

THIS IS EXHIBIT "B" referred to in the Affidavit of Robert Erwin Sworn before me this 6th Day of July A.D. 2012

AGREEMENT

THIS AGREEMENT made this 5th day of July, 2012

BETWEEN:

SOUTH TERWILLEGAR VILLAGE INC., as general partner for SOUTH TERWILLEGAR VILLAGE LIMITED PARTNERSHIP (the "Borrower")

ADMISSION OF OFFICE
IN AND FOR THE PROVINCE OF ALBERTA
A Notary Public in and for the Province of Ontario
TYLER E. JOHNSON, B.A.,
BARRISTER, SOLICITOR
NOTARY PUBLIC
OF THE FIRST PART

- and -

SOUTH TERWILLEGAR VILLAGE INC., as general partner for SOUTH TERWILLEGAR VILLAGE LIMITED PARTNERSHIP, UBG ALBERTA BUILDERS (2006) INC., as general partner for UBG ALBERTA BUILDERS LIMITED PARTNERSHIP (collectively, the "Guarantors")

OF THE SECOND PART

- and -

BANK OF NOVA SCOTIA ("BNS")

OF THE THIRD PART

WHEREAS BNS has made secured loans and advances to the Borrower and has been granted security from the Borrower therefor including, *inter alia*, a first mortgage on the Project, including the lands, premises, and condominium units described in the attached Schedule "A" (the "Units");

AND WHEREAS the Borrower has obtained protection under and pursuant to the provisions of the *Companies' Creditors Arrangement Act* pursuant to an Initial Order (the "Initial Order") made in the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") in Action Number 1201-05843 on May 9, 2012 (the "CCA Proceedings");

AND WHEREAS the Borrower has obtained a Vesting Order (the "Vesting Order") in the CCA Proceedings on June 15, 2012 in respect of, *inter alia*, the sale of the Units;

AND WHEREAS the Borrower has obtained a Claims Procedure Order (the "Claims Procedure Order") in the CCA Proceedings on June 15, 2012;

AND WHEREAS Ernst & Young Inc. is the court appointed monitor (the "Monitor") in the CCA Proceedings;

AND WHEREAS the Borrower, BNS, and the Monitor (collectively, the "Parties") have agreed to proceed with a plan to:

- (a) fund and complete construction of the Project, including the Units under construction;
- (b) close the sales of Units that are under contract for sale;

- (c) market and sell (and to the extent required, complete the construction thereof) the Remaining Units (defined below);
- (d) all with a view to expeditiously repaying the secured indebtedness owing to BNS.

NOW THEREFORE, this agreement (hereinafter, the "Agreement") witnesses that in consideration of the mutual covenants and agreements contained herein the Parties agree as follows:

1. Defined Terms

In this Agreement, unless otherwise defined herein, capitalized terms shall have the following meanings:

"Borrower's Costs" means an amount payable to the Borrower for its immediate use to cover its ongoing costs and disbursements of developing, constructing, marketing, selling, and otherwise completing the Project, calculated as a percentage of the Net Sale Proceeds of a Unit; where the percentage is equal to 6%;

"Closing Costs" means all ordinary or reasonable costs of closing the sale of a Unit including, without limitation: (a) all goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium or community fees, and legal fees and disbursements; and (b) such withholdings as may be customary or necessary, including to secure warranty obligations of the Borrower of 0.5% of the total sale proceeds of the Unit;

"DIP Order" means an Order granted by the Court in the CCAA Proceedings in the form attached hereto as Schedule "B" or otherwise acceptable to the parties;

"Guarantees" means:

- a) a Guarantee Agreement dated February 6, 2007 provided by South Terwillegar Village Limited Partnership in favour of BNS; and
- b) a Guarantee Agreement dated April 4, 2007 provided by UBG Alberta Builders Limited Partnership in favour of BNS;

"Loan Documents" means the commitment letter, security documents, Guarantees, and related agreements among BNS and the Borrower governing the credit facilities granted by BNS in favour of the Borrower for the development of the Project and sale of the Units;

"Net Sale Proceeds" means the gross selling price of each Unit, less Closing Costs.

