lender is specifically exempted from the operation of that Act;
- (b) that the *Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of the Lender under this Security Agreement or any mortgage or charge created by this Security Agreement; and
- (c) that if it is an agricultural corporation, as defined in the *Saskatchewan Farm Security Act*, it has received independent legal advice prior to the execution of this Security Agreement, and agrees that the provisions of Part IV of the *Saskatchewan Farm Security Act*, other than Section 46, shall not apply to the Borrower.

IN WITNESS WHEREOF the Borrower has executed this Security Agreement as at the date set out above.

UBG BUILDERS INC.

Per: 

SCHEDULE A

Subclause 1.1(a):

- (ix) the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

NIL

- (x) the following serial numbered goods:

Type	Serial No. (re: motor vehicles & trailers) Dept. of Transport No. (re: aircraft)	Year	Make and Model
NIL			

- (xi) Location(s) of the Collateral:

NIL

- (xii) Date of Birth of Borrower (if an individual): _____
Month Day Year

Subclause 6.1(l):

The Borrower's place(s) of business (APOB@) and chief executive office (ACEO@)

Chief Executive Office Place of Business
808 - 55th Avenue NE, Calgary, AB T2E-6Y4

UBG BUILDERS INC.

PROMISSORY NOTE

\$39,175,000.00 (Cdn.)

September 30, 2008

Calgary, Alberta

FOR VALUE RECEIVED, **UBG BUILDERS INC.**, an Alberta corporation, unconditionally promises to pay to or to the order of **ROBERT FRIESEN INVESTMENTS INC.** (the "Lender") the sum of \$ **39,175,000.00** (the "Principal Sum") together with interest before maturity at the prime rate plus one percent (1%) per annum from September 30, 2008. The Principal Sum, together with accrued interest thereon, shall be payable in full **within ten (30) days of demand**.

The maker shall have the privilege of prepaying the Principal Sum, together with accrued interest thereon, at any time on or before demand.

The indebtedness evidenced by this Note shall, at the option of the then holder of this Note, be capable of being declared immediately due and payable, in its entirety, before the above-mentioned maturity date (whereupon the same shall immediately be paid by the maker to the holder, for the time being) upon the happening of any of the following events affecting the maker hereof, to wit:

- (a) the maker becoming insolvent or bankrupt or becoming subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), or other similar statutes, federal or provincial; or
- (b) the maker having a receiver or receiver manager appointed over any of its assets, or going into liquidation either voluntarily or under an order of a Court of competent jurisdiction; or making a general assignment for the benefit of its creditors, or otherwise acknowledging its insolvency; or
- (c) the maker being in default under the terms of any promissory note or other instrument or document evidencing indebtedness to the Lender;
- (d) the maker failing to take reasonable actions to prevent or defend assiduously a distress, execution, attachment or similar process brought against their respective property, or such process becoming enforceable against any of their said property, or if a final judgement is obtained against any of them and remains unsatisfied for thirty (30) days from the date thereof.

No course of dealing between the holder from time to time of this Note and the maker, nor any delay or failure of such holder to exercise the option to accelerate hereinabove referred to shall constitute a waiver of the right of the then holder hereof to subsequently invoke the same for past or future defaults.

No consent or waiver, express or implied, by the holder for the time being of any breach or default by the maker in the performance by the maker of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default of these obligations or any other obligation of the maker.

Notwithstanding anything hereinbefore provided, on default being made in the payment of any moneys owing hereunder interest shall accrue on the amount so in default from the time of default until paid, at that rate per annum equivalent to the prime lending rate charged by the Royal Bank of Canada, Calgary, Alberta plus one percent (1%) with interest on overdue interest at the same rate.

The "prime lending rate" as used herein is that rate of interest for the time being declared by the Royal bank of Canada, Calgary, Alberta as being its prime lending rate.

The maker and all endorsers of this Note hereby waive presentment for payment, notice of dishonour, protest, notice of protest, demand and all other notices or formalities to which they might be entitled.

The maker agrees to pay all costs and expenses (including all legal fees) paid or incurred by the holder for the time being of this Note in collecting the monies from time to time owed hereunder after the same shall become due and payable.

As security for payment of the Principal Sum, accrued interest and all expenses and costs, the maker agrees to execute a general security agreement in favour of the Lender, in a form acceptable to the Lender in his sole discretion.

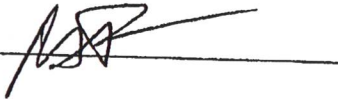
As used herein the singular of any term includes the plural and vice versa, and the use of any term is equally applicable to any gender and, where applicable, a body corporate or trust.

This Note contains all of the covenants, agreements, conditions and provisos made between the parties hereto relative to the subject matter hereof.

DATED at the City of Calgary, in the Province of Alberta, this 30th day of September, 2008.

UBG BUILDERS INC.

Per: _____



THIS IS **EXHIBIT "2"** REFERRED TO IN
THE AFFIDAVIT OF NAOMI
McGREGOR SWORN THE 25 DAY OF
OCTOBER, 2022.



CASSIE POON

A Commissioner for Oaths
in and for Alberta

My Commission Expires December 09, 2023



Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary, AB T2P 0R8
Canada

Tel: 403-267-0501
Fax: 403-718-3681
www.deloitte.ca

September 20, 2022

To The Creditors

**Subject: UBG Builders Inc. - Receivership
Notice of Revision or Disallowance of Claims**

On December 12, 2017, Deloitte Restructuring Inc. ("Deloitte") was appointed by the Court of Queen's Bench of Alberta as the receiver and manager (the "Receiver"), without security, of all of the current and future assets undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "Property"), of UBG Builders Inc. (the "Debtor" or "UBG Inc.").

Deloitte also remains the Monitor of the Unity Builders Group of Companies pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA Proceedings").

To efficiently conclude the claims process for UBG Inc., Deloitte, in its capacity as both Receiver and Monitor, is addressing all outstanding claim matters pursuant to the Claims Procedure Order dated June 15, 2012 in the CCAA proceedings.

Accordingly, the enclosed Notice of Revision or Disallowance with respect to your claim filed against UBG Inc. has been issued by the Monitor.

Should you have any questions, please contact the undersigned.

Yours sincerely,

DELOITTE RESTRUCTURING INC.

In its capacity as Receiver and Manager
of UBG Builders Inc. and in its capacity as
Monitor of the Unity Builders Group of Companies,
and not in its personal capacity.

Ryan Adlington, CPA, CA, CIRP, LIT
Senior Vice-President

Enclosure(s)

SCHEDULE "D"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION
BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMESS
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

NOTICE OF REVISION OR DISALLOWANCE FOR VOTING AND/OR
DISTRIBUTION PURPOSES

(Claims Procedure)

Claim Reference Number: Action # 1201-05843

Name of Applicant: UBG Builders Inc.

TO: Robert Friesen Investments Inc.
(Name of Creditor)

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Court of Queen's Bench of Alberta, dated June 15, 2012 (the "Claims Procedure Order"). All dollar values contained herein are in Canadian dollars unless otherwise noted.

Pursuant to the Claims Procedure Order, Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor of the Applicants, hereby gives you notice that it has reviewed your Proof of Claim in conjunction with the Applicants and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be allowed as follows:

	<u>Proof of Claim Amount</u>	<u>Distribution</u>
Secured Claim	\$32,731,000	\$0.00

REASON(S) FOR THE REVISION OR DISALLOWANCE:

We have disallowed your claim against UBG Builder's Inc. in full. On August 29, 2012, the Monitor requested additional information with respect to the promissory note dated September 30, 2008. As at the date of this disallowance the following information remains outstanding. i) provide further information to support the value of the promissory note; and ii) confirm the consideration for the granting of the promissory note referred to as "for value received". Furthermore, the Management Agreement dated April 28, 1998, indicates that the provision of those management services has been reducing the amount owing under the promissory note. Consequently, the Monitor/Receiver has disallowed your secured claim as we are unable to verify the amount of your secured claim.

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must **within fourteen (14) days from the date you received (or are deemed to have received) this Notice of Revision or Disallowance** deliver to the Monitor a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier or facsimile to the address below.

Deloitte Restructuring Inc., the Court-appointed Monitor of the Applicants
By Mail/Courier:
Deloitte Restructuring Inc.
700, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Attention: Mr. Ryan Adlington/Ms. Naomi McGregor
Fax: 403.718.3681

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN FOURTEEN (14) DAYS OF THE DATE YOU RECEIVED (OR ARE DEEMED TO HAVE RECEIVED) THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF

YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED this 20th day of September 2022.

SCHEDULE "E"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION
BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

DISPUTE NOTICE

(Reverse Claims Procedure)

Claim Reference Number: _____

Name of Applicant(s) against
which a Claim is asserted: _____

1. Particulars of Creditor:

Full Legal Name of Creditor (include trade name, if different):

(the "Creditor").

Full Mailing Address of the Creditor:

Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. Particulars of Original Creditor from whom you acquired the Claim, if applicable:

Have you acquired this Claim by assignment? If yes, if not already provided, attach documents evidencing assignment.

Yes: ☐ No: ☐

Full Legal Name of Original Creditor(s): _____

3. Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes:

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

		Amount Allowed by Monitor for:				Amount claimed by Creditor:	
		Voting	Distribution			Voting	Distribution
Unsecured Claim	\$N/A		\$_____	Unsecured Claim	\$N/A		\$_____
Secured Claim	\$N/A		\$_____	Secured Claim	\$N/A		\$_____

REASON(S) FOR THE DISPUTE:

(You must include a list of reasons as to why you are disputing your Claim as set out in the Notice of Revision or Disallowance.)

SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must **within fourteen days of the date of receipt of the Notice of Revision or Disallowance** deliver to the Monitor this Dispute Notice either by prepaid registered mail, personal service, courier, or facsimile transmission to the following address. Dispute Notices shall be deemed to be received two business days from the date of mailing, upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or, if delivered outside of normal business hours, on the next Business Day.

Deloitte Restructuring Inc., the Court-appointed Monitor of the Applicants
Deloitte Restructuring Inc.
700, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Attention: Mr. Ryan Adlington/Ms. Naomi McGregor
Fax: 403.718.3681

DATED this _____ day of _____, 2022

Name of creditor: _____

Witness

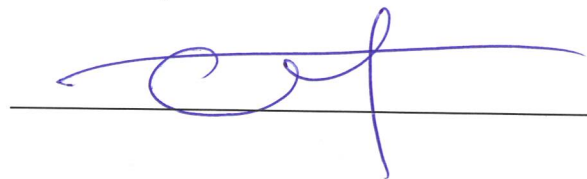
Per: _____

Name: _____

Title: _____

(please print)

THIS IS **EXHIBIT "3"** REFERRED TO IN
THE AFFIDAVIT OF NAOMI
McGREGOR SWORN THE 25 DAY OF
OCTOBER, 2022.



CASSIE POON
A Commissioner for Oaths
In and for Alberta
My Commission Expires December 09, 2023

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/09/21
 Time of Search: 11:50 AM
 Search provided by: BENNETT JONES LLP (CALGARY)
 Service Request Number: 38323597
 Customer Reference Number: 76797.1/C.Simard/ss

Corporate Access Number: 203833827

Business Number:

Legal Entity Name: ROBERT FRIESEN INVESTMENTS INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Continuance
Previous Canadian/Foreign Jurisdiction: PRE-CORES. UNKNOWN
Date of Continuance into Alberta: 1988/05/26 YYYY/MM/DD
Date of Last Status Change: 2021/08/27 YYYY/MM/DD
Date Of Formation in Home Jurisdiction: 1985/03/28 YYYY/MM/DD

Registered Office:

Street: THIRD FLOOR, 14505 BANNISTER ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X3J3

Records Address:

Street: THIRD FLOOR, 14505 BANNISTER ROAD SE
City: CALGARY
Province: ALBERTA
Postal Code: T2X3J3

Email Address: ANNUALRETURNS@MCLEOD-LAW.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HUTTON	A.	NEIL	MCLEOD LAW LLP	THIRD FLOOR, 14505 BANNISTER ROAD SE	CALGARY	ALBERTA	T2X3J3	ANNUALRETURNS@MCLEOD-LAW.COM

Directors:

Last Name: FRIESEN

First Name: BARBARA
Street/Box Number: 419 LAKE PLACID GREEN SE
City: CALGARY
Province: ALBERTA
Postal Code: T2J5A4

Last Name: FRIESEN
First Name: ROBERT
Street/Box Number: 4522 112 AVENUE SE
City: CALGARY
Province: ALBERTA
Postal Code: T2C2K2

Voting Shareholders:

Last Name: KIRA SAGE, KYLE FRIESEN, AND COREY FRIESEN, TRUSTEES OF THE FRIESEN JOINT SPOUSAL TRUST
Street: 407 LAKE PLACID GREEN SE
City: CALGARY
Province: ALBERTA
Postal Code: T2J5A4
Percent Of Voting Shares: 100

Holding Shares In:

Legal Entity Name
DEER BRIDGE PLUMBING & HEATING LTD.
ELITE HOMES (1998) LTD.
TODAY'S HOMES (1998) INC.
FOGO RESOURCES INC.
RFI LAND INC.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/07/11

Filing History:

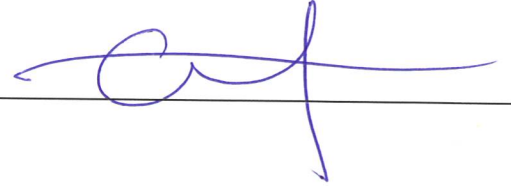
List Date (YYYY/MM/DD)	Type of Filing

2000/05/29	Change Address
2021/05/26	Status Changed to Start for Failure to File Annual Returns
2022/07/11	Enter Annual Returns for Alberta and Extra-Provincial Corp.

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS **EXHIBIT "4"** REFERRED TO IN
THE AFFIDAVIT OF NAOMI
McGREGOR SWORN THE 25 DAY OF
OCTOBER, 2022.



