

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.**

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

AFFIDAVIT

DENTONS CANADA LLP

Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8


Attention: David W. Mann / Doug Schweitzer
Ph. (403) 268-7097/7018 Fx. (403) 268-3100
File No.: 549362-1

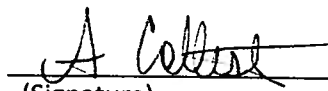
AFFIDAVIT OF ANNA COLLISTER
Sworn on April 9, 2013

I, **ANNA COLLISTER**, of Calgary, Alberta, **SWEAR AND SAY THAT:**

1. I am a Legal Assistant with Dentons Canada LLP (formerly Fraser Milner Casgrain LLP), Barristers and Solicitors, counsel to the Applicants, and as such have knowledge of the matters herein deposed to save where stated to be based upon information and belief and where so stated I do verily believe the same to be true.
2. Attached hereto, marked as Exhibit "1", to this my Affidavit is a copy of an email sent by Doug Schweitzer, a lawyer at Dentons Canada, on April 5, 2013 and the attachments thereto.
3. I make this Affidavit in connection with the Applicants' proceedings.

SWORN BEFORE ME at Calgary, Alberta, this)
9th day of April, 2013.)


(Commissioner for Oaths in and for the)
Province of Alberta))



(Signature)

ANNA COLLISTER

PRINT NAME AND EXPIRY

TANYA CAMPBELL
A Commissioner for Oaths
In and for the Province of Alberta
My Commission Expires June 26, 20¹⁴

Exhibit "1"

THIS IS EXHIBIT "1"
referred to in the Affidavit of

Anna Collister

Sworn before me this 9th

day of April A.D. 2013

Tanya Campbell

A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA

TANYA CAMPBELL
A Commissioner for Oaths
In and for the Province of Alberta
My Commission Expires June 26, 2014

Schweitzer, Doug

From: Schweitzer, Doug
Sent: 5-Apr-13 3:18 PM
To: g.holowisky@scottventuro.com
Cc: Bob.Taylor@ca.ey.com; Mann, David; Tom Chisholm (TomC@unitybuilders.com)
Subject: Montreux JV - Management Meeting - April 12th
Attachments: DOC001.pdf; DOC001.pdf; DOC001.pdf

Gillian,

As discussed, I've attached a copy of the following documents that UBG Land intends to seek approval of at the Management Committee meeting for the Montreux JV scheduled on April 12th:

- (a) the Mystic Ridge Development Financing – Master Term Sheet Secured Credit Facilities;
- and
- (b) the form of Agreement for Purchase and sale between 1199 and Greenboro for Phase 2 Lots at Mystic Ridge;
- (c) the form of Agreement for Purchase and sale between 1199 and Greenboro for Phase 3 Lots at Mystic Ridge.

We ask that you provide the attached documents to Caleron's representative and alternative representative on the Management Committee and Mr. Slater (I didn't want to email them directly).

Best regards,

DENTONS

Doug Schweitzer
Associate

D +1 403 268 7018
T +1 403 268 7000
F +1 403 268 3100

Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW
Calgary, AB T2P 0R8 Canada

doug.schweitzer@dentons.com
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**MYSTIC RIDGE DEVELOPMENT FINANCING
MASTER TERM SHEET OF SECURED CREDIT FACILITIES**

SUMMARY OF TERMS AND CONDITIONS

This summary of terms and conditions is for reference purposes only and should not be considered exhaustive or conclusive as to the terms and conditions which govern the credit facilities herein. All dollar amounts are in Canadian dollars unless expressly stated otherwise.

BORROWERS: 1199032 Alberta Ltd. ("1199")
Greenboro Estate Homes Limited Partnership, by its general partner, Greenboro Estate Homes (2006) Ltd. ("GBLP")

GUARANTORS: UBG Land Limited Partnership, by its general partner, UBG Land Inc. ("UBG Land")

LENDER: GBLP (as indicated)
The Toronto-Dominion Bank (the "Lender")

CREDIT FACILITIES

FACILITY 1: \$11,350,000 non-revolving demand credit facility provided by the Lender to 1199 and a separate Canadian letter of credit facility up to \$550,000 (collectively, the "Development Facility") for the purpose of: (a) repaying mortgages encumbering the Richards Lands; (b) financing the development costs of Phases II and III, available on the terms and subject to the conditions set out in Schedule 1 hereto; and (c) posting the requisite letters of credit to develop Phases II and III.

CONDITIONS PRECEDENT TO CLOSING AND INITIAL DRAWDOWN OF FACILITY 1: Upon completion of all documentation and satisfaction of conditions precedent set out in Schedule 1 hereto, including the Approval Order being granted and release of all security and liens by the prior lenders.

FACILITY 2: \$18,800,000 committed non-revolving demand credit facility provided by the Lender to GBLP, which includes an interim construction loan, a serviced lot line, and bridge operating line of up to \$250,000 (collectively, the "Construction Facility") for the purpose of enabling GBLP to acquire lots in Phases II and III and begin construction of homes in Phases II and III, available on the terms and subject to the conditions set out in Schedule 2 hereto.

CONDITIONS PRECEDENT TO CLOSING AND INITIAL DRAWDOWN OF FACILITY 2: Upon:

- a) drawdown of the Development Facility; and
- b) completion of all documentation and satisfaction of conditions precedent set out in Schedule 2 hereto, including the Approval Order being granted.

FACILITY 3: Restatement of existing facilities to ensure cross-collateralization and arrange for various items related to GBLP's emergence from its CCAA Proceedings (the "Emergence Facility").

**CONDITIONS PRECEDENT TO
CLOSING AND INITIAL
DRAWDOWN OF FACILITY 3:**

Upon:

- a) release of all security and liens by the prior lenders;
- b) drawdown of the Development Facility;
- c) GBLP's emergence from its CCAA Proceedings;
- d) drawdown of the Construction Facility; and
- e) completion of all documentation and satisfaction of conditions precedent set out in Schedule 3 hereto, including the Approval Order being granted.

INCREASED COSTS:

Documentation will include usual and customary provisions requiring the Borrowers to reimburse the Lender for any increased costs (including costs of complying with capital adequacy guidelines) which are incurred as a result of regulatory changes announced subsequent to the signing date of this Term Sheet, the credit agreements and all security documents referenced herein.

EXPENSES:

The Borrowers shall pay all reasonable fees (including but not limited to all reasonable documentation fees and legal fees on a solicitor-client full indemnity basis) and expenses incurred by the Lender in connection with the preparation, negotiation, settlement, amendment, waiver and interpretation of this Term Sheet, the Mystic Ridge Facility, the Emergence Facility, credit agreements and security documents, the Lender's due diligence, as well as the expenses of the Lender in connection with the enforcement of its rights, whether or not this Term Sheet or the credit agreements and security documents are executed or any amounts are advanced.

GOVERNING LAW:

The laws of the Province of Alberta and of Canada applicable therein.

ASSIGNMENT:

The Borrowers shall not assign any of their respective rights or obligations hereunder without the prior written consent of the Lender, which consent may be withheld, conditioned or delayed in the sole discretion of the Lender.

DEFINITIONS:

Except where otherwise defined herein, all capitalized terms shall have the following meanings.

1. "Approval Order" means an Order which: (i) approves this Term Sheet, (ii) authorizes GBLP and UBG Land execute, deliver, and perform the terms and conditions of this Term Sheet, (iii) grants such CCAA Charges as are contemplated in this Term Sheet, (iv) approves the form of purchase agreement contemplated by the Prowse Order, (v) declares that Caleron Properties Ltd. is stayed from exercising its option to acquire UBG's Interest in 1199 and any lands owned by 1199 (including for certainty, Phases II and III), and (vi) is otherwise acceptable to the Lender and the Borrowers.
2. "Borrower's Costs" means an amount payable to GBLP for its immediate use to cover its operational and restructuring costs,

in an amount equal to 4% of the gross proceeds of sale of a home, less any amounts advanced by the Lender in respect of Payroll up to a maximum of 2% of the gross proceeds of sale of a home.

3. "CCA" means the *Companies' Creditors Arrangement Act* (Canada).
4. "CCA Charge" means an Order granting a charge over certain specified property in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, except such interests as are expressly stated to be in priority to such charge.
5. "CCA Proceedings" means the proceedings brought by UBG Land, GBLP, and others pursuant to the provisions of the CCA in action #1201-05843.
6. "Closing Costs" has the same meaning as such term is used in connection with the Lender's Existing CCA Charge.
7. "Court" means the Court of Queen's Bench of Alberta in the Judicial District of Calgary presiding over the CCA Proceedings.
8. "Greenboro Facility" means the credit facility granted by the Lender in favour of GBLP pursuant to a Credit Facility Letter, dated October 31, 2006, as amended from time to time.
9. "Lender's Existing CCA Charge" means the CCA Charge granted over all of GBLP's undertaking, property, and assets in favour of the Lender on September 14, 2012, subject to the exceptions to such CCA Charge permitted thereby.
10. "Models" means the financial models prepared by GBLP and the Monitor that project, and provide actual performance of, GBLP's single family home inventory, revenues and expenditures provided to and approved by the Lender from time to time.
11. "Monitor" means Ernst & Young Inc., in its capacity as Monitor in the CCA Proceedings.
12. "Montreux JV" means the joint venture among UBG Land (successor in to UBG Alberta Builders Inc.), Caleron Properties Ltd. and Ronald Slater, dated February 27, 2006.
13. "Mystic Ridge Facility" means collectively, the Development Facility and the Construction Facility.
14. "Order" means an order granted by the Court which is not subject to any stay or other impediment to execution.
15. "Payroll" means (i) all compensation payable to employees of

GBLP, including without limitation, all salaries, wages, bonus, expense reimbursements, benefits, vacation pay, and related source deductions, and (ii) all direct overhead costs associated with the operation of GBLP.