"Payables" means any amount owed by the Borrower for the provision of property, goods or services in respect of developing the Project and all the Units thereof to their completion and, in the case of goods or services provided to the Borrower prior to May 9, 2012, where such claim has been proven in accordance with the Claims Procedure Order;

"Project" means the multi-unit residential condominium project known as "South Terwillegar", being a two phase development ("1" and "2") comprised of 112 units located in Edmonton, Alberta.

"QS" means the quantity surveyor of the Project, namely BTY Group, or such other quantity surveyor as BNS, the Borrower, and the Monitor may agree upon;

"Units" means all of the residential properties in the Project set forth in Schedule "A" to this Agreement and such additional residential units as may be agreed to by the parties in writing; and

"Units Under Construction" means those Units listed in Parts I and II of Schedule "A" to this Agreement.

2. BNS Indebtedness

(a) Confirmation of Indebtedness

As of May 9, 2012 the principal balance outstanding and owing by the Borrower to BNS is \$3,250,000 (the "Outstanding Loan Amount"), plus letters of guarantee issued by BNS on behalf of the Borrower totalling \$194,809 (the "Outstanding Letters of Guarantee Amount"), exclusive of accrued interest and all other costs and charges due or accruing due under and pursuant to the security held by BNS (collectively, the Outstanding Loan Amount and Outstanding Letters of Guarantee Amount shall be referred to as the "Indebtedness").

(b) Payment of Interest

Throughout the CCAA Proceedings and until the Indebtedness is repaid in full, BNS shall be entitled to charge interest on the Indebtedness to the Borrower on the terms and conditions prescribed by the Loan Documents (the "Interest"). The Borrower shall pay Interest to the Borrower first out of any interest reserves of the Borrower with BNS (the "Interest Reserves") until the Interest Reserves are exhausted, after which such Interest shall be paid to BNS by the Borrower out of its cashflow.

3. Future Unit Sales

(a) General

The Borrower has advised that the Units listed in Part I of Schedule "A" to this Agreement have been sold to arms-length parties pursuant to existing written contracts for sale (collectively, the "Contracts"). The Borrower agrees to provide copies of the Contracts to BNS and the Monitor on or before July 31, 2012.

The Borrower has advised that the Units listed in Part II of Schedule "A" to this Agreement have not yet been sold and are being constructed as part of the requirements of the Project and the occupancy thereof (the "Remaining Units").

(b) Interim Financing

BNS will advance the funds required to complete the Project and market the Units Under Construction as requested by the Borrower (the "Draws") as follows:

- (i) Draws will be secured by the "super-priority" charge set forth in, and otherwise governed by the provisions of, the DIP Order;
- (ii) Draws will not exceed:
 - (A) the allocated budget expense for the Project (as confirmed by the QS), and
 - (B) the aggregate principal amount of \$4,450,000, and will bear interest at BNS prime rate of interest plus 1.75% (the "Revised Facility");
- (iii) the Borrower shall pay to BNS a monthly maintenance fee in the amount of \$10,000 (the "Monthly Maintenance Fee") with respect to the Revised Facility, which sum shall be withdrawn automatically on a monthly basis by BNS from the Revised Facility;
- (iv) for the sake of clarity, except for the rate of interest on the Revised Facility prescribed by subparagraph (ii)(B) above and the Monthly Maintenance Fee, which terms are prescribed herein, all fees, costs, charges and other amounts payable by the Borrower to BNS pursuant to the Loan Documents shall also be paid by the Borrower with respect to the Revised Facility, and shall be withdrawn by BNS from the Revised Facility pursuant to the terms of the Loan Documents;
- (v) Draws will be used to pay Payables related to the completion of the Project, including the Units Under Construction; and
- (vi) except as may be provided in this Agreement and the DIP Order, Draw advances shall be subject to the terms and conditions set forth in the Loan Documents.

The Borrower shall immediately proceed in the CCAA Proceedings to seek and obtain the DIP Order.