CASSIE POON
A Commissioner for Oaths
In and for Alberta
My Commission Expires December 09, 2023



Home Order Entry **Tracking** Invoices Address Book Sign Out: Deloitte Management Service

Details for 778675375

Tracking number: 778675375
Current status: **Completed**
History:

Date/Time	Status	Details
21/09/2022 4:10 PM	In Transit	778675375
21/09/2022 5:00 PM	Completed	778675375

Date submitted: 21/09/2022 3:05 PM (UTC-07:00) Mountain Time (US & Canada)
Service level: Checker Courier Parcels
Requested by: Uzelman/McGregor
Total cost: \$34.43
Description: RUSH. Envelope. UBG0004-01-01-01-1000
Weight: 1
Quantity: 1
Collection location: Deloitte
Joan Uzelman
700 850 2 St SW
CTG 1
Calgary, Alberta T2P 0R8
Delivery location: Robert Friesen Investments Inc.
Robert Friesen
Third Floor, 14505 Bannister Road S.E.
Calgary, Alberta T2X 3J3
Distance: 0.0
Collected from: Joan Uzelman
Actual collection time: 21/09/2022 4:10 PM
Collection signature:
Delivered to: Gabby B
Actual delivery time: 21/09/2022 5:00 PM
Delivery signature:

From: Chris Simard <SimardC@bennettjones.com>
Sent: Tuesday, October 4, 2022 10:42 AM
To: McGregor, Naomi <naomcmgregor@deloitte.ca>
Cc: Adlington, Ryan <radlington@deloitte.ca>
Subject: [EXT] RE: UBG - Friesen Disallowance

OK, we can prepare an Affidavit of Service setting this out. Can you get a courier delivery confirmation for the Bannister road delivery?

Chris Simard (he/him)
Bennett Jones LLP
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 4485 | F. 403 265 7219



BennettJones.com/100Years

COURT FILE NUMBER 1201-05843

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF UBG BUILDERS INC., UBG BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC. (COLLECTIVELY, THE "UBG GROUP OF COMPANIES")

DOCUMENT:

AFFIDAVIT OF SERVICE

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

BENNETT JONES LLP

Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard
Telephone No.: (403) 298-4485
Facsimile No.: (403) 265-7219
Our File: 76797.1

AFFIDAVIT OF DONNA KATHLER

Sworn on September 22, 2022


I, Donna Kathler, of Airdrie, Alberta, SWEAR AND SAY THAT:

1. I am a Legal Assistant with Bennett Jones LLP, counsel for Deloitte Restructuring Inc., the Court-Appointed Monitor of UBG Builders Inc. (the "**Receiver**"). As such, I have personal knowledge of the matters hereinafter deposed to except where stated to be based on information and belief, in which case I believe the same to be true.
2. On September 21, 2022, I served Ariel Breitman and Jonathan Bouchier of MLT Aikins with a September 21, 2022 letter from Chris Simard, counsel for the Receiver, along with the enclosures referred to therein.
3. Attached as **Exhibit "1"** to this Affidavit is a copy of my email, as well as Mr. Simard's September 21, 2022 letter and the enclosures referred to in Mr. Simard's letter.
4. I did not receive any bouncebacks to this service email.

Sworn before me at the City of Calgary,
in the Province of Alberta, this 22nd day of
September, 2022.

A Commissioner for Oaths
in and for the Province of Alberta

ANNA MARIE M. SANTOS
A Commissioner for Oaths
in and for Alberta
My Commission Expires July 26, 2025


DONNA KATHLER

Donna Kathler

From: Donna Kathler
Sent: Wednesday, September 21, 2022 1:48 PM
To: abreitman@mltaikins.com; jbourchier@mltaikins.com
Cc: Chris Simard; naomcgregor@deloitte.ca
Subject: In the CCAA Proceedings of UBG Builders Inc. and Proof of Claim of Robert Friesen Investments Inc [BJ-WSLegal.FID3940539]
Attachments: Letter to Breitman and Bouchier.pdf; Order - Claims Procedure, dated June 15, 2012.PDF; UBG - Friesen Investments - Notice of Disallowance.PDF; July 24, 2012 Bob Friesen Proof of Claim.PDF
DocstoreMailItemId: 862b8ce7-218a-4639-b1ba-c1c787877a4f

Please see attached.



Donna Kathler

Litigation Assistant to Chris Simard, Bennett Jones SLP

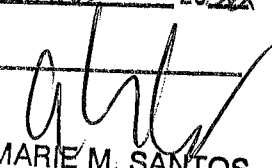
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7

T. 403 298 3401 | F. 403 265 7219

E. kathlerd@bennettjones.com

BennettJones.com

THIS IS EXHIBIT " 1 " referred to in the Affidavit of Donna Kathler
Sworn before me this 22nd day of September 2022


ANNA MARIE M. SANTOS
A Commissioner for Oaths
In and for Alberta
My Commission Expires July 26, 2023 10K AVS



Bennett Jones

Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW

Calgary, Alberta, Canada T2P 4K7

Tel: 403.298.3100 Fax: 403.265.7219

Chris Simard

Direct Line: 403.298.4485

e-mail: simardc@bennettjones.com

Our File No.: 76797.1

September 21, 2022

Via Email

Ariel Z. Breitman and Jonathan Bouchier

MLT Aikins LLP

2100, 222 3rd Avenue SW

Calgary, AB T2P 0B4

Dear Sirs:

Re: In the CCAA Proceedings of UBG Builders Inc., et al. (the "UBG Companies") - Action No. 1201-05843
Proof of Claim of Robert Friesen Investments Inc. ("RFII" and the "RFII Claim")

As you are aware, we are counsel to Deloitte Restructuring Inc., the Receiver of the UBG Companies ("Deloitte"). Deloitte is in the process of winding up the administration of the UBG Companies so that it is in a position to make final distributions to creditors.

Please find attached Deloitte's Notice of Disallowance, disallowing the RFII Claim in its entirety. For reference, we have also attached a copy of the RFII Claim and a copy of the June 15, 2012 Claims Procedure Order.

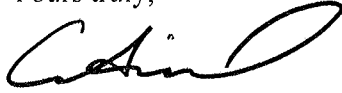
We are aware that you have acted for Mr. Friesen and other of his companies in the course of these proceedings. Please confirm that you are retained to act for RFII with respect to this matter. Deloitte is also serving RFII with a copy of the Notice of Disallowance by courier to the mailing address that RFII provided in the RFII Claim, and to its registered office.

Please note that, pursuant to the terms of the Claims Procedure Order, if RFII intends to object to the disallowance of the RFII Claim, it must serve on Deloitte a Dispute Notice within 14 days of receipt of the Notice of Disallowance, or its claim will be forever barred and extinguished.

September 21, 2022
Page 2

Please do not hesitate to contact me if you would like to discuss this matter.

Yours truly,



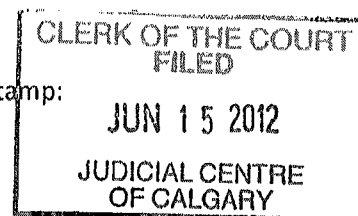
Chris Simard

CS:/dmk
Enclosure
cc: Client

COURT FILE NUMBER
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE

1201-05843
CALGARY

Clerk's stamp:



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF UBG BUILDERS INC., ALBERTA BUILDERS
CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL
(US) INC., EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD.,
EVOLUTION BY GREENBORO INC., GREENBORO COMMUNITIES (2006)
INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES
(2006) LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

I hereby certify this to be a true copy of
the original Order
Dated this 15 day of June, 2012
[Signature]
for Clerk of the Court

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

ORDER

(Claims Procedure)

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

FRASER MILNER CASGRAIN LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: David W. Mann / Derek M. Pontin
Ph. (403) 268-7097/6301 Fx. (403) 268-3100
File No.: 549362-1

DATE ON WHICH ORDER WAS
PRONOUNCED

June 15, 2012

NAME OF JUSTICE WHO MADE THIS
ORDER

The Honourable Madam Justice K.M. Horner

ORDER
(Claims Procedure)

UPON the application of the Applicants in these proceedings (collectively, the "**Applicants**" or "**UBG**"); AND UPON having read the Affidavit of Robert Friesen, dated June 12, 2012 (the "**Friesen Affidavit**"), the Second Report of the Monitor, dated June 12, 2012, and the Affidavit of Dawn Roy, dated June 14, 2012 (the "**Service Affidavit**"), filed, and such other material in the pleadings and proceedings as are deemed necessary; AND UPON hearing counsel for the Applicants, counsel for the Monitor, and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted in these proceedings on May 9, 2012 (the "**Initial Order**").

Claims Procedure

3. The claims procedure established hereunder is applicable to all creditors' "**Claims**" (as such term is defined in the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**")) as against all Applicants, with the exception that the claims procedure established hereunder shall not apply in respect of:
 - (a) Claims against Alberta Builders Capital Inc.;
 - (b) Claims against American Builders Capital (US) Inc.; and
 - (c) Claims pursuant to a debenture issuance (or similar participation facility) that occurred in any one or more of the following Projects:
 - (i) Murals at High Pointe;
 - (ii) Origins at Cranston;
 - (iii) Mountaineers Village II;
 - (iv) South Terwillegar Village;
 - (v) Village at the Hamptons; and
 - (vi) Timberline Lodges.

(collectively, the "**Excepted Claims**");

which Excepted Claims shall be the subject of a separate claims procedure established in these proceedings. Hereafter, the term "**Claim**" or "**Claims**" used in this Order shall not include the Excepted Claims.

4. Pursuant to s. 20 of the CCAA, the Applicants, with the assistance of the Monitor, will conduct a proof of claims procedure to identify all creditors who have a Claim against the Applicants (the "**Claimants**").
5. All claims of the Claimants shall be proven in accordance with the procedures outlined herein and in the Notice to Creditors in a form substantially the same as that attached hereto as Schedule "A" (the "**Notice to Creditors**").
6. The Applicants, with the assistance of the Monitor, are authorized and directed to implement the procedures outlined herein, and in the Notice to Creditors (collectively, the "**Claims Procedure**"), as follows:
 - (a) The Monitor, with the assistance of the Applicants, shall send to the Claimants and other potential affected creditors (collectively referred to as "**Affected Creditors**") of which the Applicants or the Monitor are aware, a copy of:
 - (i) the Notice to Creditors; and
 - (ii) and a Proof of Claim form and related instruction letter substantially in the form attached hereto as Schedule "B" (the "**Proof of Claim**"),(collectively the "**Proof of Claim Document Package**");
by no later than June 22, 2012 by ordinary mail, courier, or electronic transmission.
 - (b) The Applicants, with the assistance of the Monitor, shall publish a notice to Affected Creditors (the "**Notice to Affected Creditors**") of the Claims Procedure on two separate dates prior to June 30, 2012 in each of the Calgary Herald and Edmonton Journal. The Notice to Affected Creditors will be in a form substantially the same as that attached hereto as Schedule "C".
 - (c) The Monitor shall also post electronic copies of the Notice to Affected Creditors, the Proof of Claim Document Package and the Claims Procedure Order on the Monitor's website at <http://documentcentre.eycan.com/Pages/Main.aspx?SID=247> as soon as practically possible after June 22, 2012.
 - (d) Affected Creditors must submit their Proofs of Claim to the Monitor to be received prior to 5:00 p.m. (Mountain Daylight Time) on July 31, 2012 (the "**Claims Bar Date**"). The Monitor will supervise the receipt and collection of the Proofs of Claim and, in conjunction with the Applicants, will review each Proof of Claim submitted by the Claims Bar Date.
 - (e) All Affected Creditors that do not submit a Proof of Claim with the Monitor on or before the Claims Bar Date or such later date as this Honourable Court may otherwise order, will:

- (i) not be entitled to attend or vote at any creditors' meeting;
- (ii) not be entitled to receive any distribution under any plan of compromise or arrangement (a "**Plan**"); and
- (iii) be forever barred from making or enforcing any Claim against the Applicants and that Claim will be forever extinguished.

Secured Creditors

7. With respect to any Proof of Claim filed by a Claimant alleging a secured or proprietary interest in any of the undertaking, property, and assets of UBG (including without limitation: (i) Claimants with a lien in accordance with the provisions of the *Builders' Lien Act* (Alberta), and (ii) claims of condominium corporations), (a "**Secured Claim**"), the Monitor, in conjunction with the Applicants, will, within 30 days of the Affected Creditor filing its Proof of Claim (or, in the case of an Affected Creditor alleging mortgage security on any of UBG's real property, with 15 days of filing the Proof of Claim) either:
 - (a) accept the Claim as set out in the Proof of Claim in its entirety;
 - (b) revise the amount, secured status, or any priority of the Proof of Claim for voting and/or distribution purposes; or
 - (c) disallow the Claim as set out in the Proof of Claim for voting and/or distribution purposes.
8. If the Monitor, in conjunction with UBG, disputes the amount, secured status, or priority of a Secured Claim set out in a Proof of Claim, the Monitor, in conjunction with UBG, will concurrently send a notice of revision or disallowance (the "**Notice of Revision or Disallowance**") to the Affected Creditor by courier, facsimile or electronic mail (whereupon the Notice of Revision or Disallowance will be deemed to have been received on the following business day) in a form substantially the same as that attached hereto as Schedule "**D**".
9. Any Secured Creditor that intends to dispute its Claim as set out in the Notice of Revision or Disallowance must deliver a dispute notice, substantially in the form attached hereto as Schedule "**E**" (the "**Dispute Notice**"), by prepaid registered mail, personal delivery, courier or facsimile to the Monitor no later than 14 days from the date the Notice of Revision or Disallowance was received or such later date as the Monitor and the Applicants may agree to in writing or as ordered by this Honourable Court.
10. If a Secured Creditor does not deliver a Dispute Notice in accordance with the preceding paragraph, the Claim shall be deemed accepted at the amount set forth in the Notice of Revision or Disallowance and, unless otherwise ordered by this Honourable Court, the Affected Creditor will:
 - (a) where the entire Claim is disallowed:
 - (i) not be entitled to attend or vote at any creditors' meeting;
 - (ii) not be entitled to receive any distribution under any Plan; and

- (iii) be forever barred from making or enforcing any Claim against the Applicants and that Claim will be forever extinguished; or
- (b) where the Claim has been revised:
 - (i) only be entitled to attend or vote at any creditors' meeting to the extent of the revised amount, revised status, or revised priority;
 - (ii) only be entitled to receive any distribution under any Plan in an amount proportional to the revised amount, revised status, or revised priority; and
 - (iii) be forever barred from making or enforcing any Claim greater than the revised amount, revised status, or revised priority against the Applicants and the amount of the Claim reduced by the revision will be forever extinguished.
- 11. The Monitor, in conjunction with the Applicants, may attempt to consensually resolve any Dispute Notice for voting and/or distribution purposes, as the case may be, with the Secured Creditor. If same cannot be resolved, the Applicants or the Monitor shall apply to the Court within 20 days of their receipt of the Dispute Notice for a determination of the value, secured status, and priority of such Secured Claim by filing with this Honourable Court an Application and serving it upon the Monitor or the Applicant, as the case may be, and the Secured Creditor, as applicable.
- 12. Any time limitation set forth in paragraphs 7 - 11 of this Order may be extended by written agreement of the Monitor, the Applicants and the Secured Creditor or by Order of this Honourable Court.