16. "Plan" means a plan of compromise or arrangement (or equivalent relief) filed in the CCAA Proceedings in respect of at least GBLP's general partner, on behalf of itself and GBLP, that: (i) has been approved by the requisite majority of affected creditors, (ii) has received a sanction Order, (iii) treats the Lender as an unaffected creditor in all respects, (iv) provides for the emergence from the CCAA Proceedings of GBLP, its general partner, and their respective equity holders, and (v) is otherwise acceptable to both the Lender and GBLP.
17. "Plan Implementation" means all conditions precedent to the implementation of the Plan have been fulfilled or waived.
18. "Phases II and III" means phases II and III of the residential development known as *Mystic Ridge*, including the Richard Lands and the Wanklyn Lands.
19. "Prowse Order" means the order granted by Master J.T. Prowse, Q.C. on March 16, 2012, in action # 1001-18715, in the Court of Queen's Bench of Alberta, Judicial District of Calgary.
20. "Richards Lands" means the lands legally described as:

PLAN 971 2004, BLOCK D, LOT 18
EXCEPTING THEREOUT PLAN 091 4947
EXCEPTING THEREOUT ALL MINES AND
MINERALS
21. "Term Sheet" means this Master Term Sheet of Secured Credit Facilities and includes all of the term sheets referenced herein and, for further clarity, includes the term sheets related to the Development Facility, the Construction Facility and the Emergence Facility as an integrated group without deletion, amendment, or substitution of any of these facilities except with the express written consent of the Lender and the Borrowers.
22. "UBG's Interests in 1199" means all of UBG Land's right, title and interest in and to 1199, including without limitation: (i) all legal and beneficial interest it holds in the capital stock of 1199, and (ii) all legal and beneficial interest it holds in the Montreux JV (including, without limitation, all proceeds UBG Land is entitled to receive from Phase I of *Mystic Ridge* as set forth in the Wilkins Order); but subject to the sum of \$500,000, which amount shall be payable by UBG in respect of its restructuring costs in the CCAA Proceedings.
23. "Wanklyn Lands" means the lands legally described as:

PLAN 3530 AK, BLOCK D, LOT 1
EXCEPTING THEREOUT ALL MINES AND
MINERALS

PLAN 3530 AK, BLOCK D, LOTS 2 TO 4
EXCEPTING (OUT OF LOTS 3 AND 4)
CONDOMINIUM PLAN 091 1345
EXCEPTING THEREOUT ALL MINES AND
MINERALS.

24. "Wilkins Order" means the order granted by the Honourable Justice L.D. Wilkins on February 1, 2010, in action # 0901-05165, in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary.

We hereby acknowledge the draft terms and conditions set out above and in the Schedules attached hereto and understand and agree that this term sheet does not constitute a formal or committed offer of financing by the Lender and that the terms and conditions may be amended, changed, or the credit declined in the credit approval process. We authorize the Lender to engage its solicitor immediately to prepare and register all security as outlined herein.

UBG LAND INC. on its own behalf and as general partner for UBG LAND LIMITED PARTNERSHIP

Per: Tom Chisholm
Name: TOM CHISHOLM
Title: President + CEO Unity Builders
1199032 ALBERTA LTD.

Per: _____
Name:
Title:

GREENBORO ESTATE HOMES (2006) LTD. on its own behalf and as general partner for GREENBORO ESTATE HOMES LIMITED PARTNERSHIP

Per: Tom Chisholm
Name: President, TOM CHISHOLM
Title:

THE TORONTO-DOMINION BANK

Per: _____
Name:
Title:

Riccardo Del Greco
Manager Commercial Services
Real Estate Group

PLAN 3530 AK, BLOCK D, LOT 1
EXCEPTING THEREOUT ALL MINES AND
MINERALS

PLAN 3530 AK, BLOCK D, LOTS 2 TO 4
EXCEPTING (OUT OF LOTS 3 AND 4)
CONDOMINIUM PLAN 091 1345
EXCEPTING THEREOUT ALL MINES AND
MINERALS.

24. "Wilkins Order" means the order granted by the Honourable Justice L.D. Wilkins on February 1, 2010, in action # 0901-05165, in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary.

We hereby acknowledge the draft terms and conditions set out above and in the Schedules attached hereto and understand and agree that this term sheet does not constitute a formal or committed offer of financing by the Lender and that the terms and conditions may be amended, changed, or the credit declined in the credit approval process. We authorize the Lender to engage its solicitor immediately to prepare and register all security as outlined herein.

UBG LAND INC. on its own behalf and as general partner for UBG LAND LIMITED PARTNERSHIP

Per: _____
Name:
Title:

1199032 ALBERTA LTD.

Per: _____
Name:
Title:

GREENBORO ESTATE HOMES (2006) LTD. on its own behalf and as general partner for GREENBORO ESTATE HOMES LIMITED PARTNERSHIP

Per: _____
Name:
Title:

~~THE TORONTO-DOMINION BANK~~

Per: _____
Name:
Title:

Riccardo Del Greco
Manager Commercial Services
Real Estate Group

SCHEDULE 1 – DEVELOPMENT FACILITY – TERMS:

- BORROWER:** 1199
- GUARANTORS:** GBLP and UBG Land
- CREDIT FACILITIES:**
1. \$1,200,000 committed non-revolving demand credit facility (the "Refinancing Loan")
 2. Land Development Loan of \$10,150,000 (the "Land Development Loan")
 3. Letters of Credit (LCs) of \$550,000
- PURPOSE:**
1. Repayment of mortgages in favour of Provident Mortgage Corp. and Neufeld Capital Inc. encumbering the Richards Lands.
 2. To finance development costs of Phases II and III, including any taxes payable on such lands.
 3. To provide supporting LCs for the project as and when required.
- INTEREST RATES:**
1. Prime Rate + 1.50%
 2. Prime Rate + 1.50%
 3. 1.25% per annum payable in advance
- FEES:**
1. Application Fee: \$63,000. The fee is payable upon initial drawdown under the Land Development Loan.
 2. Renewal Fee: 0.5% of total remaining authorization under Land Development Loan paid annually commencing on the first anniversary of the Development Closing.
 3. Credit Amendment Fee: Any request to amend the terms or conditions of these credit facilities after formal approval of the facilities is subject to a minimum fee of \$1,000 per request.
 4. Site Visit Fee: \$250/visit
- AVAILABILITY:**
1. **R**
efinancing Loan - Available by way of a single Prime Rate loan in Canadian dollars, subject to disbursement conditions. Funds shall be made available by a single direct advance to the Lender's solicitors and shall be subject to reasonable trust conditions imposed by the Lender's solicitors.
 2. Land Development Loan - Available by way of a single Prime Rate loan in Canadian dollars, subject to disbursement conditions.

Drawdown will be against monthly draw requests prepared and reviewed by United Communities (acting as the development manager) and supported by:

- a) trial balance confirming hard and soft costs;
- b) budget showing original budget, revised budget, costs to date and costs to complete;
- c) list of accounts payable, holdbacks;
- d) compliance certificate signed by 1199 confirming compliance with the *Builders' Lien Act* (Alberta), all applicable tax legislation, and the terms and conditions herein;
- e) subsearches (to be ordered by the Lender); and
- f) evidence of payment of United Communities' invoices.

3. Letter of Credit - As required by 1199 and subject to disbursement conditions.

REPAYMENT:

On demand. In absence of demand, in accordance with the following.

1. The Land Development Loan and the Refinance Loan are to be repaid from proceeds of the Construction Facility in accordance with Drawdown Conditions for the serviced lot line in the Construction Facility. The Land Development Loan and the Refinance Loan shall not be repaid except as provided herein. After the repayment of the Refinancing Loan and the Land Development Loan, any proceeds or distributions received by UBG Land from UBG Land's Interest in 1199 shall be applied to the GBLP single family construction line held with the Lender.
2. To permanently reduce by all deposits, recoveries, and full lot closing proceeds as set out below, net of legal and standard adjustments satisfactory to the Lender.
3. Upon repayment of Land Development Loan and the Refinancing Loan any deposits and other revenues and full lot closings as outlined above are to be held in a formally assigned TD investment vehicle to cash secure 100% of residual LCs. Withdrawal of equity or profit is not permitted until formal written approval has been provided by the Lender on terms and condition satisfactory to the Lender.

CLOSING:

Upon the fulfillment or waiver of all Conditions to Disbursement, and in no event later than September 1, 2013 or such other date that may be agreed to by the Lender and 1199 (the "Development Closing").

SECURITY:

1. Registered \$14,000,000 collateral mortgage in first position registered against Phases II and III.
2. \$14,000,000 limited guarantee from GBLP.
3. \$14,000,000 limited guarantee from UBG Land restricted to UBG's Interest in 1199.
4. A security agreement from UBG Land granting a floating

charge on UBG's Interest in 1199, subject to the terms of the Montreux JV.