Other Affected Creditors

- 13. With respect to Claims of all Affected Creditors, other than Secured Claims, the Monitor, in conjunction with the Applicants, will either:
 - (a) accept the Claim as set out in the Proof of Claim in its entirety;
 - (b) revise the amount or any priority of the Proof of Claim for voting and/or distribution purposes; or
 - (c) disallow the Claim as set out in the Proof of Claim for voting and/or distribution purposes.
- 14. The Applicants will, in conjunction with the Monitor, provide to each Affected Creditor filing a Proof of Claim a notice in writing indicating whether the Affected Creditor's Claim is accepted, disputed in whole or disputed in part. If the Applicants, in conjunction with the Monitor, dispute the amount or priority of a Claim set out in a Proof of Claim, the Monitor will send a Notice of Revision or Disallowance to the Affected Creditor in a form substantially the same as that attached hereto as Schedule "D".
- 15. Any Affected Creditor that intends to dispute its Claim as set out in the Notice of Revision or Disallowance must deliver a Dispute Notice, in a form substantially the same as that attached

hereto as Schedule "E", to the Monitor no later than 14 days after their receipt of the Dispute of Revision or Disallowance.

16. If an Affected Creditor does not deliver a Dispute Notice in accordance with the preceding paragraph, it shall be deemed to have accepted the Notice of Revision or Disallowance and, unless otherwise ordered by this Honourable Court, will:

- (a) where the entire Claim is disallowed:
 - (i) not be entitled to attend or vote at any creditors' meeting;
 - (ii) not be entitled to receive any distribution under any Plan; and
 - (iii) be forever barred from making or enforcing any Claim against the Applicants and that Claim will be forever extinguished; or
- (b) where the Claim has been revised:
 - (i) only be entitled to attend or vote at any creditors' meeting to the extent of the revised amount or priority;
 - (ii) only be entitled to receive any distribution under any Plan in an amount proportional to the revised amount or in accordance with the revised priority; and
 - (iii) be forever barred from making or enforcing any Claim greater than the revised amount against the Applicants and the amount of the Claim reduced by the revision will be forever extinguished.

17. The Applicants, in conjunction with the Monitor, may attempt to consensually resolve any Dispute Notice for voting and/or distribution purposes, as the case may be, with the Affected Creditor. If same cannot be resolved, the Applicants or the Monitor may apply to the Court for a determination of the value and priority of such Claim for voting and/or distribution purposes, as the case may be, by filing with this Honourable Court an Application and serving it upon the Monitor or the Applicant, as the case may be, and the Affected Creditor, as applicable. If no application is brought by the Applicants or the Monitor, within 28 days, and the dispute remains unresolved, the Affected Creditor may serve on the Applicants, with a copy to the Monitor, an application returnable within seven days before the Court of Queen's Bench of Alberta in these proceedings for the determination of the Claim in dispute.

Miscellaneous

18. The Applicants and the Monitor are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claims and Dispute Notices are completed and executed and may, if they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of the Claims Procedure.
19. The Applicants and the Monitor are at liberty to apply for such further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.

20. The Applicants and the Monitor are hereby authorized and directed to do all such acts and things, and execute such deeds and documents, as are necessary or appropriate to give full effect to the provisions of this Order.
21. The Applicants shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

" K.M. Horner "
Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION
BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

NOTICE TO CREDITORS

(Claims Procedure)

NOTICE TO CREDITORS

(UBG Claims Procedure)

On May 9, 2012, the Applicants in the above noted proceedings (as defined in the Court Order, dated May 9, 2012, collectively "UBG") received protection under the *Companies' Creditors Arrangement Act* (the "CCAA") from the Court of Queen's Bench of Alberta (the "Court"). Ernst & Young Inc. was appointed by the Court as the monitor in these proceedings (the "Monitor").

On June 15, 2012, the Court directed the Applicants and the Monitor to solicit claims (as defined in the CCAA) from all creditors of UBG for the purpose of determining the claims which will participate in the CCAA proceedings (the "**Claims**"), with the exception of the following:

- (a) Claims against Alberta Builders Capital Inc.;
- (b) Claims against American Builders Capital (US) Inc.; and
- (c) Claims pursuant to a debenture issuance (or similar participation facility) that occurred in any one or more of the following Projects:
 - (i) Murals at High Pointe;
 - (ii) Origins at Cranston;
 - (iii) Mountaineers Village II;
 - (iv) South Terwillegar Village;
 - (v) Village at the Hamptons; and
 - (vi) Timberline Lodges.

(collectively, the "**Excepted Claims**")

The Excepted Claims will be the subject of a separate claims procedure established in these proceedings. Hereafter, the terms "**Claim**" and "**Claims**" used in this Notice to Creditors shall not include the Excepted Claims.

Any creditor having a Claim against an entity forming UBG arising before May 9, 2012, of any nature whatsoever, including an unsecured, secured, contingent or unliquidated Claim is required to file, in the manner set out in this Notice to Creditors, a Proof of Claim in the prescribed form (which has been provided to you with this Notice to Creditors) with the Monitor in order to participate in any voting or distribution associated with the CCAA proceedings.

Additional copies of the prescribed Proof of Claim form can be obtained by contacting the Monitor via telephone at 403.233.7091 or via e-mail at Lynda.Huber@ca.ey.com or it can be downloaded from the Monitor's website at:

<http://documentcentre.eycan.com/Pages/Main.aspx?SID=247>.

Any creditor who chooses to file a Proof of Claim is required to provide whatever documentation they may have to support their Claim against UBG, such as contracts, invoices, bills of lading, and shipping receipts, in relation to the goods and/or services provided to UBG in the appropriate currency under which their Claim arose.

All Proof of Claim forms, together with the required supporting documentation, must be sent by prepaid registered mail, personally delivered, or sent by courier or facsimile to Ernst & Young Inc. at Ernst & Young Tower, 1000, 440 – 2nd Avenue S.W., Calgary, AB T2P 5E9, or fax: 403.290.4265 to the attention of Lynda Huber on or before 5:00 pm Mountain Daylight Time on July 31, 2012.

All Claims must account for the following:

1. All Claims must be adjusted for any equipment and/or other assets released by UBG to the creditor whether by court order or otherwise; and
2. Where a creditor is claiming an offset against all or a portion of amounts owing by UBG, full particulars of the offset must be included.

All Claims received by the Monitor or, in the case of mailing, postmarked, after the Claims Bar Date will, unless otherwise ordered by the Court, be forever extinguished, barred, and will not participate in any voting or distributions in the CCAA proceedings.

With respect to secured creditors, the Monitor will within 30 days of receiving the Proof of Claim (or in the case of secured creditors claiming mortgage security, 15 days of receiving the Proof of Claim), in turn provide to the creditor a notice in writing by regular mail, courier service or facsimile as to whether their Claim is accepted or disputed in whole or in part, and the reason for the dispute pursuant to a Notice of Revision or Disallowance.

Where a secured creditor objects to a Notice of Revision or Disallowance, the creditor shall notify the Monitor and UBG of its objection in writing (the "**Dispute Notice**") by prepaid registered mail, personal delivery, courier or facsimile within 14 days from the date on the Notice of Revision or Disallowance.

With respect to all other claims, the Monitor will accumulate the Proof of Claim forms and, in due course, provide to the creditor a notice in writing by registered mail, by courier service, or by facsimile as to whether their Claim is accepted, or disputed in whole or in part, and indicating the reason for the dispute pursuant to a Notice of Revision or Disallowance.

Where a creditor objects to a Notice of Revision or Disallowance, the creditor shall notify UBG of its objection in writing (the "**Dispute Notice**") within 14 days from the date on the Notice of Revision or Disallowance.

The Monitor and UBG will attempt to consensually resolve disputes with respect to any claim. If the dispute cannot be resolved the Monitor or the Applicants may (or, in the case of a secured claim shall) bring an application before the Court for the determination of the claim.

A creditor that does not provide to the Monitor a Dispute Notice to a Notice of Revision or Disallowance issued by UBG shall, unless otherwise ordered by the Court, be conclusively deemed to have accepted the assessment of its Claim as set out in such Notice of Revision or Disallowance.

Dated _____, 2012 in Calgary, Alberta.

ERNST & YOUNG INC. in its capacity as Monitor
of UBG.

Per: Robert J. Taylor

SCHEDULE "B"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF

ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION
BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

PROOF OF CLAIM

(Claims Procedure)

Proof of Claim

For Claims Arising Before May 9, 2012

(See Reverse for Instructions)

Regarding the claim of _____ (referred to
In this form as "the creditor"). (name of creditor)

All notices or correspondence regarding this claim to be forwarded to the creditor at the following address:

Telephone: _____ Fax: _____

I, _____ Residing in the _____
(name of person signing claim) (city, town, etc.)
of _____ In the province of _____
(name of city, town, etc.)

Do hereby certify that:

☐ 1. I am the creditor

or

I am _____ of the creditor.
(If an officer or employee of the company, state position or title)

☐ 2. I have knowledge of all the circumstances connected with the claim referred to in this form.

3. Check box of appropriate CCAA debtor that your claim is against:

<input type="checkbox"/>	Alpine Homes (2006) Inc.
<input type="checkbox"/>	Edgewater at Griesbach Inc.
<input type="checkbox"/>	Elite Homes (2006) Ltd.
<input type="checkbox"/>	Evolution By Greenboro Inc.
<input type="checkbox"/>	Greenboro Communities (2006) Inc.
<input type="checkbox"/>	Greenboro Estate Homes (2006) Ltd.
<input type="checkbox"/>	Greenboro Homes (2006) Ltd.
<input type="checkbox"/>	Greenboro Luxury Homes Inc.
<input type="checkbox"/>	High Pointe Inc.
<input type="checkbox"/>	Mountaineers Village (2006) Inc.
<input type="checkbox"/>	Mountaineers Village II Inc.
<input type="checkbox"/>	Origins at Cranston Inc.
<input type="checkbox"/>	South Terwillegar Village Inc.
<input type="checkbox"/>	The Bridges Management Inc.

<input type="checkbox"/>	Alpine Homes Limited Partnership
<input type="checkbox"/>	Edgewater at Griesbach Limited Partnership
<input type="checkbox"/>	Elite Homes Limited Partnership
<input type="checkbox"/>	Evolution by Greenboro Limited Partnership
<input type="checkbox"/>	Greenboro Communities Limited Partnership.
<input type="checkbox"/>	Greenboro Estate Homes Limited Partnership
<input type="checkbox"/>	Greenboro Homes Limited Partnership
<input type="checkbox"/>	Greenboro Luxury Homes (Currie Barracks 1A) Limited Partnership
<input type="checkbox"/>	High Pointe Limited Partnership
<input type="checkbox"/>	Mountaineers Village Limited Partnership
<input type="checkbox"/>	Mountaineers Village II Limited Partnership
<input type="checkbox"/>	Origins at Cranston Limited Partnership
<input type="checkbox"/>	South Terwillegar Village Limited Partnership
<input type="checkbox"/>	The Bridges Limited Partnership

<input type="checkbox"/>	The Ledges Inc.	<input type="checkbox"/>	The Ledges Limited Partnership
<input type="checkbox"/>	Timberline Lodges (2006) Inc.	<input type="checkbox"/>	Timberline Lodges Limited Partnership
<input type="checkbox"/>	Today's Communities (2006) Inc.	<input type="checkbox"/>	Today's Communities Limited Partnership
<input type="checkbox"/>	Today's Homes (2006) Inc.	<input type="checkbox"/>	Today's Homes Limited Partnership
<input type="checkbox"/>	Tuscany Developments (2006) Inc.	<input type="checkbox"/>	Tuscany Developments Limited Partnership
<input type="checkbox"/>	UBG Alberta Builders (2006) Inc.	<input type="checkbox"/>	UBG Alberta Builders Limited Partnership
<input type="checkbox"/>	UBG Alpine Homes (2006) Ltd.	<input type="checkbox"/>	UBG Alpine Homes Limited Partnership
<input type="checkbox"/>	UBG Bridges Inc.	<input type="checkbox"/>	UBG Bridges Limited Partnership
<input type="checkbox"/>	UBG Commercial Inc.	<input type="checkbox"/>	UBG Commercial Limited Partnership
<input type="checkbox"/>	UBG Land Inc.	<input type="checkbox"/>	UBG Land Limited Partnership
<input type="checkbox"/>	UBG 4500 Calgary Inc.	<input type="checkbox"/>	UBG 4500 Calgary Limited Partnership
<input type="checkbox"/>	UBG 75 Canmore Inc.	<input type="checkbox"/>	UBG 75 Canmore Limited Partnership
<input type="checkbox"/>	UBG 808 Calgary Inc.	<input type="checkbox"/>	UBG 808 Calgary Limited Partnership
<input type="checkbox"/>	Valmont at Aspen Stone Inc.	<input type="checkbox"/>	Valmont at Aspen Stone Limited Partnership
<input type="checkbox"/>	Valour Park at Currie Inc.	<input type="checkbox"/>	Valour Park at Currie Limited Partnership
<input type="checkbox"/>	Village at the Hamptons Inc.	<input type="checkbox"/>	Village at the Hamptons Limited Partnership.
<input type="checkbox"/>	Village on the Park Inc.	<input type="checkbox"/>	Village on the Park Limited Partnership.
<input type="checkbox"/>	Wilderness Homes By Riverdale Inc.	<input type="checkbox"/>	Wilderness Homes by Riverdale Limited Partnership
<input type="checkbox"/>	Wilderness Ridge at Stewart Creek Inc.	<input type="checkbox"/>	Wilderness Ridge at Stewart Creek Limited Partnership
<input type="checkbox"/>	UBG Builders Inc.	<input type="checkbox"/>	UBG Builders (USA) Inc.
<input type="checkbox"/>	UBG Lot Deposit Corp.	<input type="checkbox"/>	Unity Investments (2012) Inc.

The CCAA Debtor (check appropriate box above) was, as at May 9, 2012, and still is indebted to the creditor in the sum of \$_____ CDN as shown by the statement of account attached hereto and marked "Schedule A". Claims should **not** include the value of goods and/or services supplied after May 9, 2012. If a creditor's claim is to be reduced by deducting any counter claims to which the CCAA Debtor is entitled and/or amounts associated with the return of equipment and/or assets by the CCAA Debtor, please specify.

The statement of account must specify the vouchers or other evidence in support of the claim including the date and location of the delivery of all services and materials. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest.

4. ☐ A. **Unsecured claim.** \$_____. In respect to the said debt, the creditor does not and has not held any assets as security.
- ☐ B. **Secured claim.** \$_____. In respect of the said debt, the creditor holds assets valued at \$ _____ as security:

Provide full particulars of the security, including the date on which the security was given and the value at which the creditor assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "B".