5. CCAA Charge over UBG's Interest in 1199.
6. General security agreement securing the present and after acquired personal property of GBLP.
7. CCAA Charge over all of GBLP's undertaking, property and assets, second in priority to the Lender's Existing Charge.
8. Evidence of comprehensive general liability insurance satisfactory to the Lender with the Lender named as an additional insured.
9. Assignment of builder's all risk insurance in an amount satisfactory to the Lender.
10. Assignment of term deposits and credit balances/general hypothecation of stocks and bonds (re residual LCs).
11. Blanket indemnity agreement re LCs.
12. Letter of direction to send 100% of net closing proceeds (in accordance with repayment terms) of all single family lots of Phases II and III to the Lender.
13. Executed advisory letter/letter agreement.
14. Solicitor's opinion provided by 1199's solicitor, supported by certified corporate resolutions and officer's certificates.
15. Such other documentation as the Lender or its solicitor may require.

**CONDITIONS TO
DISBURSEMENT:**

In addition to the conditions to disbursement set out in this Term Sheet, the following shall be disbursement conditions.

1. All security is to be prepared by the Lender's solicitor. The Lender's solicitor is to act solely on behalf of the Lender and all costs associated therewith shall be paid by 1199.
2. All security to be delivered to the Lender and in good order as confirmed by the Lender and the Lender's solicitor.
3. 1199 is to open a separate bank account for Phases II and III with the Lender. All expenses, revenues and transactions relating to this project, and this project alone, are to flow through the project bank account.
4. Confirmation that all Municipal and other approvals are in place to permit development of Phases II and III.
5. Copy of an environmental report in respect of Phases II and III satisfactory to the Lender in its sole discretion.

6. Copies of payout statements in respect of any outstanding mortgages or credit agreements in respect of the Richards Lands, including but not limited to payout statements from each of Provident Mortgage Corp. and Neufeld Capital Inc.
7. 1199 to provide copy of a servicing contract with United Communities (acting as the development manager).
8. A detailed budget is to be provided to the Lender confirming hard and soft costs required to complete Phases II and III, such budget not to exceed \$10,150,000. The budget is to be reviewed by United Communities (acting as the development manager), who shall be satisfied that budgeted costs are sufficient to complete the development of Phases II and III within the estimated timeline.
9. For the benefit of the Lender 1199, UBG Land and GBLP, UBG Land and GBLP shall have obtained the Approval Order.
10. Pursuant to the Montreux JV, 1199 shall have entered into a development management agreement with United Communities approved by the Lender and on terms and conditions satisfactory to the Lender.

COVENANTS:

Positive Covenants

1199 shall at all times, do the following.

1. Ensure that title to the subject lands remains satisfactory to the Lender and its solicitor. All zoning by-laws and restrictive covenants shall be complied with.
2. Comply with the provisions of the *Builders' Lien Act* (Alberta).
3. Cause any lien that may arise to be discharged promptly from funds held back in major or minor lien fund. Other than the major and minor lien fund, no further funding will be permitted by the Lender until the lien is discharged.
4. Assign all applicable plans, contracts, agreements, approvals, permits and licences at the request of the Lender.
5. Pay all reasonable out of pocket expenses incurred by the Lender. The Lender shall be entitled to conduct subsearches and verify payment of realty taxes in respect of Phases II and III, inspect and/or audit the financial records of 1199, and conduct PPSA registry searches, all as applicable at the discretion of the Lender.
6. Ensure that the Lender has full access to Phases II and III so that site visits can be conducted periodically by Lender personnel.
7. In the absence of periodic draw requests, provide whatever information the Lender may require to conduct periodic reviews of the project including, but not limited to:

done in accordance with the Prowse Order) without the prior written consent of the Lender, which consent may be withheld, conditioned or delayed at the sole discretion of the Lender.

SCHEDULE 2 - CONSTRUCTION FACILITY - TERMS:

- BORROWER:** GBLP
- GUARANTORS:** UBG Land
- CREDIT FACILITIES:**
1. Interim Construction Loan of \$7,150,000 (the "Interim Construction Loan")
 2. Bridge Operating Line of \$250,000 (the "Bridge Operating Line")
 3. Serviced Lot Line of \$11,400,000 (the "Serviced Lot Line")
- PURPOSE:**
1. To finance the cost of construction of single family detached houses in the Mystic Ridge development.
 2. To provide interim financing in the absence of formal draws under the Interim Construction Loan, including for pre-development marketing costs.
 3. To purchase serviced lots in Phases II and III from 1199.
- INTEREST RATES:**
1. Prime Rate + 1.50%;
 2. Prime Rate + 1.50%
 3. Prime Rate + 1.50%.
- FEES:**
1. Application Fee: \$90,000. The fee is payable upon initial drawdown under the Interim Construction Loan.
 2. Renewal Fee: 0.5% of total remaining authorization under Interim Construction Loan paid annually commencing on the first anniversary of the Construction Closing.
 3. Credit Amendment Fee: Any request to amend the terms or conditions of these credit facilities after formal approval of the facilities is subject to a minimum fee of \$1,000 per request.
 4. Site Visit Fee: \$250/visit
- AVAILABILITY:**
1. Interim Construction Loan - Available by way of Prime Rate loans in Canadian dollars, subject to disbursement conditions:

Upon request by GBLP (maximum one draw per month), as required to construct Presold Single-Family Residential Homes, subject to the following:
 - a) maximum of two (2) spec/show homes under construction at any time; and

- b) Lender shall have undertaken satisfactory monthly site visits to verify reported work in progress.

For the purposes hereof, "Presold Single-Family Residential Homes" means homes sold to arm's length third-party purchasers pursuant to an unconditional agreement of purchase and sale with a minimum deposit of 10% of the purchase price to be held in trust by the Lender's solicitors.

Drawdown will be against monthly Draw Requests prepared and reviewed by a quantity surveyor acceptable to the Lender supported by:

- a) trial balance confirming hard and soft costs;
- b) budget showing original budget, revised budget, costs to date and costs to complete;
- c) list of accounts payable, holdbacks;
- d) compliance certificate signed by GBLP confirming compliance with the *Builders' Lien Act* (Alberta), all applicable tax legislation, and the terms and conditions herein;
- e) sales summary and summary of purchaser deposits together with copies of purchase and sale agreements not already provided; and
- f) sub searches (to be ordered by the Lender).

2. Bridge Operating Line - As required by GBLP and subject to disbursement conditions.

3. Serviced Lot Line - Available by way of Lender Prime based loans in Canadian dollars. Disbursements under this section are to be made available upon obtaining the Approval Order and subject to the following disbursement conditions.

- a) drawdown of \$1,800,000 (representing 20% of the purchase price of \$9,000,000) to be advanced upon GBLP entering into a purchase agreement with 1199 for the *Phase II lots* (thirty in total) of Mystic Ridge;
- b) drawdown of \$480,000 (representing 20% of the purchase price of \$2,400,000) to be advanced upon GBLP entering into a purchase agreement with 1199 for the *Phase III lots* (eight in total) of Mystic Ridge;
- c) drawdown of \$7,200,000 (representing 80% of the purchase price of \$9,000,000) to be advanced to 1199 upon registration of the plan of subdivision for *Phase II* of Mystic Ridge; and
- d) drawdown of \$1,920,000 (representing 80% of the purchase price of \$2,400,000) to be advanced to 1199

upon registration of the plan of subdivision for *Phase III* of Mystic Ridge.

REPAYMENT:

Interim Construction Loan and Serviced Lot Line

On demand. In absence of demand, in accordance with the following.

1. Net sale proceeds are to be directed to the Lender and applied to each Facility as follows.
 - a) \$300,000 to be applied to Serviced Lot Line.
 - b) 10% of the original purchase price to be deposited into a bank account with the Lender in the name of GBLP (or an "affiliate", as that term is defined in the *Canada Business Corporations Act*, of GBLP approved by the Lender in writing) which is to be restrained for future distribution ("GBLP Restrained Funds"). Funds in GBLP's restrained account are not to be unreasonably withheld by the Lender. Release of such funds must be supported by:
 - (i) invoices supporting overhead costs incurred by GBLP;
 - (ii) formal approval from the Lender to withdraw funds;
 - (iii) request from GBLP to withdraw funds; and
 - (iv) confirmation that any cost overruns beyond the approved budget have been paid from GBLP's available resources. In the event GBLP does not have sufficient resources to pay such cost overruns, the Lender is entitled to but has no obligation to advance additional funds to pay such cost overruns.Should GBLP wish to restrain funds in an "affiliate" account not in the name of GBLP, the Lender shall be entitled to obtain appropriate guarantees as recommended by its solicitors.
 - c) 10% of the original purchase price to be deposited into GBLP account no. 5272086-1070.
 - d) All remaining proceeds after a), b) and c) are to be applied to Interim Construction Loan.
2. Facilities are to permanently reduce as follows:
 - a) Interim Construction Loan to permanently reduce at the rate of \$800,000 per lot closing, commencing with the 23rd closing, until repaid in full and cancelled; and
 - b) Serviced Lot Line to be repaid at a rate of \$300,000 per lot closing until repaid in full and cancelled.
3. After Interim Construction Loan and Bridge Operating Line have

been repaid and cancelled, net sale proceeds are to be applied to Serviced Lot Line.

4. After the Mystic Ridge Facility has been repaid (including any obligations owing under guarantees provided by UBG Land and GBLP) and/or 100% cash collateralized, net closing proceeds are to be deposited into the project account and applied to GBLP account no. 5272086-1070.