Dated at _____, this ____ day of _____, 2012.
Insert city and date of signature

Witness

(signature of individual completing the form)

Must be signed and witnessed

Instructions for Completing Proof of Claim Forms

In completing the attached form, your attention is directed to the notes on the form and to the following requirements:

Proof of Claim:

1. The form must be completed by an individual and not by a corporation. If you are acting for a corporation or other person, you must state the capacity in which you are acting, such as, "Credit Manager", "Treasurer", "Authorized Agent", etc., and the full legal name of the party you represent.
2. The person signing the form must have knowledge of the circumstances connected with the claim.
3. Tick the box of the appropriate CCAA Debtor your claim is against. A Statement of Account containing details of secured and unsecured claims, and if applicable, of the amount due in respect of property claims, must be attached and marked Schedule "A". Claims should **not** include the value of goods and/or services arising after May 9, 2012. It is necessary that all creditors indicate the date and location of the delivery of all goods and/or services. Any amounts claimed as Interest should be clearly noted as being for interest.
4. The nature of the claim must be indicated by ticking the type of claim which applies. e.g. -

Ticking (A) indicates the claim is unsecured;

Ticking (B) indicates the claim is secured, such as a mortgage, lease, or other security interest, and the value at which the creditor assesses the security must be inserted, together with the basis of valuation. Details of each item of security held should be attached as Schedule "B" and submitted with a copy of the chattel mortgage, conditional sales contract, security agreement, etc.

5. The person signing the form must insert the place and date in the space provided, and the signature must be witnessed.

Additional information regarding the Unity Builders Group and the CCAA process, as well as copies of claims documents may be obtained at <http://documentcentre.eycan.com/Pages/Main.aspx?SID=247>. If there are any questions in completing the notice of claim, please write or telephone the office of the Monitor at:

Ernst & Young Inc., the Court-appointed Monitor of the Unity Builders Group

By Mail/Courier:

Ernst & Young Tower

1000, 440 – 2nd Avenue S.W.

Calgary, AB T2P 5E9

Attention: Mr. Robert Taylor/Ms. Lynda Huber

Phone: 403.233.7091

Fax: 403.290.4265

Note: Any claim not delivered to the Monitor at the above noted address by July 31, 2012, will, unless otherwise ordered by the Alberta Court of Queen's Bench, be barred and may not thereafter be advanced against the CCAA Debtor.

SCHEDULE "C"
(Claims / Reverse Claims Procedure)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UBG BUILDERS INC., ALBERTA
BUILDERS CAPITAL INC., ALPINE HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC., EDGEWATER
AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION BY GREENBORO INC., GREENBORO
COMMUNITIES (2006) INC., GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006) LTD.,
GREENBORO LUXURY HOMES INC., HIGH POINTE INC., MOUNTAINEERS VILLAGE (2006) INC.,
MOUNTAINEERS VILLAGE II INC., ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES (2006) INC., TODAY'S COMMUNITIES
(2006) INC., TODAY'S HOMES (2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA BUILDERS
(2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES INC., UBG BUILDERS (USA) INC., UBG
COMMERCIAL INC., UBG LAND INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75 CANMORE
INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012) INC., VALMONT AT ASPEN STONE INC., VALOUR
PARK AT CURRIE INC., VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC., WILDERNESS HOMES
BY RIVERDALE INC., WILDERNESS RIDGE AT STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

NOTICE TO CREDITORS

Re: **NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE FOR THE APPLICANTS PURSUANT TO THE
COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")**

NOTICE IS HEREBY GIVEN THAT, pursuant to two orders of the Court of Queen's Bench of Alberta (the
"Court") granted June 15, 2012 (collectively, the "Claims Procedure Orders") the Court ordered that
Proof of Claim Document Packages (as defined in each Claims Procedure Order) be sent to known
creditors of the Applicants, listed above, as applicable to and specified in the Claims Procedure Orders.
Copies of the Claims Procedure Orders and the respective Proof of Claim Document Packages can be
obtained from the Monitor's website at <http://documentcentre.eycan.com/Pages/Main.aspx?SID=247>.

Any person who believes that they have a claim against any of the Applicants (as defined in the Initial
Order of the Court, dated May 9, 2012, a copy of which is available on the Monitor's website), which
claim arose prior to May 9, 2012, whether liquidated, contingent or otherwise, should send a separate
Proof of Claim for each Applicant against which it asserts a Claim to the Monitor to be received by 5:00
p.m. (Mountain Daylight Time) on July 31, 2012 (the "Claims Bar Date").

**CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND
SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST THE**

APPLICANTS AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of the Applicants who have not received a Proof of Claim Document Package from the Applicants or the Monitor can obtain a copy from the website of the Monitor at <http://documentcentre.eycan.com/Pages/Main.aspx?SID=247> or by contacting the Monitor (telephone: 403.233.7091 or fax: 403.290.4265).

DATED this ____ day of _____ 2012.

SCHEDULE "D"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION
BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

**NOTICE OF REVISION OR DISALLOWANCE FOR VOTING AND/OR
DISTRIBUTION PURPOSES**

(Claims Procedure)

Claim Reference Number: _____

Name of Applicant: _____

TO: _____
(Name of Creditor)

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the
Order of the Court of Queen's Bench of Alberta, dated June 15, 2012 (the "**Claims Procedure Order**").

All dollar values contained herein are in Canadian dollars unless otherwise noted.

Pursuant to the Claims Procedure Order, Ernst & Young Inc., in its capacity as Court-appointed Monitor of the Applicants, hereby gives you notice that it has reviewed your Proof of Claim in conjunction with the Applicants and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be allowed as follows:

Amount Allowed by Monitor for:

	<u>Proof of Claim Amount</u>	<u>Voting</u>	<u>Distribution</u>
Unsecured Claim	\$ _____	\$ _____	\$ _____
Secured Claim	\$ _____	\$ _____	\$ _____

REASON(S) FOR THE REVISION OR DISALLOWANCE:

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must **within fourteen (14) days from the date on this Notice of Revision or Disallowance** deliver to the Monitor a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier or facsimile to the address below.

Ernst & Young Inc., the Court-appointed Monitor of the Applicants

By Mail/Courier:

Ernst & Young Tower

1000, 440 – 2nd Avenue S.W.

Calgary, AB T2P 5E9

Attention: Mr. Robert Taylor/Ms. Lynda Huber

Fax: 403.290.4265

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN FOURTEEN (14) DAYS OF THE DATE ON THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED this ____ day of _____, 2012.

SCHEDULE "E"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION
BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.**

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

DISPUTE NOTICE

(Claims Procedure)

Claim Reference Number: _____

Name of Applicant against
which a Claim is asserted: _____

1. Particulars of Creditor:

Full Legal Name of Creditor (include trade name, if different):

(the "Creditor").

Full Mailing Address of the Creditor:

Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. Particulars of Original Creditor from whom you acquired the Claim, if applicable:

Have you acquired this Claim by assignment? If yes, if not already provided, attach documents evidencing assignment.

Yes: ☐ No: ☐

Full Legal Name of Original Creditor(s): _____

3. Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes:

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

		Amount Allowed by Monitor for:				Amount claimed by Creditor:	
		Voting	Distribution			Voting	Distribution
Unsecured Claim	\$ _____	\$ _____		Unsecured Claim	\$ _____	\$ _____	
Secured Claim	\$ _____	\$ _____		Secured Claim	\$ _____	\$ _____	

REASON(S) FOR THE DISPUTE:

(You must include a list of reasons as to why you are disputing your Claim as set out in the Notice of Revision or Disallowance.)

SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must **within fourteen (14) days of the date of the Notice of Revision or Disallowance** deliver to the Monitor this Dispute Notice either by prepaid registered mail, personal service, courier, or facsimile transmission to the following address. Dispute Notices shall be deemed to be received two business days from the date of mailing, upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or, if delivered outside of normal business hours, on the next Business Day.

Ernst & Young Inc., the Court-appointed Monitor of the Applicants
Ernst & Young Tower
1000, 440 – 2nd Avenue S.W.
Calgary, AB T2P 5E9
Fax: 403.290.4265

Attention: Mr. Robert Taylor/Ms. Lynda Huber

DATED this _____ day of _____, 2012.

Name of creditor: _____

Witness

Per: _____

Name:
Title:
(please print)



Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary, AB T2P 0R8
Canada

Tel: 403-267-0501
Fax: 403-718-3681
www.deloitte.ca

September 20, 2022

To The Creditors

**Subject: UBG Builders Inc. - Receivership
Notice of Revision or Disallowance of Claims**

On December 12, 2017, Deloitte Restructuring Inc. ("Deloitte") was appointed by the Court of Queen's Bench of Alberta as the receiver and manager (the "Receiver"), without security, of all of the current and future assets undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "Property"), of UBG Builders Inc. (the "Debtor" or "UBG Inc.").

Deloitte also remains the Monitor of the Unity Builders Group of Companies pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA Proceedings").

To efficiently conclude the claims process for UBG Inc., Deloitte, in its capacity as both Receiver and Monitor, is addressing all outstanding claim matters pursuant to the Claims Procedure Order dated June 15, 2012 in the CCAA proceedings.

Accordingly, the enclosed Notice of Revision or Disallowance with respect to your claim filed against UBG Inc. has been issued by the Monitor.

Should you have any questions, please contact the undersigned.

Yours sincerely,

DELOITTE RESTRUCTURING INC.

In its capacity as Receiver and Manager
of UBG Builders Inc. and in its capacity as
Monitor of the Unity Builders Group of Companies,
and not in its personal capacity.

Ryan Adlington, CPA, CA, CIRP, LIT
Senior Vice-President

Enclosure(s)

SCHEDULE "D"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMESS
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT NOTICE OF REVISION OR DISALLOWANCE FOR VOTING AND/OR
DISTRIBUTION PURPOSES
(Claims Procedure)

Claim Reference Number: Action # 1201-05843

Name of Applicant: UBG Builders Inc.

TO: Robert Friesen Investments Inc.
(Name of Creditor)

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the
Order of the Court of Queen's Bench of Alberta, dated June 15, 2012 (the "Claims Procedure Order").

All dollar values contained herein are in Canadian dollars unless otherwise noted.

Pursuant to the Claims Procedure Order, Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor of the Applicants, hereby gives you notice that it has reviewed your Proof of Claim in conjunction with the Applicants and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be allowed as follows:

	<u>Proof of Claim Amount</u>	<u>Distribution</u>
Secured Claim	\$32,731,000	\$0.00

REASON(S) FOR THE REVISION OR DISALLOWANCE:

We have disallowed your claim against UBG Builder's Inc. in full. On August 29, 2012, the Monitor requested additional information with respect to the promissory note dated September 30, 2008. As at the date of this disallowance the following information remains outstanding. i) provide further information to support the value of the promissory note; and ii) confirm the consideration for the granting of the promissory note referred to as "for value received". Furthermore, the Management Agreement dated April 28, 1998, indicates that the provision of those management services has been reducing the amount owing under the promissory note. Consequently, the Monitor/Receiver has disallowed your secured claim as we are unable to verify the amount of your secured claim.

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must **within fourteen (14) days from the date you received (or are deemed to have received) this Notice of Revision or Disallowance** deliver to the Monitor a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier or facsimile to the address below.

Deloitte Restructuring Inc., the Court-appointed Monitor of the Applicants

By Mail/Courier:

Deloitte Restructuring Inc.

700, 850 – 2nd Street SW

Calgary, AB T2P 0R8

Attention: Mr. Ryan Adlington/Ms. Naomi McGregor

Fax: 403.718.3681

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN FOURTEEN (14) DAYS OF THE DATE YOU RECEIVED (OR ARE DEEMED TO HAVE RECEIVED) THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF

YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED this 20th day of September 2022.

SCHEDULE "E"

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF UBG BUILDERS INC., ALBERTA BUILDERS CAPITAL INC., ALPINE
HOMES (2006) INC., AMERICAN BUILDERS CAPITAL (US) INC.,
EDGEWATER AT GRIESBACH INC., ELITE HOMES (2006) LTD., EVOLUTION
BY GREENBORO INC., GREENBORO COMMUNITIES (2006) INC.,
GREENBORO ESTATE HOMES (2006) LTD., GREENBORO HOMES (2006)
LTD., GREENBORO LUXURY HOMES INC., HIGH POINTE INC.,
MOUNTAINEERS VILLAGE (2006) INC., MOUNTAINEERS VILLAGE II INC.,
ORIGINS AT CRANSTON INC., SOUTH TERWILLEGAR VILLAGE INC., THE
BRIDGES MANAGEMENT INC., THE LEDGES INC., TIMBERLINE LODGES
(2006) INC., TODAY'S COMMUNITIES (2006) INC., TODAY'S HOMES
(2006) INC., TUSCANY DEVELOPMENTS (2006) INC., UBG ALBERTA
BUILDERS (2006) INC., UBG ALPINE HOMES (2006) LTD., UBG BRIDGES
INC., UBG BUILDERS (USA) INC., UBG COMMERCIAL INC., UBG LAND
INC., UBG LOT DEPOSIT CORP., UBG 4500 CALGARY INC., UBG 75
CANMORE INC., UBG 808 CALGARY INC., UNITY INVESTMENTS (2012)
INC., VALMONT AT ASPEN STONE INC., VALOUR PARK AT CURRIE INC.,
VILLAGE AT THE HAMPTONS INC., VILLAGE ON THE PARK INC.,
WILDERNESS HOMES BY RIVERDALE INC., WILDERNESS RIDGE AT
STEWART CREEK INC.

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

DISPUTE NOTICE

(Reverse Claims Procedure)

Claim Reference Number: _____

Name of Applicant(s) against
which a Claim is asserted: _____

1. Particulars of Creditor:

Full Legal Name of Creditor (include trade name, if different):

(the "Creditor").

Full Mailing Address of the Creditor:

Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. Particulars of Original Creditor from whom you acquired the Claim, if applicable:

Have you acquired this Claim by assignment? If yes, if not already provided, attach documents evidencing assignment.

Yes: ☐

No: ☐

Full Legal Name of Original Creditor(s): _____

3. Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes:

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Amount Allowed by Monitor for:			Amount claimed by Creditor:	
	Voting	Distribution		Voting	Distribution
Unsecured Claim	\$N/A	\$_____	Unsecured Claim	\$N/A	\$_____
Secured Claim	\$N/A	\$_____	Secured Claim	\$N/A	\$_____

REASON(S) FOR THE DISPUTE:

(You must include a list of reasons as to why you are disputing your Claim as set out in the Notice of Revision or Disallowance.)

SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must **within fourteen days of the date of receipt of the Notice of Revision or Disallowance** deliver to the Monitor this Dispute Notice either by prepaid registered mail, personal service, courier, or facsimile transmission to the following address. Dispute Notices shall be deemed to be received two business days from the date of mailing, upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or, if delivered outside of normal business hours, on the next Business Day.

Deloitte Restructuring Inc., the Court-appointed Monitor of the Applicants
Deloitte Restructuring Inc.
700, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Attention: Mr. Ryan Adlington/Ms. Naomi McGregor
Fax: 403.718.3681

DATED this _____ day of _____, 2022

Name of creditor: _____

Witness

Per: _____

Name: _____

Title: _____

(please print)

Rec'd July 31/12

Proof of Claim

Aug 3/12

For Claims Arising Before May 9, 2012

(See Attached for Instructions)

Regarding the claim of ROBERT FRIESEN INVESTMENTS INC (referred to
in this form as "the creditor"), (name of creditor)

All notices or correspondence regarding this claim to be forwarded to the creditor at the following address:

808 - 55 AVE N.E.
CALGARY ALBERTA T2E 6Y4

Telephone: 403-569-4852 Fax: 403-275-7514

I, ROBERT FRIESEN Residing in the CITY
(name of person signing claim) (city, town, etc.)
of CALGARY In the province of ALBERTA
(name of city, town, etc.)

Do hereby certify that:

☐ 1. I am the creditor

or

I am DIRECTOR of the creditor.
(if an officer or employee of the company, state position or title)

☒ 2. I have knowledge of all the circumstances connected with the claim referred to in this form.

3. Check box of appropriate CCAA debtor that your claim is against:

- ☐ Alpine Homes (2006) Inc.
- ☐ Edgewater at Griesbach Inc.
- ☐ Elite Homes (2006) Ltd.
- ☐ Evolution By Greenboro Inc.
- ☐ Greenboro Communities (2006) Inc.
- ☐ Greenboro Estate Homes (2006) Ltd.
- ☐ Greenboro Homes (2006) Ltd.
- ☐ Greenboro Luxury Homes Inc.
- ☐ High Pointe Inc.

- ☐ Alpine Homes Limited Partnership
- ☐ Edgewater at Griesbach Limited Partnership
- ☐ Elite Homes Limited Partnership
- ☐ Evolution by Greenboro Limited Partnership
- ☐ Greenboro Communities Limited Partnership.
- ☐ Greenboro Estate Homes Limited Partnership
- ☐ Greenboro Homes Limited Partnership
- ☐ Greenboro Luxury Homes (Currie Barracks 1A) Limited Partnership
- ☐ High Pointe Limited Partnership

<input type="checkbox"/>	Mountaineers Village (2006) Inc.
<input type="checkbox"/>	Mountaineers Village II Inc.
<input type="checkbox"/>	Origins at Cranston Inc.
<input type="checkbox"/>	South Terwillegar Village Inc.
<input type="checkbox"/>	The Bridges Management Inc.
<input type="checkbox"/>	The Ledges Inc.
<input type="checkbox"/>	Timberline Lodges (2006) Inc.
<input type="checkbox"/>	Today's Communities (2006) Inc.
<input type="checkbox"/>	Today's Homes (2006) Inc.
<input type="checkbox"/>	Tuscany Developments (2006) Inc.
<input type="checkbox"/>	UBG Alberta Builders (2006) Inc.
<input type="checkbox"/>	UBG Alpine Homes (2006) Ltd.
<input type="checkbox"/>	UBG Bridges Inc.
<input type="checkbox"/>	UBG Commercial Inc.
<input type="checkbox"/>	UBG Land Inc.
<input type="checkbox"/>	UBG 4500 Calgary Inc.
<input type="checkbox"/>	UBG 75 Canmore Inc.
<input type="checkbox"/>	UBG 808 Calgary Inc.
<input type="checkbox"/>	Valmont at Aspen Stone Inc.
<input type="checkbox"/>	Valour Park at Currie Inc.
<input type="checkbox"/>	Village at the Hamptons Inc.
<input type="checkbox"/>	Village on the Park Inc.
<input type="checkbox"/>	Wilderness Homes By Riverdale Inc.
<input type="checkbox"/>	Wilderness Ridge at Stewart Creek Inc.
<input checked="" type="checkbox"/>	UBG Builders Inc.
<input type="checkbox"/>	UBG Lot Deposit Corp.

<input type="checkbox"/>	Mountaineers Village Limited Partnership
<input type="checkbox"/>	Mountaineers Village II Limited Partnership
<input type="checkbox"/>	Origins at Cranston Limited Partnership
<input type="checkbox"/>	South Terwillegar Village Limited Partnership
<input type="checkbox"/>	The Bridges Limited Partnership
<input type="checkbox"/>	The Ledges Limited Partnership
<input type="checkbox"/>	Timberline Lodges Limited Partnership
<input type="checkbox"/>	Today's Communities Limited Partnership
<input type="checkbox"/>	Today's Homes Limited Partnership
<input type="checkbox"/>	Tuscany Developments Limited Partnership
<input type="checkbox"/>	UBG Alberta Builders Limited Partnership
<input type="checkbox"/>	UBG Alpine Homes Limited Partnership
<input type="checkbox"/>	UBG Bridges Limited Partnership
<input type="checkbox"/>	UBG Commercial Limited Partnership
<input type="checkbox"/>	UBG Land Limited Partnership
<input type="checkbox"/>	UBG 4500 Calgary Limited Partnership
<input type="checkbox"/>	UBG 75 Canmore Limited Partnership
<input type="checkbox"/>	UBG 808 Calgary Limited Partnership
<input type="checkbox"/>	Valmont at Aspen Stone Limited Partnership
<input type="checkbox"/>	Valour Park at Currie Limited Partnership
<input type="checkbox"/>	Village at the Hamptons Limited Partnership.
<input type="checkbox"/>	Village on the Park Limited Partnership.
<input type="checkbox"/>	Wilderness Homes by Riverdale Limited Partnership
<input type="checkbox"/>	Wilderness Ridge at Stewart Creek Limited Partnership
<input type="checkbox"/>	UBG Builders (USA) Inc.
<input type="checkbox"/>	Unity Investments (2012) Inc.

The CCAA Debtor (check appropriate box above) was, as at May 9, 2012, and still is indebted to the creditor in the sum of \$32,731,000.^{ab} CDN as shown by the statement of account attached hereto and marked "Schedule A". Claims should **not** include the value of goods and/or services supplied after May 9, 2012. If a creditor's claim is to be reduced by deducting any counter claims to which the CCAA Debtor is entitled and/or amounts associated with the return of equipment and/or assets by the CCAA Debtor, please specify.

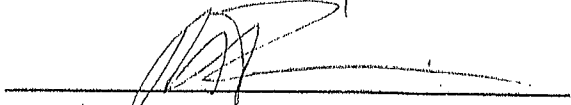
The statement of account must specify the vouchers or other evidence in support of the claim including the date and location of the delivery of all services and materials. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest.

4. ☐ A. **Unsecured claim.** \$_____. In respect to the said debt, the creditor does not and has not held any assets as security.
- ☒ B. **Secured claim.** \$32,731,000.⁰⁰. In respect of the said debt, the creditor holds assets valued at \$32,731,000.⁰⁰ as security:

Provide full particulars of the security, including the date on which the security was given and the value at which the creditor assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "B".

Dated at CALGARY, this 24 day of JULY, 2012.
Insert city and date of signature

Witness


(signature of individual completing the form)

Must be signed and witnessed

Schedule "A"

General Ledger System
 Wide General Ledger Report: Accrual Ledger
 Company : 1000 USG Builders Inc.
 Period : 01/01/2012 to 05/31/2012
 Division : 2991
 Account(s) : 2991
 Sub-Ledger(s) :
 Print Details: no
 Currency: CAN
 07/20/2012 Page: 1
 6:54PM User: regang

Account Code	Div. Code	Sub-Ledger	Posting Date	Jr Number	Group	Unit No.	Primary / Auxiliary Memo	Detail Memo	Amount	Total Month	Account Balance
2991	000000	RFI	01/01/2012	PJ	00065947	0004	Shareholder loans - USG entities				
2991	000000	RFI	01/13/2012	PJ	00066829	0002	Inv:GL1760 1000:Robert Friesen Investments Inc.		5,000.00		-32,466,000.00
2991	000000	RFI	01/31/2012	PJ	00067795	0003	Inv:GL1760 1000:Robert Friesen Investments Inc.		10,000.00		-32,461,000.00
2991	000000	RFI	02/13/2012	GJ	00069217	0001	A/T to 90000		10,000.00	25,000.00	-32,451,000.00
2991	000000	RFI	02/13/2012	GJ	00069344	0002	Inv:GL1760 1000:Robert Friesen Investments Inc.		10,000.00		-32,441,000.00
2991	000000	RFI	03/13/2012	PJ	00070420	0005	A/T to 90000		10,000.00	20,000.00	-32,431,000.00
2991	000000	RFI	03/27/2012	GJ	00071149	0001	W/T - RFI to USG	A/T to 90000 -fi	-350,000.00		-32,421,000.00
2991	000000	RFI	03/27/2012	GJ	00072830	0001	Inv:GL1760 1000:Robert Friesen Investments Inc.		11,000.00	-342,000.00	-32,413,000.00
2991	000000	RFI	04/10/2012	PJ	00072830	0001	Inv:GL1760 1000:Robert Friesen Investments Inc.		11,000.00	22,000.00	-32,763,000.00
2991	000000	RFI	04/26/2012	PJ	00072830	0001	Inv:GL1760 1000:Robert Friesen Investments Inc.		10,000.00	22,000.00	-32,752,000.00
2991	000000	RFI	05/02/2012	GJ	00073185	0001	A/T to RFI		10,000.00	10,000.00	-32,742,000.00
2991	000000						Total Division...		-265,000.00		-32,731,000.00
2991							Total Account...			-265,000.00	-32,731,000.00
2991							Total Report...			-265,000.00	-32,731,000.00

General Ledger System
 Date General Ledger Report: Accrual Ledger
 Company : 0000 Robert Friesen Investments Inc.
 Period : 01/01/2012 to 05/31/2012
 Division : 00000
 Account(s) : 1760
 Sub-Ledger(s) : 1000
 Print Details: no
 Currency: CAN

Account Code	Div. Code	Sub-Ledger	Posting Date	Group Jr Number	Unit No.	Primary / Auxiliary Memo	Detail Memo	Amount	Total Month	Account Balance
1760	000000	1000	01/02/2012	CR 00065090	0001	Stateholder loan account - USG entities				
1760	000000	1000	01/13/2012	CR 00065923	0001	Deposit:2606:USG Builders Inc.		-5,000.00		32,466,000.00
1760	000000	1000	01/13/2012	CR 00067932	0001	Deposit:2633:USG Builders Inc.		-10,000.00		32,456,000.00
1760	000000	1000	01/13/2012	CR 00067932	0001	Deposit:2687:USG Builders Inc.		-10,000.00		32,451,000.00
1760	000000	1000	02/13/2012	GJ 00069217	0002	A/T fr 1000		-10,000.00	-25,000.00	32,441,000.00
1760	000000	1000	02/13/2012	CR 00069210	0001	Deposit:2717:USG Builders Inc.		-10,000.00		32,431,000.00
1760	000000	1000	03/13/2012	GJ 00071149	0001	0006 A/T fr 1000 usg		-10,000.00	-20,000.00	32,421,000.00
1760	000000	1000	03/27/2012	CR 00071149	0001	W/T - Rel to USG	A/T fr 1000 usg	38,000.00		32,459,000.00
1760	000000	1000	04/10/2012	CR 00071978	0001	Deposit:2683:USG Builders Inc.		-11,000.00	342,000.00	32,448,000.00
1760	000000	1000	04/26/2012	CR 00072858	0001	Deposit:2683:USG Builders Inc.		-11,000.00		32,437,000.00
1760	000000	1000	05/02/2012	GJ 00073185	0002	W/T fr 1000		-10,000.00	-22,000.00	32,427,000.00
1760	000000	1000						-10,000.00	-20,000.00	32,417,000.00
						Total Account...			265,000.00	32,731,000.00
						Total Report...			265,000.00	32,731,000.00

MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the 28th day of April, 1998,

BETWEEN:

ROBERT FRIESEN INVESTMENTS INC., a
corporation incorporated under the laws of Alberta and
having an office at Calgary, Alberta

(hereinafter called "OPCO")

- and -

UBG BUILDERS INC., a corporation incorporated
under the laws of Canada and having an office at Calgary,
Alberta

(hereinafter called "UBG")

WITNESSES THAT WHEREAS:

- A. OPCO desires to retain UBG to provide management and consulting services in the operation of the Business (as hereinafter defined), which OPCO is willing to provide;
- B. OPCO and UBG desire to enter into this Agreement for the purposes of setting forth the terms and conditions under which UBG will provide such services to OPCO.

NOW THEREFORE in consideration of the foregoing recitals, the following covenants and mutual benefits to be derived from this Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I APPOINTMENT OF UBG

1.01 UBG Appointed

Subject to the terms and conditions hereof, OPCO hereby appoints UBG to provide management and related consulting services as more fully defined herein, to, for and on behalf of OPCO in relation to the Business, and UBG hereby accepts such appointment and confirms that it shall provide such services to OPCO in relation to the Business through its employees and through other consultants from time to time.

1.02 Standard of Performance by UBG

UBG shall, in connection with the performance of its duties hereunder, exercise such degree of care and skill as would reasonably be exercised by an experienced manager of a business or venture similar to the Business.