Bridge Operating Line

On demand. In absence of demand:

1. Bridge Operating Line is to be repaid via each construction draw from Interim Construction Loan.
2. After Interim Construction Loan has been repaid and cancelled, net sale proceeds are to be applied to Bridge Operating Line.

CLOSING:

Upon the fulfillment or waiver of all Conditions to Disbursement, and in no event later than September 1, 2013 or such other date that may be agreed to by the Lender and GBLP (the "Construction Closing").

SECURITY:

1. Registered \$20,000,000 collateral mortgage in first position registered against Phases II and III.
2. A first charge general security agreement charging all present and after-acquired personal property of GBLP (held by the Lender pursuant to the Development Facility).
3. \$20,000,000 limited guarantee from UBG Land restricted to UBG's Interest in 1199.
4. A security agreement from UBG Land granting a floating charge on UBG's Interest in 1199, subject to the terms of the Montreux JV (held by the Lender pursuant to the Development Facility).
5. An environmental indemnity agreement granted by GBLP, UBG Land, and any other guarantors in respect of Phases II and III.
6. Evidence of comprehensive general liability insurance acceptable to the Lender with the Lender named as additional insured.
7. Assignment of builder's all risk insurance in an amount satisfactory to the Lender.
8. Letter of direction as per repayment provisions.
9. Executed advisory letter/letter agreement.
10. Solicitor's opinion provided by GBLP's solicitor, supported by certified corporate resolutions and officer's certificates.
11. Such other documentation as the Lender or its solicitor may

require.

**CONDITIONS TO
DISBURSEMENT:**

In addition to the conditions to disbursement set out in this Term Sheet, the following shall be disbursement conditions (unless otherwise noted).

1. All security is to be prepared by the Lender's solicitor. The Lender's solicitor is to act solely on behalf of the Lender and all costs associated therewith shall be paid by GBLP.
2. All security to be delivered to the Lender and in good order as confirmed by the Lender and the Lender's solicitor.
3. ~~GBLP is to open to two (2) separate accounts with the Lender for the Mystic Ridge development, one (1) for operations and one (1) for the restraint of profits. All expenses, revenues and transactions related to Phases II and III (and only Phases II and III) are to flow through the two (2) accounts with the Lender.~~
4. GBLP shall provide a sales summary indicating deposits received to date and proposed closing dates for any lot in Phases II and III or presold single-family residential home in Phases II and III.
5. GBLP's agreements of purchase and sale for any lot in Phases II and III or presold single-family residential home in Phases II and III shall be in a form acceptable to the Lender. Lender's solicitor shall review the standard agreement of purchase and sale prior to any presales being accepted by GBLP.
6. GBLP shall provide copies of the agreements of purchase and sale evidencing purchaser name, purchase price, lot, and deposit(s) prior to initial drawdown and on an ongoing basis.
7. GBLP shall provide the Lender and the quantity surveyor with a budget in respect of hard and soft costs detailing to the satisfaction of the Lender and the quantity surveyor that the projected single family home construction budgets are reasonable.
8. For the benefit of both the Lender and GBLP:
 - a) the Development Closing shall have occurred; and
 - b) UBG Land and GBLP shall have obtained the Approval Order.

COVENANTS:

Positive Covenants

GBLP shall at all times in respect of Phases II and III, do the following.

1. Comply with the provisions of all laws applicable to Phases II and III, including the *Builders Lien Act* (Alberta).
2. Cause any lien to be discharged promptly from major or minor lien fund funds.
3. At the request of the Lender, assign all applicable plans, contracts, agreements, approvals, permits and licenses.

4. Ensure that title to the lots remains satisfactory to the Lender.
5. Pay all reasonable out of pocket expenses incurred by the Lender.
6. Ensure that the Lender has full access so that site visits can be conducted periodically by Lender personnel.
7. In the absence of monthly draw requests, provide all information the Lender may require to conduct periodic reviews, including, but not limited to:
 - a) trial balance confirming hard and soft costs;
 - b) budget showing original budget, revised budget, costs to date and costs to complete;
 - c) list of accounts payable, and holdbacks;
 - d) compliance certificate signed by GBLP confirming compliance with the *Builders Lien Act* (Alberta), all applicable tax legislation, the terms and conditions herein and anything further requested by the Lender; and
 - e) sales summary and summary of purchaser deposits together with copies of agreements of purchase and sale not already provided.
8. Provide all reports as requested by the Lender.
9. Provide evidence that realty taxes have been paid by April 30 in each year, failing which the Lender is authorized to obtain tax certificates at GBLP's expense.
10. Provide copies of annual financial statements for GBLP, UBG Land and any other guarantors within ninety (90) days of their respective financial year ends.
11. Provide monthly internal financial statements for GBLP, UBG Land and any other guarantors within thirty (30) days of month end.
12. Provide annual review engagement financial statements for GBLP, UBG Land and any other guarantors at the request of the Lender.
13. Within thirty (30) days of each month end, provide a list of legal descriptions for lots in Phases II and III with random title searches to confirm title remains satisfactory to the Lender and its solicitors.
14. Provide detailed information regarding budgets, costs to date, customer deposits, purchase and sale agreements etc. for each lot at the request of the Lender.
15. Direct all purchaser deposits to the Lender's solicitor to be held

in trust in a bank account.

16. Maintain a development consultant that is to the sole and unfettered satisfaction of the Lender and on terms and conditions satisfactory to the Lender. The Lender shall have unfettered access to such development consultant.

Negative Covenants

GBLP shall not at any time in respect of Phases II and III, do the following.

1. Engage in speculative construction except as permitted under the drawdown terms.
2. Permit Phases II and III to be encumbered by vendor take back mortgages or promissory notes without the Lender's prior written consent, which consent may be withheld, conditioned or delayed at the sole discretion of the Lender.
3. Permit subsequent encumbrances of Phases II and III without the Lender's prior written consent, which consent may be withheld, conditioned or delayed at the sole discretion of the Lender.
4. Create, incur, assume or suffer to exist any lease or easement that would restrict use of Phases II and III without the prior approval of the Lender and its solicitor, such approval not to be unreasonably withheld.
5. Sell or transfer the property herein secured (including Phases II and III), except for lot/land sales in the normal course of business.
6. Alter the ownership structure of GBLP without the prior written consent of the Lender, which consent may be withheld, conditioned or delayed at the sole discretion of the Lender.

SCHEDULE 3 – EMERGENCE FACILITY – TERMS:

BORROWER: GBLP

GUARANTORS: UBG LAND

- CREDIT FACILITIES:**
1. Greenboro Facility - \$25,020,000
 2. Mystic Ridge Facility - \$18,800,000

- PURPOSE:**
1. To regularize the Greenboro Facility secured pursuant, among other things, the Lender's Existing CCAA Charge and accommodate Plan Implementation.
 2. To ensure that all funds advanced by the Lender under the Greenboro Facility and the Mystic Ridge Facility are repaid.
 3. To ensure that all amounts owed by GBLP under the Greenboro Facility and the Mystic Ridge Facility are cross-

collateralized, and vice versa.

INTEREST RATES:

1. Prime Rate +2.50%
2. As set forth above in this Term Sheet

FEE:

Application Fee: \$37,500 The fee is payable upon the earlier of (a) any advance from the Lender pursuant to the Amending Protocol Agreement among the Lender, GBLP, UBG Land Limited Partnership and the Monitor dated March 20, 2013 and (b) initial drawdown under the Emergence Facility. The foregoing fee is not payable if the Application Fee of \$37,500, set out in s. 2(e) of the Amending Protocol Agreement ~~between the Lender, GBLP and UBG Land dated March 20, 2013, has already been paid.~~

TERMS AND CONDITIONS:

1. Greenboro Facility

The Greenboro Facility is hereby confirmed and amended only as follows.

- a) All financial ratios and margin calculations are suspended in favour of the Models, which shall govern all future advances and repayments made under the Greenboro Facility. However, in the event that the Monitor is no longer engaged in respect of GBLP and/or UBG Land, the Lender shall be entitled to appoint an agent (including but not limited to a financial advisor, development consultant, or quantity surveyor) at the sole cost of GBLP, to determine all financial ratios and margin calculations, which shall govern all future advances and repayments made under the Greenboro Facility.
- b) GBLP shall be entitled to purchase additional lot inventory and, if the Lender does not make funds available for such additional purchases, GBLP may secure third party financing for the purchase of such lots. In the event GBLP does acquire such lots, then the Lender will subordinate its security in respect of such purchased lots, but only to the aggregate of (i) the principal advanced in respect of the purchase, (ii) appropriate fees and costs of such financing and (iii) reasonable rate of interest satisfactory to the Lender.
- c) Reporting covenants shall be amended to provide that: (i) coverage provided by Alberta New Home Warranty Program will no longer be required, but the GBLP's new warranty provider (subject always to Lender's approval) will provide analogous reports in respect of the coverage it provides to GBLP and (ii) the Models will be updated monthly, including variance reports and any amendments to projections.