ARTICLE II
DUTIES AND OBLIGATIONS OF UBG

2.01 List of General Duties and Obligations of UBG

Subject to and in accordance with the terms and provisions of this Agreement, UBG shall, from and after the date of this Agreement and during the currency of this Agreement and any renewals or extensions thereof, provide and furnish OPCO with such services as are required to operate and maintain for and on behalf of OPCO, the Business and assets of the Business, and, without limiting the generality of the foregoing, shall:

- (a) appoint and retain all personnel (excluding officers and directors) reasonably required to perform the duties hereunder as employees of UBG, and to provide for and pay promptly to such employees all wages, salaries and/or employee benefits to which they may be entitled;
- (b) keep and maintain the assets used in the Business in good condition and repair (reasonable wear and tear excepted) and in efficient operating condition and make, or contract for the making of, for and on behalf of OPCO, such alterations, improvements and additions thereto and replacements thereof as UBG may reasonably deem necessary or advisable in the interest of economy and efficiency of operation, all in accordance with good business practice, subject always to the approval of the board of directors of OPCO;
- (c) receive and collect for and on behalf of OPCO all revenues or other amounts receivable in connection with the conduct of the Business and pay and discharge for and on behalf of OPCO all costs, expenses and liabilities payable and incurred in connection with the conduct of the Business;
- (d) prepare and file returns in respect of and pay for the account of OPCO all property, business, sales, use and excise taxes and customs duties, due by OPCO as a result of its ownership, use or acquisition of its property or the conduct of the Business;
- (e) perform or cause to be performed for the account of OPCO all of its obligations, the performance of which is required in order to maintain in good standing the contracts to which OPCO or UBG for and on behalf of

OPCO is a party, including without limitation, equipment leases, conditional sales contracts, employment and consulting contracts, customer service agreements and all other agreements constituting or relating to the Business including, but not limited to;

- (i) the performance by UBG or OPCO of their respective obligations and duties thereunder including the payment of all amounts due under any of such agreements;
 - (ii) the preparation of applications for and obtaining of all requisite licences, permits, consents or approvals of Regulatory Authorities (as hereinafter defined); and
 - (iii) the preparation and filing with Regulatory Authorities of all reports required by law;
- (f) acquire for and on behalf of OPCO additional real or personal property and assets and interests therein in connection with the conduct or expansion of the Business on such terms as UBG may determine (subject to the approval of OPCO's board of directors), and at OPCO's direction, sell, assign, transfer or encumber for the account of OPCO the assets of OPCO;
- (g) comply with all applicable laws, orders, rules and regulations relating to the Business now in effect or hereafter promulgated by any person or governmental or regulatory authorities in Canada, or any province, or any other governmental authority having jurisdiction ("Regulatory Authorities");
- (h) keep and preserve the assets used in the Business free from attachments, executions, liens or judgments except for security granted in the ordinary course or business in respect of the obligations of the Business;
- (i) rent, purchase and acquire for and on behalf of OPCO such computer hardware, machinery, equipment, material, supplies and other facilities as may be required for the conduct of the Business;
- (j) keep and maintain good and complete records pertaining to the Business and assets thereof and the performance by UBG of its duties hereunder including but not limited to detailed books of account and records as will properly reflect in accordance with generally accepted accounting principles consistently applied on transactions of OPCO or UBG for and on behalf of OPCO in relation to the operation of the Business and the performance of UBG's duties hereunder and for which UBG will seek reimbursement hereunder in a central location, and make such records

and accounts available to OPCO at all reasonable times for inspection, audit and/or reproduction;

- (k) promptly notify OPCO of any material change or development relating to the Business; and
- (l) enter into all contracts for and on behalf of OPCO and perform such other duties and have such other powers as may be reasonably necessary in connection with the operating of the Business, subject to the approval of OPCO's board of directors.

2.02 List of Specific Duties and Obligations of UBG

Subject to and in accordance with the terms and provisions of this Agreement and the approval from time to time of OPCO's board of directors, UBG shall manage and direct the Business and its operations and without limiting the generality of the foregoing, shall, in connection with the management, direction and operation of the Business, provide:

- (a) supervision services to comprise and include the management, supervision and control of all day-to-day operations. Such operations shall include, but not be limited to, the provision of employees and related office personnel if necessary, provided further that UBG will consult with OPCO concerning any compensation of all such personnel for which OPCO will be required to reimburse UBG hereunder;
- (b) sales and marketing services to comprise and include services relating to the maintenance and enhancement of the Business and goodwill of OPCO, the negotiation of contracts in the name of OPCO on behalf of or as agent of OPCO, and generally, apprising and reporting to OPCO on all arrangements considered or proposed from time to time;
- (c) administration, accounting and bookkeeping services to comprise and include the maintenance of all requisite books of account pertaining to all disbursements and expenses which reflect or represent expenditures made for and on behalf of OPCO and of receipts which reflect or represent revenues accruing to OPCO in operations supervised, managed or controlled by UBG under the terms of this Agreement, including the preparation from time to time, as required, of budgets and the furnishing of monthly returns of operating results, and the maintenance of accounting information required for the orderly management of the business;
- (d) financial services including management of cash flow, debt, banking, creditor and government relations, acquisitions and divestitures and other related duties or functions arising from time to time;

- (e) other services which will include the procuring from experts and consultants of such special computing, programming, engineering, design, legal, accounting and other professional services as may be necessary or desirable in connection with the management, direction and operation of the Business; and
- (f) the defense and settlement of all claims and demands and payment of, to the extent that the same are not compensated by insurance, all damages and liabilities arising from the conduct of the Business.

2.03 Actions Not to be Taken by UBG

Notwithstanding the provisions of Sections 2.01 and 2.02, UBG shall not take any actions now or hereafter prohibited by OPCO as may be set out in writing by OPCO.

ARTICLE III
COMPENSATION OF UBG

3.01 UBG

UBG shall be entitled to receive a fee for the performance of its duties hereunder for each fiscal year of OPCO equal to that portion of the net income of OPCO for such year from the Business, calculated in accordance with generally accepted accounting principles prior to payment of such fee, as the parties hereto shall agree upon effective as at the end of such fiscal year. Such agreement shall be made at such time after the year end as the parties may agree, but not later than 180 days from the year end of OPCO and shall be evidenced by duly passed directors' resolutions of each of the parties.

3.02 Reimbursement of UBG

Upon receipt of an invoice from UBG, OPCO shall promptly reimburse UBG for all costs directly attributable to services provided, excluding salaries.

3.03 GST

OPCO shall pay to UBG all GST or similar taxes, as may be required from time to time on the amounts payable to UBG.

ARTICLE IV
BOOKS, RECORDS, INSPECTION

4.01 UBG to Facilitate Inspection

UBG shall facilitate the right of OPCO and its duly authorized employees and representatives to enter into and upon the premises of UBG at all reasonable times for the purpose of inspecting the same and the activities and operations constituting or relating to the Business. UBG shall provide all reasonable facilities and assistance for the convenience of such inspectors in the performance of their duties. OPCO and its representatives shall have the right at all reasonable times to inspect, review and require UBG, where practicable and reasonable, to furnish copies of the books and records and related materials, and to consult with the employees of UBG and any contractors retained by UBG in respect of the Business.

4.02 Records to be Confidential

All records, including reports, relating to the Business or OPCO shall be treated as confidential by UBG and UBG shall take or cause to be taken such reasonable precautions as may be necessary to prevent the disclosure thereof to any unauthorized person, firm or corporation.

ARTICLE V
NOTICE

5.01 Notices

Any notice or other writing required or permitted to be given hereunder or for the purposes hereof (hereinafter to this Section called a "notice") to any party shall be sufficiently given if delivered personally, or if sent by prepaid registered mail, to such party at #1, 2023 - 2nd Ave. S.E., Calgary, Alberta T2E 6K1, or at such other address as the party to whom such writing is to be given shall have last notified to the party giving the same in the manner provided in this section. Any notice delivered to the party to whom it is addressed as hereinbefore provided shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a business day then the notice shall be deemed to have been given and received on the business day next following such day. Any notice mailed as aforesaid shall be deemed to have been given and received on the third (3rd) business day next following the date of its mailing.

ARTICLE VI
INTERPRETATION AND GENERAL

6.01 Definitions

For the purpose of this Agreement, the term "Business" means the business operations and investments of OPCO including its home building business, and the management of the direct and indirect investments that OPCO may have in other corporations' shares and debt from time to time.

6.02 Title to Assets

All of the property and assets utilized in the Business are and shall remain the property of OPCO.

6.03 Governing Law

This Agreement shall be construed and interpreted in accordance with the laws of the Province of Alberta, and each of the parties hereby submits to the non-exclusive jurisdiction of the courts having jurisdiction in Alberta.

6.04 Canadian Dollars

Any statement of or reference to dollar amounts herein shall mean coin and currency of Canada.

6.05 Words in Singular or Importing Gender

Unless the context otherwise requires, words importing the singular shall include the plural, words importing gender shall include masculine, feminine and neuter genders and words importing persons shall include firms and corporations and vice versa.

6.06 Headings and Index for Reference Only

The division of this Agreement into articles and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction of interpretation hereof.

6.07 Further Assurances

The parties agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and/or implement the provisions or intent of this Agreement.

6.08 Enurement

This Agreement shall not be assignable by either party without the express written consent of the other party hereto but subject thereto shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigned.

6.09 Term

This Agreement shall have an initial term of two (2) years from the effective date hereof and thereafter shall be automatically renewed without further action or formality for successive one (1) year terms provided that either party may terminate this Agreement upon the expiry of the initial term or any renewal term by giving written notice not less than three (3) months prior to the expiry of such initial term or renewal term.

IN WITNESS WHEREOF the parties have executed these presents by their respective duly authorized officers effective the date first above written.

ROBERT FRIESEN INVESTMENTS INC.

Per: 

UBG BUILDERS INC.

Per: 

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated SEPTEMBER 30, 2008.

FROM: UBG BUILDERS INC.

(the "Borrower")

TO: ROBERT FRIESEN INVESTMENTS INC.

(the "Lender")

1. SECURITY INTEREST

1.1 In consideration of the obligations (defined herein) of the Borrower to the Lender, the Borrower hereby:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to the Lender, and grants to the Lender a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:

 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, monies and choses in action (all of which is collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;
 - (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade

integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is hereinafter collectively called the AIntellectual Property@);

- (vi) all the Borrower=s contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule A attached to this Security Agreement;
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to the Lender a general and continuing security interest and charges by way of a floating charge:
- (i) all of the Borrower's right, title and interest in all its present and after acquired real, immovable and leasehold property, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected with or appurtenant to this property or separately owned or held, including all structures, plant and other fixtures and including all mineral claims, mineral rights and leases, all oil, gas and hydrocarbon rights and interests (all of which is collectively called the AReal Property@) and excluding the personal property described in Clause 1.1(a); and
 - (ii) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of the Lender created pursuant to this Clause 1.1.
- 1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the ASecurity Interests@, and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the ACollateral@.
- 1.3 The schedules, including definitions, form part of this Security Agreement.
2. **EXCEPTIONS**
- 2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Borrower shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as the Lender shall direct.
- 2.2 All the Borrower=s consumer goods are excepted out of the Security Interests; provided that for the

purposes of Collateral in the Yukon the Security Interests shall include Special Consumer Goods as that term is defined in the *Personal Property Security Act* (Yukon); provided further that for the purposes of Collateral in Saskatchewan the Security Interests shall include consumer goods of the Borrower.

3. **ATTACHMENT**

The Borrower agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Borrower has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Borrower confirms that there has been no agreement between the Borrower and the Lender to postpone the time for attachment of the Security Interests and that it is the Borrower's understanding that the Lender intends the Security Interests to attach at the same time.

4. **PURCHASE MONEY SECURITY INTEREST**

The Borrower acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that monies advanced by the Lender, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. **OBLIGATIONS SECURED**

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by the Lender from the Borrower or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Borrower to the Lender, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by the Lender and the Borrower's obligation and liability under any contract or guarantee now or in the future in existence whereby the Borrower guarantees payment of the debts, liabilities and/or obligations of a third party to the Lender, and for the performance of all obligations of the Borrower to the Lender, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the AObligations@).

6. **REPRESENTATIONS AND WARRANTIES**

6.1 The Borrower represents and warrants to the Lender and acknowledges that the Lender is relying on the following representations and warranties:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and

provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound;

- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Borrower has provided a written memorandum to the Lender accurately setting forth all prior names under which the Borrower has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;
- (d) if the Borrower is an individual, that individual's full name and address as set forth on page 1 of this Security Agreement are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to the Lender or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to the Lender is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Borrower, in which a decision adverse to the Borrower would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Borrower; and the Borrower agrees to promptly notify the Lender of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to the Lender in writing and which, if known to the Lender, might reasonably be expected to deter the Lender from extending credit or advancing funds to the Borrower;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by the Lender, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by the Lender;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats

or aircraft, the Borrower has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to the Lender;

- (i) the Collateral is and/or will be located at the place(s) described in Schedule A and will not be removed from such location(s) without the prior written consent of the Lender;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Borrower, if the Borrower is a corporation, or, if the Borrower is a partnership, of the partners of the Borrower, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Borrower's obligations valid and there is no restriction contained in the constating documents of the Borrower or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Borrower to borrow money or give security; and
- (k) the Borrower's place(s) of business and chief executive office are correctly described in Schedule A.

7. COVENANTS OF THE BORROWER

7.1 The Borrower covenants with the Lender that while this Security Agreement remains in effect the Borrower will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for the Lender's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) promptly pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Borrower shall in good faith contest its obligations so to pay and shall furnish to the Lender such security as the Lender may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by the Lender arising out of any term of the

commitment letter or the Loan Agreement between the Lender and the Borrower including, without limitation, inspection, administration and returned cheque handling fees;

- (g) promptly pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by the Lender in connection with granting loans or credit to the Borrower, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Borrower's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty the Lender becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) any sums the Lender pays as fines, clean up costs because of contamination of or from your assets. Further you will indemnify the Lender and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this Security Agreement is terminated;
 - (ix) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by the Lender as security for the Obligations, protect the Lender from liability in connection with the Security Interests or assist the Lender in its loan and credit granting or realization of the Security Interest, including any actions under the *Bankruptcy and Insolvency Act* (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to the *Bankruptcy and Insolvency Act* (Canada);
- (h) at the Lender's request, execute and deliver further documents and instruments and do all acts as the Lender in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify the Lender promptly of:

- (i) any change in the information contained in this Security Agreement relating to the Borrower, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Borrower respecting any Accounts;
 - (v) any claims against the Borrower including claims in respect of the Intellectual Property or of any actions taken by the Borrower to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Borrower of Collateral that was disposed of by the Borrower; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
 - (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
 - (l) permit the Lender and its representatives, at all reasonable times, access to the Collateral including all of the Borrower's property, assets and undertakings and to all its books of account and records, whether at your premises or at your financial advisors, for the purpose of inspection and the taking of extracts, and the Borrower will render all assistance necessary;
 - (m) permit and does consent to the Lender contacting and making enquiries of the Borrower's lessors as well as assessors, municipal authorities and any taxing body;
 - (n) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
 - (o) deliver to the Lender from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow the Lender to inspect, audit or copy them;
- (iii) all financial statements prepared by or for the Borrower regarding the Borrower's business;
- (iv) such information concerning the Collateral, the Borrower and the Borrower's business and affairs as the Lender may reasonably require;
- (p) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (q) with respect to copyright forming part of the Intellectual Property, provide to the Lender waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (r) receive and hold in trust on behalf of and for the benefit of the Lender all proceeds from the sale or other disposition of any Collateral; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement.

7.2 Any amounts required to be paid to the Lender by the Borrower under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by the Lender by notice of termination to the Borrower and all registrations relating to the Security Agreement have been discharged.

8. **INSURANCE**

8.1 The Borrower covenants that while this Security Agreement is in effect the Borrower shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as the Lender may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to the Lender, including a standard mortgage clause or a mortgage endorsement, as the Lender may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to the Lender, if required.