Advances under the Greenboro Facility will include the following funding (to be made available upon Emergence Closing (defined below), unless otherwise noted):

- a) immediately and on an ongoing basis, Payroll;
- b) upon GBLP obtaining the Approval Order, the sum of not more than \$360,000 to address seasonal deficiencies related to the completion of driveways for homes delivered prior to May 9, 2012;
- c) upon GBLP obtaining the Approval Order, the sum of not more than \$100,000 to post as security to remove liens registered on homes subsequent to the conveyance of such homes to customers of GBLP;
- d) the sum of not more than \$60,000 for GBLP's sales and marketing program, provided that such sales and marketing program shall first be approved by the Lender;
- e) the sum of not more than \$1,848,000 (subject to deduction for payment of pre-filing lien claims estimated to be approximately \$930,000 as of March 11, 2013) to pay creditors for the supply of goods and services to GBLP prior to May 9, 2012; provided however that: (i) such creditors have a valid claim established against GBLP in the claims process developed in the CCAA Proceeding (the "Claims"), (ii) such creditors agree to continue supplying goods and services (including warranties) to GBLP, (iii) GBLP is in compliance with the Models - advances made under this subsection shall be made available as follows: (A) firstly, to pay 33 1/3% of each Claim immediately upon GBLP obtaining the Approval Order, and (B) secondly, the balance of the Claims upon the occurrence of the Emergence Closing.

The amounts advanced under b), c), and d) above shall be repaid to the Lender from the GBLP Restrained Funds.

2. Mystic Ridge Facility - As set forth above in this Term Sheet.

1. Greenboro Facility

On demand. In absence of demand, in accordance with the following:

- a) firstly, to Closing Costs;
- b) secondly, to Borrower's Costs;
- c) thirdly, to the Lender to repay all amounts owing under: (i) the Greenboro Facility, (ii) GBLP's obligations to the Lender in respect of the Development Facility, (iii) GBLP's obligations to the Lender in respect of the Construction Facility, (iv) any amounts owing by Greenboro Luxury Homes (Currie Barracks 1A) Limited Partnership and (v) any other amounts owing by GBLP to the Lender; and

REPAYMENT:

d) fourthly, to GBLP for its general corporate purposes.

2. Mystic Ridge Facility - In accordance with the repayment provisions in Schedules 1 and 2.

CLOSING:

Upon the fulfillment or waiver of all Conditions to Disbursement, and in no event later than October 1, 2013 or such other date that may be agreed to by the Lender and GBLP (the "Emergence Closing").

SECURITY:

1. All security granted in respect of the Greenboro Facility shall be pledged in support of all amounts owed under the Mystic Ridge Facility.
2. All security granted in respect of the Mystic Ridge Facility by GBLP and UBG Land shall be pledged in support of all amounts owed under the Greenboro Facility.

**CONDITIONS TO
DISBURSEMENT:**

In addition to the conditions to disbursement set out in this Term Sheet, the following shall be disbursement conditions (unless otherwise noted).

1. All security is to be prepared by Lender's solicitor.
2. All security to be delivered to the Lender and in good order as confirmed by the Lender and the Lender's solicitor.
3. For the benefit of both the Lender and GBLP:
 - a) the Development Closing shall have occurred;
 - b) the Construction Closing shall have occurred;
 - c) UBG Land and GBLP shall have obtained the Approval Order; and
 - d) Plan Implementation shall have occurred.

AGREEMENT FOR PURCHASE AND SALE

BETWEEN:

1199032 ALBERTA LTD., a corporation incorporated under the laws of the Province of Alberta

(the "Vendor")

- and -

GREENBORO ESTATE HOMES LIMITED PARTNERSHIP, a limited partnership formed pursuant to the laws of the Province of Alberta, by its general partner, **GREENBORO ESTATE HOMES (2006) LTD.**, a corporation incorporated under the laws of the Province of Alberta

(the "Purchaser")

WHEREAS the Vendor is developing a residential subdivision in Calgary, Alberta (herein referred to as "Mystic Ridge") a copy of the tentative plan of subdivision for Mystic Ridge being attached hereto as Schedule "A" (the "Plan of Subdivision");

AND WHEREAS pursuant to the an order of the Court of Queen's Bench (Judicial District of Alberta) dated March 16, 2012, a copy of which is attached hereto as Schedule "B", the Vendor has been ordered to sell the Phase 2 Lots (as defined below) to the Purchaser;

NOW THEREFORE, in consideration of the mutual covenants herein contained and the payment of the Purchase Price as referenced in this Agreement, the receipt and sufficiency of which are acknowledged by both parties, the parties hereto agree as follows:

1. Subject to Articles 4 and 30 hereof, the Purchaser agrees to buy and the Vendor agrees to sell those lands in The City of Calgary, in Province of Alberta and the 30 lots therein contained as set out in Schedule "C" attached hereto (the "Phase 2 Lots" or the "Lands" as the context requires).
2. The purchase price payable by the Purchaser to the Vendor for the Lands shall be THREE HUNDRED THOUSAND (\$300,000.00) DOLLARS per Phase 2 Lot for an aggregate price of NINE MILLION (\$9,000,000.00) DOLLARS (the "Purchase Price"), payable as follows:
 - (a) With respect to all Phase 2 Lots as set out in Schedule "C", a 20% deposit, in the sum of ONE MILLION EIGHT HUNDRED THOUSAND (\$1,800,000.00) DOLLARS to be paid to the Vendor upon execution of this Agreement for Purchase and Sale (the "Agreement") by the Purchaser.
 - (b) By a further payment by the Purchaser to the Vendor of the balance of the Purchase Price, to be paid ten (10) business days following the date of registration of the Plan of Subdivision (hereinafter referred to as the "Final Payment Date") after deduction of the apportioned deposit. In the event that the Purchaser fails to pay to the Vendor the applicable purchase price on or prior to the Final Payment Date, then provided that the

Vendor agrees, at its sole and absolute discretion, to accept late payment of the purchase price, interest shall be paid by the Purchaser to the Vendor in accordance with Section 3(a) as set out below.

The aforesaid Purchase Price does not include Goods and Services Tax ("GST") which shall be payable with the final payment due on account of the Purchase Price unless at the time of payment (and prior to the Purchaser obtaining title to the Lands) the Purchaser is a GST registrant and provides to the Vendor a Statutory Declaration issued on or about the Final Payment Date stating its correct and valid GST registration and confirming its continuing GST registration and confirming that the Purchaser is acquiring the Lands on its own behalf and not as agent or trustee for any other person. The Purchaser agrees to indemnify and save harmless the Vendor from and against any and all GST which the Vendor is required to pay relating to this Agreement and the transactions contemplated herein. The term Goods and Services Tax means the Federal Goods and Service Tax as provided in the Excise Tax Act (Canada), as amended from time to time.

3. In addition to the total Purchase Price and such other sum or sums as are contemplated to be paid pursuant to this Agreement for Purchase and Sale, the following sums shall be paid:
 - (a) Interest on monies payable but unpaid with reference to Section 2(b) aforesaid shall be payable at a rate of 8 percent over the prime lending rate as determined by The Toronto-Dominion Bank Canada in the City of Calgary in the Province of Alberta (said prime lending rate as referred to aforesaid, shall be the rate determined and announced by the HSBC Bank Canada from time to time and shall hereinafter be referred to as the "Prime Rate") until the unconditional payment of the required amount has been made to the Vendor.
 - (b) The Purchaser shall pay to the Vendor a damage deposit in the sum of \$1,000.00 per Lot (the "Damage Deposit"). The Damage Deposit is to be paid in addition to all sum or sums as referred to aforesaid, which Damage Deposit is to be paid in accordance with Article 15.
 - (c) Any taxes payable by the Purchaser to the Vendor pursuant to Articles 2 and 39 hereof.
4. The Purchaser acknowledges and agrees that arrangements for the development of the Lands may not be completed at the date hereof and the completion of such arrangements is a condition precedent to the obligation of the Vendor to sell the Lands to the Purchaser, and all amounts paid by the Purchaser to the Vendor pursuant to the terms hereof are paid on the understanding that if this condition precedent is not met, all such amounts shall be refunded by the Vendor, subject to the discharge of all encumbrances, liens, or interests registered against the Lands by the Purchaser or in respect of its interest in the Lands by the Purchaser.
5. The Vendor agrees to grant possession and provide a registrable transfer of the Lands (the "Transfer of Land"), subject to the Purchaser first having provided the Vendor with:
 - (a) unconditional payment of the Purchase Price, together with interest and other adjustments all as contemplated by the terms of this Agreement; and
 - (b) if appropriate, a Damage Deposit in accordance with Article 15 hereof.

The Purchaser shall bear all costs relating to the registration of the Transfer of Land and the transfer of title to the Lands.

6. Title to the Lands shall be free and clear of all restrictions, charges and encumbrances except for:
 - (a) the terms of the Architectural Guidelines described in Article 14 of this Agreement, which may be registered by way of Restrictive Covenant;
 - (b) the conditions, reservations and exceptions contained in the original grant from the Crown;
 - (c) such building schemes, restrictive covenants, caveats, encumbrances, rights of way or easements, which may be registered pursuant to, or arising out of, the Vendor's Development Agreement (herein referred to as the "Development Agreement") with The City of Calgary, relating to Mystic Ridge containing the Lands, or pursuant to any land use bylaws, or registered by the Vendor with respect to its rights under this Agreement;
 - (d) such further restrictive covenants, caveats, rights of way or easements as may be related to the Lands with respect to airport or flight path restrictions or regulations, or as may be reasonably necessary, in the opinion of the Vendor, for access, drainage or to install utilities and services, or in respect of mailboxes, fire hydrants, electrical transformers, cable T.V. boxes, telephone boxes or street lighting or which are or were incidental to the subdivision or development of Mystic Ridge within which the Lands are located;
 - (e) such encumbrances and rent charges in favour of any utility provider in connection with the services to be provided by it in connection with the Lands;
 - (f) such financial charges or encumbrances which may be registered against the interest of the Vendor in the Lands with the Vendor's consent and which the Vendor undertakes to discharge from the Title to the Lands within a reasonable period of time from the closing; and
 - (g) any charges and encumbrances created by, or through, the Purchaser.
7. Taxes, rates, insurance, and all matters of usual adjustment shall be adjusted between the Vendor and the Purchaser as at the date that the Plan of Subdivision with reference to the Lands located in Mystic Ridge has been registered. In the event that the Vendor is required or desires to obtain a clear municipal tax certificate, the Purchaser hereby indemnifies the Vendor against all costs, charges, and expenses incurred by the Vendor with respect to obtaining such tax certificate and such sum or sums shall be paid by the Purchaser to the Vendor within thirty (30) days from the date the Vendor advises the Purchaser that said payment has been made.
8. At any time at which the Vendor is the owner of the Lands, the Purchaser covenants and agrees that it will not permit any Builder's Lien in respect of work done or materials or services supplied at the request of the Purchaser or any of its contractors or subcontractors or anyone thereunder, to be filed against title to any lands within Mystic Ridge or against the title to the Lands, nor at any time allow any such Builder's Lien to remain on any such title for more than 30

days following any such Builder's Lien being registered. The Purchaser agrees to indemnify and save harmless the Vendor from all losses, costs (including legal costs on a solicitor and his own client bases), charges and expenses which the Vendor may suffer as a result of a breach of this provision.

9. The Purchaser shall grade that portion of the Lands abutting any reserve lands, streets, lanes, walkways, parks and other land or lands subject to easements for drainage and walkways purposes so as to comply with the grade plan or direction (including construction of retaining walls) approved by the engineer of or designated by The City of Calgary, or if such a slope plan or direction has not been approved, the Purchaser shall grade the Lands as directed by the Vendor or its engineering advisor. In the event that the Purchaser does not comply with this provision, the Vendor shall be entitled to carry out the obligations of the Purchaser hereunder and the Purchaser shall pay to the Vendor forthwith on receipt of invoices therefore the costs of all such grading which the Vendor shall carry out, or any retaining wall which the Vendor shall construct in lieu thereof, and any other action or work taken by the Vendor to remedy any default of the Purchaser in carrying out the plan or direction of such engineer, and which grading, construction or action of the Vendor shall be done or taken in the exercise of the reasonable discretion of the Vendor in order to comply with such plan or direction, or to satisfy any other obligation arising from such plan or direction. The Purchaser hereby grants to the Vendor an irrevocable license from the date hereof until such date as The City of Calgary has issued the final acceptance certificates in respect of the subdivision in which the Lands are located, to enter upon the Lands for the purposes of performing any work which may be required by The City of Calgary for the issuance of such certificates, and, in particular, to cause the grading and further drainage of Lands, including any drainage sewers to comply with the requirements of The City of Calgary.
10. The Purchaser shall take good care of each public utility, improvement, road and sidewalk that is located in the subdivision in which the Lands are located. The Purchaser shall be responsible and agrees to indemnify and save harmless and hereby indemnifies and saves harmless the Vendor for the cost of locating and replacing or repairing damage occasioned to any tree, water line, storm sewer, sanitary sewer, grades, curb, sidewalk, hydrant, water valve, storm sewer connection, sanitary sewer connection, electric cable, transformer, telephone line, cable television line and other services related to the Lands, and for repairing, refilling, removing and re-grading any road where the road has been damaged or where earth or any other foreign matter has been deposited on a road in the subdivision if, in the opinion of the Vendor (acting reasonably), such cost has been incurred by reason of any action or negligence of the Purchaser or any person or persons for whom the Purchaser is responsible. The Purchaser shall also indemnify and hereby agrees to indemnify the Vendor against the costs of all repairs which the Vendor shall be required to make in order to obtain any intermediate approval, final approval, or acceptance of any utilities and services by the local authority in which the Lands are located, or its authorized agent. In the event that the Vendor is unable to determine the party causing any of the damage referenced above, the Purchaser agrees that the Vendor may assess the cost of such repairs amongst those parties building homes in the subdivision in such percentages as the Vendor may reasonably determine.
11. The Purchaser acknowledges and agrees that it is the prime contractor within the meaning of the *Occupational Health and Safety Act (Alberta)* and the Purchaser undertakes to carry out the duties and responsibilities of the prime contractor with respect to all work performed on the

Lands, and as far as it pertains to the building of the residence on the Lands, excluding work performed by contractors, consultants or utility companies on behalf of the Vendor. The Purchaser shall indemnify and hold harmless the Vendor from any liability for claims, damages or penalties, including legal fees on a solicitor and his own client basis, to defend any prosecutions or civil actions arising from the Purchaser's failure to comply with the duties, responsibilities and obligations of the prime contractor under the Occupational Health and Safety Act (Alberta) or any other relevant legislation.

12. The Purchaser shall indemnify and save the Vendor harmless from and against all claims, demands, proceedings, actions, damages, costs and expenses which may be made or brought or incurred against the Vendor howsoever or which the Vendor may sustain, incur, be put to or liable for, either directly or indirectly, by reason of construction or the performance of any other work on or in connection with the Lands by the Purchaser or any subsequent purchaser or any contractor, servant, agent or workman of the Purchaser or any subsequent purchaser or any other person or persons entering upon the Lands. It is further understood and agreed that the Vendor shall not be liable in respect of any claims, demands, actions or proceedings which may be made or brought against the Purchaser or any subsequent purchaser arising out of or in any way related to the Purchaser's or any subsequent purchasers' use or occupation of the Lands, inclusive of but not limited to the construction or performance of any work thereon. The Purchaser shall, upon demand, provide proof of public liability insurance in a form, substance and amount satisfactory to the Vendor.
13. The Vendor has or shall furnish all material and do all the work necessary to install those utilities and services required to be installed pursuant to the terms of any Development Agreement(s) entered into between the Vendor and The City of Calgary, provided that the Vendor shall not be responsible or liable in any manner for delays in completion, or failure to complete the furnishing of any materials or the doing of any work provided for in this clause due to shortages of material or labour, strikes, or any other cause beyond the control of the Vendor.
14. The Purchaser covenants and agrees not to construct any residential building or other building or fence, screen, retaining wall, erection or other improvement of any kind on the Lands other than in accordance with the development guidelines issued by the Vendor (which development guidelines shall hereinafter be referred to as the "Architectural Guidelines") and the Purchaser shall not apply for a building permit for the construction of a residential building on the Lands until a plan indicating the site of the residential building, grade elevation and exterior appearance including finishing and colour, and landscaping details has been approved in writing by the Vendor in accordance with the Architectural Guidelines, provided that the Vendor shall have no responsibility or liability by reason of its approval of such plan.
15. Prior to the commencement of construction by the Purchaser on the Lands, the Purchaser shall pay to the Vendor the Damage Deposit as security for the due performance of the obligations of the Purchaser under Articles 10, 14 and 15 hereof. The Vendor shall refund such payment to the Purchaser after the due performance of such obligations and on written application therefore on the earlier of one (1) year from date of the first occupancy of the residential building constructed on the Lands and receipt of notice from the Purchaser; or immediately following the date which repairs have been assessed by the Vendor. In the event that the Purchaser's obligations as set out in Articles 10 and 14 hereof are not fulfilled, that portion (or all) of the Damage Deposit required to satisfy such obligation shall be forfeited to the Vendor and used by

the Vendor to satisfy such obligations. Any sum paid by the Vendor (to satisfy the obligations of the Purchaser) in excess of the amount of the Damage Deposit shall be owed and paid by the Purchaser to the Vendor on demand. Such sum shall be paid to the Vendor by the Purchaser within thirty (30) days following the date of demand for payment of same and if not paid within such period such excess sum shall bear interest at the rate set out herein.

16. At all times, inclusive of the period when construction is being conducted upon the Lands, the Purchaser agrees to keep the Lands in a neat and tidy condition. The Purchaser agrees to comply with all reasonable requests made by the Vendor in respect of the appearance of the Lands during construction. The Purchaser agrees that all supplies of bricks, lumber, and other building materials shall be stored neatly on the Lands (but not stored on any right of way or easement registered on title to the Lands) and put appropriate erosion control mechanisms in place.
17. The Purchaser and the Vendor acknowledge and agree that the Vendor and/or The City of Calgary may require the placement of mail boxes, fire hydrants, electrical transformers, cable T.V. boxes, telephone boxes, street lighting or other construction or structures or erections to be placed upon or adjacent to the Lands. In furtherance of this clause, the Purchaser shall, on request by the Vendor, execute such further agreements or assurances and take such steps as may be required to give force and effect to this provision.
18. Without limiting the rights granted to the Vendor herein, the Purchaser shall be deemed to be in default in each and every of the following events or any combination thereof:
 - (a) upon default in payment of any monies owing under this Agreement; or
 - (b) in the event that:
 - (i) the Purchaser, or its assignee, shall default in the due observance and performance of any obligation which the Purchaser has undertaken to the Vendor hereunder;
 - (ii) a claim for a builders' lien with respect to work performed or material supplied by or on behalf of the Purchaser is filed and is not discharged within thirty (30) days after the registration; or
 - (iii) the Purchaser, without the prior written consent of the Vendor, assigns this Agreement, or assigns the interest of the Purchaser in the Lands, or agrees to sell or otherwise dispose of the Lands to any person, firm or corporation, other than a person, firm or corporation who or which have the bona fide intention to construct a residential building on the Lands, and such act or omission is not remedied by the Purchaser within 30 days of written notice to remedy same having been provided by the Vendor.
19. In the event of the default of the Purchaser as set out in subparagraphs 18(a) and (b) above, and the expiry of any period permitted in order to remedy same, the Vendor shall, without limiting its other remedies herein or at law or in equity, be entitled at its option to do any one or more of the following:
 - (a) declare the Purchaser's rights under this Agreement determined at an end;

- (b) to retain the deposit monies paid to it by the Purchaser as liquidated damages and not as a penalty;
- (c) to retain any other sums paid to it by the Purchaser on account of its damages, losses and expenses incurred or suffered by it in excess of the deposit and associated with the Purchaser's default (including legal costs on a solicitor and his own client basis) or associated with any resale of the Lands;
- (d) to retain all improvements made on the Lands;
- (e) to proceed to sell the Lands; or
- (f) to take possession of the Lands and enjoy the same and remove the Purchaser therefrom.