- 8.2 If proceeds of any required insurance becomes payable, the Lender may, in its absolute discretion, apply these proceeds to the Obligations as the Lender sees fit or release any insurance proceeds to the Borrower to repair, replace or rebuild, but any release of insurance proceeds to the Borrower shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.
- 8.3 The Borrower will promptly, on the happening of loss or damage to the Collateral, notify the Lender and furnish to the Lender at the Borrower's expense any necessary proof and do any necessary act to enable the Lender to obtain payment of the insurance proceeds, but nothing shall limit the Lender's right to submit to the insurer a proof of loss on its own behalf.
- 8.4 The Borrower authorizes and directs the insurer under any required policy of insurance to include the name of the Lender as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by the Lender to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- 8.5 If the Borrower fails to maintain insurance as required, the Lender may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as the Lender may wish to maintain.

9. OTHER PROHIBITIONS

Without the prior written consent of the Lender the Borrower will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2;
- (c) where the Borrower is a corporation:
 - (i) issue, purchase or redeem its shares;
 - (ii) change its voting control;
 - (iii) permit any of its shareholders to sell, transfer or dispose of its shares;
 - (iv) declare or pay any dividends on any of its shares; or
 - (v) repay or reduce any shareholders loans or other debts due to its shareholders;
- (d) change its name, merge with or amalgamate with any other entity.

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

10.1 Except as provided by this Security Agreement, without the Lender=s prior written consent the Borrower will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 So long as the Borrower is not in default under this Security Agreement the Borrower may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business, provided that the proceeds of any such disposition shall be held in trust for and on behalf of the Lender.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Borrower holding the proceeds in trust for and on behalf of the Lender and subject to the Lender=s exclusive direction and control. Nothing restricts the Lender=s rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with the Lender=s prior written consent.

11. PERFORMANCE OF OBLIGATIONS

If the Borrower fails to perform its covenants and agreements under this Security Agreement, the Lender may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of the Lender, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by the Lender shall be immediately payable by the Borrower to the Lender with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

Notwithstanding any other provision of this Security Agreement, the Lender may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Borrower, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Borrower in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held in trust for the Lender.

13. APPROPRIATION OF PAYMENTS

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Lender sees fit, and the Lender may at any time change any appropriation as the Lender sees fit.

14. DEFAULT

14.1 Unless waived by the Lender, the Borrower shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Borrower and the Lender in any of the following events:

- (a) the Borrower defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Borrower is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with the Lender, or any representation or warranty of the Borrower to the Lender is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Borrower or a guarantor of the Borrower declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Borrower or a guarantor of the Borrower; or
- (f) the Borrower or a guarantor of the Borrower ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or a part of the Collateral; or
- (h) if the Borrower is a corporation and any member or shareholder:
 - (i) commences an action against the Borrower; or
 - (ii) gives a notice of dissent to the Borrower in accordance with the provisions of any governing legislation; or
- (i) if the Borrower is a corporation and its voting control changes without the Lender's prior written consent; or
- (j) the Borrower uses any monies advanced to it by the Lender for any purpose other than as agreed upon by the Lender; or
- (k) without the Lender's prior written consent, the Borrower creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or

- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
 - (m) the Borrower enters into an amalgamation, a merger or other similar arrangement with any other person without the Lender's prior written consent or, if the Borrower is a corporation, it is continued or registered in a different jurisdiction without the Lender's prior written consent; or
 - (n) the Lender in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
 - (o) the lessor under any lease to the Borrower of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Borrower; or
 - (p) the Borrower causes or allows hazardous materials to be brought upon any lands or premises occupied by the Borrower or to be incorporated into any of its assets, or the Borrower causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
 - (q) any permit, license, certification, quota or order granted to or held by the Borrower is cancelled, revoked or reduced, as the case may be, or any order against the Borrower is enforced, preventing the business of the Borrower from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Borrower's business; or
 - (r) if an individual, the Borrower dies or is declared incompetent by a court of competent jurisdiction.
- 14.2 The floating charge created by this Security Agreement over Real Property shall become a fixed charge upon the earliest of:
- (a) the occurrence of an event described in Clause 14.1(a), (b), (c), (d), (e) or (f), or
 - (b) the Lender taking any action pursuant to Clause 15 to enforce and realize on the Security Interests;

and for the better securing to the Lender repayment of the Obligations the Borrower mortgages to the Lender all of the Borrower's estate and interest in the Real Property.

15. ENFORCEMENT

- 15.1 If the Borrower is in default under this Security Agreement the Lender may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests the Lender may take any action permitted by law or in equity as it may deem expedient and in

particular, without limitation, the Lender may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the AReceiver®) of all or any part of the Collateral, with or without bond as the Lender may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Borrower=s premises at any time and take possession of the Collateral with power to exclude the Borrower, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as the Lender deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Lender may seem reasonable, provided that if any sale, lease or other disposition is on credit the Borrower will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use, sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Borrower and not of the Lender and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Lender under this Security Agreement, and in addition shall have power to:

- (a) carry on the Borrower=s business and to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Borrower's creditors or a proposal on behalf of the Borrower under the *Bankruptcy and Insolvency Act* (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Borrower for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Borrower ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as the Lender, in its absolute discretion and to the full extent permitted by

law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by the Lender respecting or incidental to:
 - (i) the exercise by the Lender of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to the Lender of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to the Lender of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING THE LENDER

- 16.1 To the full extent permitted by law, the Lender shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Lender shall manage the Collateral upon entry or seizure, nor shall the Lender be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Lender shall not be bound to do, observe or perform or to see to the observance or performance by the Borrower of any obligations or covenants imposed upon the Borrower nor shall the Lender, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Lender be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Borrower waives any provision of law permitted to be waived by it which imposes greater obligations upon the Lender than described above.
- 16.2 Neither the Lender nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of the Lender, the Borrower or any other party respecting the Collateral. The Lender shall also not be liable for any misconduct, negligence, misfeasance by the Lender, the Receiver or any employee or agent of the Lender or the Receiver, or for the exercise of the rights and remedies conferred upon the Lender or the Receiver by this Security Agreement.
- 16.3 The Lender or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Borrower, co-obligants, guarantors and others and with the Collateral and other securities as the Lender may see fit without liability to the Borrower and without prejudice to the Lender's rights respecting the Obligations or the Lender's right to hold and realize the Collateral. The Borrower shall not be released nor shall its liability be in any way reduced because the Lender has done or concurred in the doing of anything whereby a guarantor would be released in whole or in part.

- 16.4 Notwithstanding anything to the contrary in any security held by the Lender for the Obligations, each part is given as additional, concurrent and collateral security to the remainder of the security. The Lender in its sole discretion may realize upon or abstain from realizing on any security for the Obligations in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise or abstaining from exercising of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.
- 16.5 Any right of the Lender and any obligation of the Borrower arising under any other agreements between the Lender and the Borrower shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Borrower to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of the Lender's commitment letter or Loan Agreement with the Borrower shall survive the signing and registration of this Security Agreement and the Lender's advancement of any money to the Borrower and any legal fees, commitment fees, standby fees or administration fees owing by the Borrower shall be secured by the Collateral.
- 16.6 In the event that the Lender registers a notice of assignment of Intellectual Property the Borrower shall be responsible for and shall indemnify the Lender against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.
- 16.7 Notwithstanding any taking of possession of the Collateral, or any other action which the Lender or the Receiver may take, the Borrower now covenants and agrees with the Lender that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to the Lender at the time of such disposition, the Borrower shall immediately pay to the Lender an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Borrower agrees that the Lender may bring action against the Borrower for payment of the deficiency, notwithstanding any defects or irregularities of the Lender or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

The Borrower irrevocably appoints the Lender or the Receiver, as the case may be, with full power of substitution, as the attorney of the Borrower for and in the name of the Borrower to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Borrower is obliged to sign, endorse or execute and generally to use the name of the Borrower and to do everything necessary or incidental to the exercise of all or any of the powers conferred on the Lender, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall survive any mental infirmity of the Borrower subsequent to the execution hereof.

18. CONSOLIDATION

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. **NO OBLIGATION TO ADVANCE**

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by the Lender shall bind the Lender to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Borrower to the Lender.

20. **WAIVER**

The Lender may permit the Borrower to remedy any default without waiving the default so remedied. The Lender may at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by the Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right.

21. **NOTICE**

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

22. **EXTENSIONS**

The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Borrower, the Borrower=s account debtors, sureties and others and with the Collateral and other security interests as the Lender may see fit without prejudice to the Borrower=s liability or the Lender's right to hold and realize on the Security Interests.

23. **NO MERGER**

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by the Lender now or in the future from the Borrower or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. **RIGHTS CUMULATIVE**

The Lender=s rights and remedies set out in this Security Agreement, and in any other security agreement held by the Lender from the Borrower or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Borrower and the Lender that may be in effect from time to time.

25. **ASSIGNMENT**

The Lender may, without notice to the Borrower, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Borrower agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Lender's rights and remedies under this Security Agreement and the Borrower will not assert as a defense, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against the Lender in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. **SATISFACTION AND DISCHARGE**

Any partial payment or satisfaction of the Obligations, or any ceasing by the Borrower to be indebted to the Lender shall not be a redemption or discharge of this Security Agreement. The Borrower shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Borrower and, subject to applicable law, payment to the Lender of an administrative fee to be fixed by the Lender and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Lender in connection with the Obligations and such release and discharge. The Borrower shall, subject to applicable law, pay an administrative fee, to be fixed by the Lender, for the preparation or execution of any full or partial release or discharge by the Lender of any security it holds, of the Borrower, or of any guarantor or covenantor with respect to any Obligations.

27. **ENVIRONMENT**

The Borrower represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) the Collateral and Real Property are and will remain free of environmental damage or contamination;
- (e) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Borrower's business or assets including without limitation the Collateral;
- (f) it will advise the Lender immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide the Lender with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Borrower and it consents to the

Lender contacting and making enquiries of environmental officials or assessors;

- (h) it will not install on or under any land mortgaged to the Lender storage tanks for petroleum products or any hazardous substance without the Lender's prior written consent and only upon full compliance with the Lender's requirements and local ordinances or regulations;
- (i) it will from time to time when requested by the Lender provide to the Lender evidence of its full compliance with the Borrower's obligations in this Clause 27.

28. **ENUREMENT**

This Security Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Borrowers and its heirs, executors, administrators, successors and any assigns permitted by the Lender, as the case may be.

29. **INTERPRETATION**

29.1 In this Security Agreement:

- (a) A Collateral@ has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) A the Act@ means the *Personal Property Security Act* (Alberta), and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the jurisdiction referred to in subclause 29.1(b). For enforcement purposes, the Borrower hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which the Lender enforces its rights and remedies hereunder.

30. **COPY OF AGREEMENT AND FINANCING STATEMENT**

The Borrower:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from the Lender a copy of any financing statement or financing change statement filed, or any verification statement or other document

received at any time respecting this Security Agreement.

31. **TIME**

Time shall in all respects be of the essence.

32. **INDEPENDENT ADVICE**

The Borrower acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. **SASKATCHEWAN LAW**

If the Borrower is a corporation, the Borrower agrees as follows:

- (a) that the *Land Contracts (Actions) Act* of Saskatchewan shall have no application to any action, as defined in the *Land Contracts (Actions) Act* of Saskatchewan, respecting this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of the Lender under this Security Agreement or any mortgage or charge created by this Security Agreement as the Lender is specifically exempted from the operation of that Act;
- (b) that the *Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of the Lender under this Security Agreement or any mortgage or charge created by this Security Agreement; and
- (c) that if it is an agricultural corporation, as defined in the *Saskatchewan Farm Security Act*, it has received independent legal advice prior to the execution of this Security Agreement, and agrees that the provisions of Part IV of the *Saskatchewan Farm Security Act*, other than Section 46, shall not apply to the Borrower.

IN WITNESS WHEREOF the Borrower has executed this Security Agreement as at the date set out above.

UBG BUILDERS INC.

Per: _____

SCHEDULE A

Subclause 1.1(a):

- (ix) the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

NIL

- (x) the following serial numbered goods:

Type	Serial No. (re: motor vehicles & trailers) Dept. of Transport No. (re: aircraft)	Year	Make and Model
NIL			

- (xi) Location(s) of the Collateral:

NIL

- (xii) Date of Birth of Borrower (if an individual):

____ Month ____ Day ____ Year

Subclause 6.1(l):

The Borrower's place(s) of business (APOB@) and chief executive office (ACEO@)

Chief Executive Office Place of Business
808 - 55th Avenue NE, Calgary, AB T2E-6Y4

UBG BUILDERS INC.

PROMISSORY NOTE

\$39,175,000.00 (Cdn.)

September 30, 2008

Calgary, Alberta

FOR VALUE RECEIVED, **UBG BUILDERS INC.**, an Alberta corporation, unconditionally promises to pay to or to the order of **ROBERT FRIESEN INVESTMENTS INC.** (the "Lender") the sum of \$ **39,175,000.00** (the "Principal Sum") together with interest before maturity at the prime rate plus one percent (1%) per annum from September 30, 2008. The Principal Sum, together with accrued interest thereon, shall be payable in full **within ten (30) days of demand**.

The maker shall have the privilege of prepaying the Principal Sum, together with accrued interest thereon, at any time on or before demand.

The indebtedness evidenced by this Note shall, at the option of the then holder of this Note, be capable of being declared immediately due and payable, in its entirety, before the above-mentioned maturity date (whereupon the same shall immediately be paid by the maker to the holder, for the time being) upon the happening of any of the following events affecting the maker hereof, to wit:

- (a) the maker becoming insolvent or bankrupt or becoming subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), or other similar statutes, federal or provincial; or
- (b) the maker having a receiver or receiver manager appointed over any of its assets, or going into liquidation either voluntarily or under an order of a Court of competent jurisdiction; or making a general assignment for the benefit of its creditors, or otherwise acknowledging its insolvency; or
- (c) the maker being in default under the terms of any promissory note or other instrument or document evidencing indebtedness to the Lender;
- (d) the maker failing to take reasonable actions to prevent or defend assiduously a distress, execution, attachment or similar process brought against their respective property, or such process becoming enforceable against any of their said property, or if a final judgement is obtained against any of them and remains unsatisfied for thirty (30) days from the date thereof.

No course of dealing between the holder from time to time of this Note and the maker, nor any delay or failure of such holder to exercise the option to accelerate hereinabove referred to shall constitute a waiver of the right of the then holder hereof to subsequently invoke the same for past or future defaults.

No consent or waiver, express or implied, by the holder for the time being of any breach or default by the maker in the performance by the maker of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default of these obligations or any other obligation of the maker.

Notwithstanding anything hereinbefore provided, on default being made in the payment of any moneys owing hereunder interest shall accrue on the amount so in default from the time of default until paid, at that rate per annum equivalent to the prime lending rate charged by the Royal Bank of Canada, Calgary, Alberta plus one percent (1%) with interest on overdue interest at the same rate.

The "prime lending rate" as used herein is that rate of interest for the time being declared by the Royal bank of Canada, Calgary, Alberta as being its prime lending rate.

The maker and all endorsers of this Note hereby waive presentment for payment, notice of dishonour, protest, notice of protest, demand and all other notices or formalities to which they might be entitled.

The maker agrees to pay all costs and expenses (including all legal fees) paid or incurred by the holder for the time being of this Note in collecting the monies from time to time owed hereunder after the same shall become due and payable.

As security for payment of the Principal Sum, accrued interest and all expenses and costs, the maker agrees to execute a general security agreement in favour of the Lender, in a form acceptable to the Lender in his sole discretion.

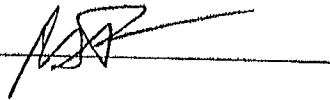
As used herein the singular of any term includes the plural and vice versa, and the use of any term is equally applicable to any gender and, where applicable, a body corporate or trust.

This Note contains all of the covenants, agreements, conditions and provisos made between the parties hereto relative to the subject matter hereof.

DATED at the City of Calgary, in the Province of Alberta, this 30th day of September, 2008.

UBG BUILDERS INC.

Per: _____



APPENDIX "G"

**In the Matter of the Receivership of
UBG INC.
Statement of Receipts and Disbursements
for the period from December 12, 2017 to January 25, 2023
\$CDN**

Receipts

Intercompany dividend	3,585,328
Other/trust funds	242,264
Transfer from (to) CCAA estates:	217,825
Interest	41,804
Security Deposit	6,381
Advance from Monitor	70
Transfer from (to) other receivership estates	(57,941)

Total Receipts	4,035,731
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Disbursements

Receiver's Fees	151,031
Legal Fees	82,883
GST on disbursements	12,060
Appraisal fees	7,341
OR Fees	70

Total Disbursements	253,385
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Estate balance as at January 25, 2023	3,782,346
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Accrual

ANHWP Reserves	61,914
Intercompany dividends	488,727
Hold back for continuing receivership administration	(750,000)

Estimated distribution to creditors	<i>Schedule 1</i>	3,582,987
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In the Matter of the Receivership of
UBG LAND INC.
Dividend Sheet
\$CDN

Schedule 1

	Admitted for Dividend	Proposed Distribution
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Secured Claims

The Toronto-Dominion Bank	1,676,000	1,676,000
	1,676,000	1,676,000

Unsecured Claims

15 Kilo Coffee Roasters	500	51
950053 Alberta Ltd.	17,000,000	1,735,615
Alberta Finance	1,678,057	171,321
Anvy Digital Imaging Inc.	452	46
Apache Superior Printing Ltd.	651	66
Avera Systems Inc.	79	8
Canada Revenue Agency	3,861,065	394,195
CHBA - Calgary Region	1,469	150
Chisholm, Thomas	800,000	81,676
Condominium Corporation No 0729676	1,989,658	203,134
E.F. Gooch Architects Inc.	103,280	10,544
ENMAX Envision Inc.	1,519	155
Gallant Developments Corp	17,000,000	1,735,615
Gowling Lafleur Henderson LLP	10,429	1,065
Highfield Stock Farm	5,178,623	528,711
Iron Mountain Canada Corp	1,788	183
Jason P. Schlotter PC	2,394	244
Jobst, Rob	2,962	302
Knudtsen, Jason & Elizabeth	150,000	15,314
Long View Systems Corporation	1,386	142
McCarthy Tetrault LLP	227,463	23,223
McLeod Law LLP	11,043	1,127
MMP Structural Engineering Ltd.	10,444	1,066
OnX Enterprise Solutions Ltd.	165,252	16,871
Parlee McLaws LLP	39,452	4,028
Pinnacle Travel Ltd.	405,130	41,362
PNC Bank, NA	2,950,302	301,211
PrinterWorks West Inc.	347	35
Rhino Print Solutions	520	53
Rocky Mountain Computer Products Ltd.	1,583	162
Ronmor Holdings Inc.	4,573	467

**In the Matter of the Receivership of
UBG LAND INC.
Dividend Sheet
\$CDN**

Schedule 1

	Admitted for Dividend	Proposed Distribution
Sage, Ashley	140,036	14,297
Scammell, Lawrence	33,955	3,467
Schaan, Todd	16,250	1,659
Skeich, Jean	40,000	4,084
Starlight Lighting Centre	11,167	1,140
The Elite Fleet Courier Ltd.	998	102
Ulsifer, Steve	71,942	7,345
Urban Impact	1,643	168
Van Houtte Coffee Services Inc.	283	29
Western Shelter & Charitable Foundation	3,435,000	350,696
Worker's Compensation Board	14,136	1,443
Xerox Canada Ltd	218,151	22,272
698828 Alberta Ltd.	3,967,597	405,072
Deloitte & Touche LLP	182,426	18,625
Pro Bond Systems Inc.	47,705	4,870
	18,678,558	1,906,987
Total Claims	20,354,558	3,582,987

¹ Denotes intercompany claim

APPENDIX “H”

**IN THE MATTER OF THE RECEIVERSHIP OF THE UBG GROUP OF
SUMMARY OF RECEIVER'S FEES
AS AT JANUARY 25, 2023
\$CAD**

Invoice	Period	Fees	GST	Total	Unity Builders Group of Companies	UBG 4500	UBG Land Limited Partnership	Alberta Builders Capital Inc.	Today's Homes Limited Partnership	Greenboro Luxury Homes	Mountaineers Village II Inc.
8000287671	30-Sep-18	2,648	132	2,780	-	-	-	-	-	-	2,780
8000287672	30-Sep-18	8,784	439	9,223	-	-	-	-	9,223	-	-
8000287673	30-Sep-18	3,282	164	3,446	-	-	-	-	-	3,446	-
8000287674	30-Sep-18	22,365	1,118	23,483	-	-	-	23,483	-	-	-
8000287675	30-Sep-18	19,586	979	20,565	20,565	-	-	-	-	-	-
8000287676	30-Sep-18	4,394	220	4,614	-	-	4,614	-	-	-	-
8000551279	28-Feb-19	8,636	432	9,068	-	-	-	-	-	9,068	-
8000551285	28-Feb-19	2,297	115	2,411	-	-	-	-	-	-	2,411
8000551286	28-Feb-19	6,867	343	7,210	-	-	-	7,210	-	-	-
8000551287	31-Jan-19	20,785	1,039	21,824	21,824	-	-	-	-	-	-
8000551288	28-Feb-19	16,686	834	17,520	-	-	-	-	17,520	-	-
8000551289	28-Feb-19	18,162	908	19,070	-	-	19,070	-	-	-	-
8000941296	5-Dec-19	3,018	151	3,168	-	-	3,168	-	-	-	-
8000941297	5-Dec-19	3,273	164	3,437	-	-	-	-	3,437	-	-
8000941298	28-Jun-19	1,540	77	1,616	-	-	-	-	-	-	1,616
8000941302	5-Dec-19	7,890	395	8,285	8,285	-	-	-	-	-	-
8000941304	15-Sep-19	2,827	141	2,968	-	2,968	-	-	-	-	-
8000941306	5-Dec-19	788	39	827	-	-	-	827	-	-	-
8000941307	5-Dec-19	650	33	683	-	-	-	-	-	683	-
8001145203	11-Mar-20	1,809	90	1,899	1,899	-	-	-	-	-	-
8001145204	26-Mar-20	308	15	323	-	-	323	-	-	-	-
8001145207	26-Mar-20	600	30	630	-	-	-	-	-	630	-
8001145208	25-Mar-20	229	11	240	-	-	-	-	-	-	240
8001145209	26-Mar-20	270	14	284	-	-	-	-	284	-	-
8001145210	25-Mar-20	330	17	347	-	-	-	347	-	-	-
8001323164	23-Jun-20	1,043	52	1,095	-	1,095	-	-	-	-	-
8001323173	15-Jun-20	896	45	940	-	-	-	-	-	-	940
8001323174	1-Jun-20	408	20	429	429	-	-	-	-	-	-
8001323175	24-Jun-20	12,595	630	13,224	-	-	13,224	-	-	-	-
8001323176	12-Jun-20	270	14	284	-	-	-	-	284	-	-
8001323177	12-Jun-20	3,348	167	3,515	3,515	-	-	-	-	-	-
8001323180	12-Jun-20	420	21	441	-	-	-	441	-	-	-
8001323183	12-Jun-20	540	27	567	-	-	-	-	-	567	-
8001861318	13-May-21	3,469	173	3,642	-	-	-	-	-	3,642	-
8001861327	4-May-21	1,789	89	1,878	-	-	-	-	1,878	-	-
8001861336	4-May-21	15,311	766	16,076	16,076	-	-	-	-	-	-
8001861338	11-May-21	5,721	286	6,007	-	-	-	-	-	-	6,007
8001861343	13-May-21	1,890	95	1,985	-	-	-	1,985	-	-	-
8001861358	11-May-21	14,183	709	14,892	-	-	14,892	-	-	-	-
8001861322	13-May-21	3,313	166	3,479	3,479	-	-	-	-	-	-
8002512780	8-Jan-22	3,349	167	3,516	-	-	-	-	-	3,516	-
8002512789	7-Jan-22	8,911	446	9,356	-	-	9,356	-	-	-	-
8002512796	8-Jan-22	1,339	67	1,406	-	-	-	-	1,406	-	-
8002512797	7-Jan-22	1,399	70	1,469	-	-	-	-	-	-	1,469
8002512801	7-Jan-22	1,320	66	1,386	-	-	-	1,386	-	-	-
8002512803	7-Jan-22	15,470	773	16,243	16,243	-	-	-	-	-	-
8002833259	31-Jul-22	4,543	227	4,770	-	-	-	-	-	4,770	-
8002833258	31-Jul-22	5,280	264	5,544	-	-	-	-	5,544	-	-
8002833257	31-Jul-22	59,870	2,994	62,864	62,864	-	-	-	-	-	-
8002833256	31-Jul-22	8,835	442	9,277	-	-	9,277	-	-	-	-
8002833255	31-Jul-22	3,243	162	3,405	3,405	-	-	-	-	-	-
8002833261	31-Jul-22	1,930	97	2,027	-	-	-	2,027	-	-	-
8002833260	31-Jul-22	3,470	174	3,644	-	-	-	-	-	-	3,644
8003235875	18-Nov-22	6,460	323	6,783	-	-	-	6,783	-	-	-
8003235877	15-Nov-22	1,015	51	1,066	-	-	-	-	-	1,066	-
8003236713	3-Oct-22	3,340	167	3,507	-	3,507	-	-	-	-	-
8003236714	15-Nov-22	20,615	1,031	21,646	-	-	21,646	-	-	-	-
8003236715	15-Nov-22	1,710	86	1,796	-	-	-	-	-	-	1,796
8003236716	15-Nov-22	1,875	94	1,969	-	-	-	-	1,969	-	-
8003235878	15-Nov-22	65,235	3,262	68,497	68,497	-	-	-	-	-	-
		442,419	22,121	464,540	227,079	7,569	95,569	44,487	41,543	27,388	20,903
Work in progress		51,000	2,550	53,550	-	-	-	-	-	-	-
		493,419	24,671	518,090	227,079	7,569	95,569	44,487	41,543	27,388	20,903

APPENDIX "I"

IN THE MATTER OF THE RECEIVERSHIP OF THE UBG GROUP OF COMPANIES
SUMMARY OF LEGAL FEES
AS AT JANUARY 25, 2023
\$CAD

Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
1157250	31-Dec-16	6,858	-	6,858	343	7,201
1162178	9-Feb-17	2,030	17	2,047	102	2,149
1167023	16-Mar-17	3,305	134	3,437	172	3,609
1177541	13-Jun-17	4,240	99	4,336	217	4,553
1183909	27-Jul-17	3,302	10	3,312	166	3,477
1186971	21-Aug-17	252	-	252	13	264
1190879	25-Sep-17	1,260	-	1,260	63	1,323
1191581	3-Oct-17	1,497	-	1,497	75	1,572
1196110	9-Nov-17	9,406	2,769	12,155	608	12,763
1200317	12-Dec-17	1,391	427	1,813	91	1,904
1206151	31-Dec-17	3,072	227	3,295	165	3,460
1211428	16-Feb-18	3,675	127	3,802	190	3,992
1214893	16-Mar-18	2,166	6	2,172	109	2,280
1219449	18-Apr-18	9,756	243	9,996	500	10,496
1221553	22-May-18	2,345	-	2,345	117	2,463
1225376	22-Jun-18	2,574	3	2,577	129	2,705
1230305	20-Jul-18	808	-	808	40	848
1233943	21-Aug-18	1,788	-	1,788	89	1,877
1236194	17-Sep-18	1,331	-	1,331	67	1,397
1241453	17-Oct-18	143	-	143	7	150
1252769	18-Dec-18	2,365	-	2,365	118	2,483
1259354	12-Feb-19	1,545	-	1,545	77	1,622
1259354	12-Feb-19	1,545	-	1,545	77	1,622
1259354	12-Feb-19	1,545	-	1,545	77	1,622
1262426	13-Feb-19	1,069	-	1,069	53	1,123
1266719	15-Mar-19	155	-	155	8	163
1274864	8-May-19	155	-	155	8	163
1282353	21-Jun-19	1,163	-	1,163	58	1,221
1289721	9-Aug-19	155	-	155	8	163
1295836	17-Sep-19	775	-	775	39	814
1305432	14-Nov-19	388	-	388	19	407
1312698	20-Dec-19	775	-	775	39	814
1319149	13-Feb-20	233	-	233	12	244
1346450	21-Jul-20	1,141	-	1,141	57	1,198
1341929	22-Jul-20	326	-	326	16	342
1353245	15-Sep-20	3,097	-	3,097	155	3,252
1350397	29-Sep-20	1,153	-	1,153	58	1,211
1360268	30-Oct-20	2,333	-	2,333	117	2,450
1362641	17-Nov-20	682	-	682	34	716
1373417	31-Dec-20	163	-	163	8	171
1384632	15-Mar-21	875	26	901	45	946
1416425	12-Oct-21	350	-	350	18	368
1420287	5-Nov-21	438	-	438	22	459
1411279	4-May-22	362	-	362	18	380
1450787	6-May-22	935	-	935	47	982
1468283	15-Aug-22	281	-	281	14	295
1473022	19-Sep-22	7,013	79	7,091	355	7,446
1476958	13-Oct-22	1,246	63	1,308	65	1,374
1481260	16-May-22	1,964	29	1,993	100	2,092
1462829	14-Jul-22	1,029	-	1,029	51	1,080
1456448	9-Jun-22	3,359	30	3,389	169	3,558
1495033	31-Dec-22	374	-	374	19	393
		100,179	4,289	104,058	5,203	109,654
		100,179	4,289	104,058	5,203	109,654