In the event of a resale of the Lands by the Vendor, the Vendor shall account to the Purchaser for any proceeds of sale attributable to improvement upon the Lands constructed by the Purchaser, net of any damages, losses and expenses incurred or suffered by the Vendor in excess of the deposit and associated with the Purchaser's default (including legal costs on a solicitor and his own client basis) or associated with any resale of the Lands. Without limiting any of its other remedies, upon default by the Purchaser, the Vendor may perform or cause to be performed each or any obligation of the Purchaser hereunder, including correction of any work improperly performed or performed in breach of the Architectural Guidelines (as herein defined), any and all expenses resulting therefrom, including an administrative fee equal to 5% of the cost of such corrections to reimburse the Vendor for the cost of providing such services, all of which shall be paid by the Purchaser forthwith upon demand and shall bear interest from the dates such expenses are incurred at the rate set out in Article 3(a) hereof until the Purchaser reimburses the Vendor for such expenses. The Purchaser charges its estate and interest in the Lands as security for the performance of all of the Purchaser's obligations under this Agreement.

- 20. The Purchaser covenants and agrees that it shall not sell, transfer, assign or otherwise dispose of its interest in the Lands prior to the commencement of construction of a residential building thereon without the written consent of the Vendor, and no sale, transfer, assignment or other disposition of this Agreement shall be valid unless such sale, transfer, assignment or disposition is for the entire interest of the Purchaser and is approved in writing by the Vendor. No agreement or relationship between the Purchaser and any assignee or any other person acquiring title or interest from or through the Purchaser shall preclude the Vendor from the right to transfer and convey the Lands to the Purchaser, unless such assignment is so approved by the Vendor, and this provision shall not in any way be affected or changed by the Vendor receiving payment of any portion of the Purchase Price from any assignee or other person.
- 21. The failure of the Vendor to enforce the strict performance of any agreement, condition or provision herein contained shall not of itself constitute a waiver of or abrogate such agreement, condition or provision nor shall any waiver of any such agreement, condition or provision be a waiver of any subsequent breach of the same, or any other agreement, condition or provision.
- 22. The Purchaser acknowledges that it has been informed by the Vendor that certain lots within the subdivision of which the Lands form a part are situated on fill and may require added caution in foundation design and construction, and the Purchaser hereby acknowledges and

agrees that the Vendor shall have no responsibility or liability arising from or in respect of any settlement which may occur on such lots within such subdivision or otherwise arising out of the condition of the soil on the Lands.

23. The Purchaser covenants and agrees to keep the Lands free of weeds. The Purchaser further acknowledges that if it breaches its covenants herein, title to the Lands, which will remain in the name of the Vendor during the term of this Agreement until title is transferred to the Purchaser or a third party, may be subject to a weed control notice filed by The City of Calgary or relevant municipality. In such event, the Purchaser covenants and agrees to forthwith remove the weeds and do all such acts and pay all such costs reasonably necessary in removing the weed control notice from the title to the Lands. In the event the Purchaser does not remove the weeds such that the weed control notice is not removed from the Lands, the Purchaser grants to the Vendor the right to control weeds and to take all steps necessary in order to have the weed control notice removed from title to the Lands and hereby indemnifies the Vendor against all costs, damages and expenses reasonably incurred by the Vendor in doing such act.
24. (a) The Purchaser covenants with and represents and warrants to and in favour of the Vendor that:
 - (i) it shall not allow any Hazardous Materials, as defined below, to be placed, held, located or disposed of on, under or at the Lands, other than in accordance with applicable laws; and
 - (ii) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including, without limitation, laws respecting the disposal and emission of Hazardous Materials.(b) For the purposes of this Agreement, "Hazardous Materials" means any hazardous substance or any pollutant or contaminant, toxic or dangerous waste, substance or material.
25. Until such time as the Purchaser makes all payments required to be made under this Agreement and performs all terms and conditions herein contained, the Purchaser shall not, without the written consent of the Vendor first had and obtained, cause, suffer or permit any lien, charge, claim, instrument or encumbrance to appear or remain upon the title to the Lands (excepting a caveat regarding the Purchaser's interest) and the Purchaser shall indemnify and save harmless the Vendor from any liability, costs, loss, claims or expenses which the Vendor may suffer or incur as a result of the default of the Purchaser in respect of the provisions hereof.
26. The Purchaser agrees to comply with the provisions of federal, provincial and municipal law; and the Purchaser shall comply with the provisions of each restrictive covenant and easement registered on title to the Lands.
27. The provisions of this Agreement shall not merge on the registration of the transfer of title to the Lands but shall survive the registration of the transfer of title for a period of six (6) years. If within six (6) years after the date of registration of the transfer of title to the Lands to the Purchaser, the Vendor shall be required by a government authority or bonding company to effect any corrective measure with respect to the subdivision containing the Lands or the Lands themselves, then the Vendor has the right, but not the obligation, at the sole cost and expense

of the Purchaser, within that six (6) year period to enter the Lands for the purpose of effecting such corrective measure without being deemed to have committed a trespass, and the Vendor shall be entitled to access to any portion of the Lands at all times for any such purpose. After completion of a corrective measure, the Vendor shall immediately use reasonable efforts to restore the Lands to the condition of the Lands immediately prior to the corrective measure.

28. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns, and where the singular is used the same shall be constituted as meaning the plural or in the feminine and masculine where the context so requires.
29. The Purchaser covenants and agrees that any assignment or transfer of the Lands shall be made strictly in accordance with the terms of this Agreement. In the event of any such assignment or transfer unto a subsequent purchaser, the Purchaser covenants and agrees that all terms, covenants and conditions of this Agreement shall be included as a legal and binding obligation of any subsequent purchaser, assignee or transferee and the Purchaser agrees to indemnify and save harmless and hereby indemnifies and saves harmless the Vendor from all costs, expenses and charges of and incidental thereto with reference to any such term, covenant or condition which is not fully complied with and satisfied by the Purchaser in accordance with the terms of this Agreement.
30. If at the time this Agreement is signed, separate title for the Lands has not yet been created through subdivision, then the parties acknowledge that this Agreement is conditional upon the Vendor obtaining the necessary consents and approvals on or before the first anniversary of the date of this Agreement, to permit registration of the Plan of Subdivision so as to create a separate title for the Lands. The Vendor undertakes to use its best efforts to obtain subdivision of that portion of the lands containing the Lands (at its expense) in accordance with the tentative plan provided by the Vendor to the Purchaser. The Purchaser further acknowledges that it is aware of the provisions of Section 95 of the Land Titles Act of Alberta, as the same may be amended from time to time, and the Purchaser hereby expressly and unconditionally waives any rights vested in it to declare or seek to have this Agreement declared void *ab initio*.
31. The Purchaser acknowledges and agrees that there are no representations, warranties, or collateral agreements which exist with reference to the Lands, other than as set out in writing in the Agreement herein. Any variations or amendments shall be set out in writing by the Vendor and the Purchaser.
32. Time shall be of the essence in the Agreement.
33. Each payment required or contemplated by this contract shall be in Canadian Dollars and each payment shall be by bank draft from a Canadian Chartered Bank or by Certified Cheque or by Solicitor's Trust Cheque, as determined by the Vendor.
34. This Agreement shall be subject to and interpreted in accordance with the laws of the Province of Alberta.
35. The Purchaser has agreed to purchase the Lands subject to existing zoning.

36. The Purchaser acknowledges that there are no real estate commissions payable by the Vendor and any such commissions, if payable at all, shall be paid by the Purchaser.
37. The Vendor represents to the Purchaser that it is not a nonresident of Canada within the meaning of Section 116 of the Income Tax Act.
38. In the event a court of ultimate competent jurisdiction were to determine that any clause or clauses herein contained in this Agreement is invalid or enforceable, this Agreement shall remain in full force and effect with the exclusion only of such clause or clauses.
39. The Purchaser covenants and agrees to pay any additional sales, consumption, value added or goods and services taxes (in addition to the G.S.T. referenced in Article 2 hereof) which are or may be imposed by any governmental authority as a consequence of reassessment or otherwise with respect to the sale and purchase hereunder. If the Vendor is required to collect any such taxes from the Purchaser, the Purchaser shall pay such taxes to the Vendor at the same time as the balance of the Purchase Price is paid or when a reassessment is issued, as the case may be.
40. All notices to be given pursuant to the terms of this Agreement shall be delivered to the Vendor or the Purchaser at the addresses as set out herein.

To the Vendor at:

1199032 Alberta Ltd.

Calgary, Alberta _____

Attention: _____

Fax: (____) ____ - _____

To the Purchaser at:

c/o Greenboro Estate Homes (2006) Ltd.

Calgary, Alberta _____

Attention: _____

Fax: (____) ____ - _____

41. The Purchaser acknowledges and agrees that the Vendor may assign its interest in this Agreement to any related body corporate or limited partnership.
42. In the event of any dispute between the Vendor and the Purchaser with respect to the interpretation of any terms of this Agreement or any other matter to which both parties consent to arbitration, it being understood and agreed by the parties that disputes as to any payment obligations of the Purchaser shall not be the subject of arbitration under this Article 42, such dispute may be determined by arbitration by a sole arbitrator, appointed in the following manner:

- (a) the Vendor and the Purchaser may appoint an arbitrator jointly agreed upon between them, within seven (7) days of any party notifying the other party that it wishes to determine a matter by arbitration;
- (b) if the Vendor and the Purchaser do not jointly appoint an arbitrator within the time limit under the preceding Section 42(a), then either party may apply to a Judge of the Court of Queen's Bench of Alberta to appoint an arbitrator;
- (c) the appointment of an arbitrator, except one appointed by a Judge as herein provided, shall be in writing;
- (d) the arbitrator shall have the power to obtain the assistance, advice or opinion of such engineer, architect, surveyor, appraiser, evaluator, or other expert as it may think fit and shall have the discretion to act upon any assistance, advice or opinion so obtained;
- (e) the arbitration award may include an award of costs and of interest and, notwithstanding the provisions of the *Arbitration Act (Alberta)*, the amount of costs shall not be limited to the scale of rates provided in the *Arbitration Act (Alberta)*;
- (f) each of the parties will do all acts and things and execute all deeds and instruments necessary to give effect to any award made upon any such arbitration;
- (g) any arbitrator appointed hereunder shall be independent from any of the parties to this Agreement;
- (h) except as otherwise provided herein, such arbitration shall be conducted in accordance with the provisions of the *Arbitration Act (Alberta)*; and
- (i) all charges, fees and expenses of the Arbitrator shall be borne and paid equally by the parties.

In Witness Whereof the Vendor and the Purchaser have executed this Agreement this ____ day of _____, 2013.

1199032 ALBERTA LTD.

Per: _____

Per: _____ (c/s)

**GREENBORO ESTATE HOMES LIMITED PARTNERSHIP, by its
general partner, GREENBORO ESTATE HOMES (2006) LTD.**

Per: _____

Per: _____ (c/s)

SCHEDULE "A"

PLAN OF SUBDIVISION

SCHEDULE "B"

COURT ORDER

SCHEDULE "C"

LANDS / PHASE 2 LOTS

AGREEMENT FOR PURCHASE AND SALE

BETWEEN:

1199032 ALBERTA LTD., a corporation incorporated under the laws of the Province of Alberta

(the "Vendor")

- and -

GREENBORO ESTATE HOMES LIMITED PARTNERSHIP, a limited partnership formed pursuant to the laws of the Province of Alberta, by its general partner, **GREENBORO ESTATE HOMES (2006) LTD.**, a corporation incorporated under the laws of the Province of Alberta

(the "Purchaser")

WHEREAS the Vendor is developing a residential subdivision in Calgary, Alberta (herein referred to as "Mystic Ridge") a copy of the tentative plan of subdivision for Mystic Ridge being attached hereto as Schedule "A" (the "Plan of Subdivision");

AND WHEREAS pursuant to the an order of the Court of Queen's Bench (Judicial District of Alberta) dated March 16, 2012, a copy of which is attached hereto as Schedule "B", the Vendor has been ordered to sell the Phase 3 Lots (as defined below) to the Purchaser;

NOW THEREFORE, in consideration of the mutual covenants herein contained and the payment of the Purchase Price as referenced in this Agreement, the receipt and sufficiency of which are acknowledged by both parties, the parties hereto agree as follows:

1. Subject to Articles 4 and 30 hereof, the Purchaser agrees to buy and the Vendor agrees to sell those lands in The City of Calgary, in Province of Alberta and the 8 lots therein contained as set out in Schedule "C" attached hereto (the "Phase 3 Lots" or the "Lands" as the context requires).
2. The purchase price payable by the Purchaser to the Vendor for the Lands shall be THREE HUNDRED THOUSAND (\$300,000.00) DOLLARS per Phase 3 Lot for an aggregate price of TWO MILLION FOUR HUNDRED THOUSAND (\$2,400,000.00) DOLLARS (the "Purchase Price"), payable as follows:
 - (a) With respect to all Phase 3 Lots as set out in Schedule "C", a 20% deposit, in the sum of FOUR HUNDRED EIGHTY THOUSAND (\$480,000.00) DOLLARS to be paid to the Vendor upon execution of this Agreement for Purchase and Sale (the "Agreement") by the Purchaser.
 - (b) By a further payment by the Purchaser to the Vendor of the balance of the Purchase Price, to be paid ten (10) business days following the date of registration of the Plan of Subdivision (hereinafter referred to as the "Final Payment Date") after deduction of the apportioned deposit. In the event that the Purchaser fails to pay to the Vendor the

- 34. This Agreement shall be subject to and interpreted in accordance with the laws of the Province of Alberta.
- 35. The Purchaser has agreed to purchase the Lands subject to existing zoning.
- 36. The Purchaser acknowledges that there are no real estate commissions payable by the Vendor and any such commissions, if payable at all, shall be paid by the Purchaser.
- 37. The Vendor represents to the Purchaser that it is not a nonresident of Canada within the meaning of Section 116 of the Income Tax Act.
- 38. In the event a court of ultimate competent jurisdiction were to determine that any clause or clauses herein contained in this Agreement is invalid or enforceable, this Agreement shall remain in full force and effect with the exclusion only of such clause or clauses.
- 39. The Purchaser covenants and agrees to pay any additional sales, consumption, value added or goods and services taxes (in addition to the G.S.T. referenced in Article 2 hereof) which are or may be imposed by any governmental authority as a consequence of reassessment or otherwise with respect to the sale and purchase hereunder. If the Vendor is required to collect any such taxes from the Purchaser, the Purchaser shall pay such taxes to the Vendor at the same time as the balance of the Purchase Price is paid or when a reassessment is issued, as the case may be.
- 40. All notices to be given pursuant to the terms of this Agreement shall be delivered to the Vendor or the Purchaser at the addresses as set out herein.

To the Vendor at:

1199032 Alberta Ltd.

Calgary, Alberta _____

Attention: _____

Fax: (____) ____ - _____

To the Purchaser at:

c/o Greenboro Estate Homes (2006) Ltd.

Calgary, Alberta _____

Attention: _____

Fax: (____) ____ - _____

- 41. The Purchaser acknowledges and agrees that the Vendor may assign its interest in this Agreement to any related body corporate or limited partnership.
- 42. In the event of any dispute between the Vendor and the Purchaser with respect to the interpretation of any terms of this Agreement or any other matter to which both parties consent to arbitration, it being understood and agreed by the parties that disputes as to any payment obligations of the Purchaser shall not be the subject of arbitration under this Article 42, such

dispute may be determined by arbitration by a sole arbitrator, appointed in the following manner:

- (a) the Vendor and the Purchaser may appoint an arbitrator jointly agreed upon between them, within seven (7) days of any party notifying the other party that it wishes to determine a matter by arbitration;
- (b) if the Vendor and the Purchaser do not jointly appoint an arbitrator within the time limit under the preceding Section 42(a), then either party may apply to a Judge of the Court of Queen's Bench of Alberta to appoint an arbitrator;
- (c) the appointment of an arbitrator, except one appointed by a Judge as herein provided, shall be in writing;
- (d) the arbitrator shall have the power to obtain the assistance, advice or opinion of such engineer, architect, surveyor, appraiser, evaluator, or other expert as it may think fit and shall have the discretion to act upon any assistance, advice or opinion so obtained;
- (e) the arbitration award may include an award of costs and of interest and, notwithstanding the provisions of the *Arbitration Act* (Alberta), the amount of costs shall not be limited to the scale of rates provided in the *Arbitration Act* (Alberta);
- (f) each of the parties will do all acts and things and execute all deeds and instruments necessary to give effect to any award made upon any such arbitration;
- (g) any arbitrator appointed hereunder shall be independent from any of the parties to this Agreement;
- (h) except as otherwise provided herein, such arbitration shall be conducted in accordance with the provisions of the *Arbitration Act* (Alberta); and
- (i) all charges, fees and expenses of the Arbitrator shall be borne and paid equally by the parties.

In Witness Whereof the Vendor and the Purchaser have executed this Agreement this ____ day of _____, 2013.

1199032 ALBERTA LTD.

Per: _____

Per: _____ (c/s)

**GREENBORO ESTATE HOMES LIMITED PARTNERSHIP, by its
general partner, GREENBORO ESTATE HOMES (2006) LTD.**

Per: _____

Per: _____ (c/s)

SCHEDULE "A"
PLAN OF SUBDIVISION

SCHEDULE "B"

COURT ORDER

SCHEDULE "C"

LANDS / PHASE 3 LOTS