(c) Completion and Sale of Units Under Construction

The Borrower agrees to utilize diligent commercial efforts to proceed to the completion of the Project, including the completion and closing of the sale of the Units pursuant to the Contracts and to the completion, sale and closing of the Remaining Units. The Parties agree that the sales proceeds from the Units shall be disbursed as follows:

- (i) firstly, to the payment of Closing Costs;
- (ii) secondly, to the payment of the Borrower's Costs;
- (iii) thirdly, to the repayment of all Draws made pursuant to the DIP Order (including all of BNS's costs and expenses, including but not limited to legal fees, project monitor fees, and all other costs and expenses payable to BNS pursuant to the Loan Documents);
- (iv) fourthly, to the repayment of the Outstanding Loan Amount;

- (v) fifthly, to the Outstanding Letters of Guarantee Amount; and
- (vi) sixthly, to the Borrower for general corporate purposes.

4. Sale and Marketing of Remaining Units

The Borrower, with the consent of the Monitor, shall supply a proposed listing price (the "Listing Price") of the Remaining Units to BNS, which Listing Price shall not be less than the lowest list price permitted by agreements related to each Remaining Unit. The Borrower shall be entitled to enter into arms length contracts for sale of the Remaining Units in the manner prescribed by paragraph 4 of the Vesting Order. The proceeds of sale from any Remaining Units shall be paid pursuant to Section 3(c) hereof.

The Parties agree that the Borrower shall consult with BNS in respect of sales and marketing process for the Remaining Units.

5. Construction and Loan Maturity

- (a) The Borrower hereby confirms that the monies advanced under the Revised Facility pursuant to the terms of this Agreement shall be repayable in full, including interest, fees and all other amounts due and owing to the Lender, by no later than July 31, 2013 (the "Maturity Date").
- (b) The Borrower shall make its best efforts on an ongoing basis to construct the Project in a timely, orderly and dilligent fashion, and shall complete construction on the Project by no later than the Maturity Date.
- (c) The Borrower acknowledges and agrees that its breach of sections 5(a) and 5(b) shall constitute events of default pursuant to the Loan Documents.

6. The Guarantees

The Guarantors hereby acknowledge and affirm their existing and ongoing obligations to BNS pursuant to the Guarantees, including but not limited to the Indebtedness and the Draws under the Revised Facility.

7. General

- (a) The Parties agree and acknowledge that this Agreement is subject to the provisions of, and compliance with the DIP Order, the Claims Procedure Order and the Vesting Order, all in form and substance satisfactory to the Parties.
- (b) The Parties agree to use diligent commercial efforts to give full effect to the terms and conditions of this Agreement. To the extent a Party determines, acting reasonably, that Court approval is required to give effect to the provisions herein, then the other Parties covenant and agree to support any application to the Court to give effect to the terms of this Agreement.
- (c) There is no promise, warranty, representation, undertaking, covenant or understanding by or binding upon the Parties except such as are expressly set forth in this Agreement,

and this Agreement contains the entire agreement between the Parties in respect of the subject matter hereof.

- (d) This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the Province of Alberta.
- (e) No amendment, modification or supplement to this Agreement shall be valid or binding unless set out in writing and executed by the Parties.
- (f) Whenever necessary or appropriate in this Agreement, the plural shall be interpreted as singular, the masculine gender as feminine or neuter and vice versa.
- (g) Time shall be of the essence hereof.
- (h) This Agreement may be executed in counterparts and delivered via facsimile or via email in PDF format and the counterparts together shall constitute an original.

The Parties have entered into this Agreement as of the date first above written.

**SOUTH TERWILLEGAR VILLAGE LIMITED
PARTNERSHIP, by its general partner, SOUTH
TERWILLEGAR VILLAGE INC.**

Per: _____
Name:
Title:

**UBG ALBERTA BUILDERS LIMITED
PARTNERSHIP by its general partner UBG
ALBERTA BUILDERS (2006) Inc.**

Per: _____
Name:
Title:

BANK OF NOVA SCOTIA
Per: _____ JofRB
Name: *Henk Jensen*
Title: *Senior Account Manager*

The Terms of the memorandum of Understanding are Approved and Consented to by the Monitor, **ERNST & YOUNG INC.**

Per: _____
[Signature]
Robert J. Taylor

and this Agreement contains the entire agreement between the Parties in respect of the subject matter hereof.

- (d) This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the Province of Alberta.
- (e) No amendment, modification or supplement to this Agreement shall be valid or binding unless set out in writing and executed by the Parties.
- (f) Whenever necessary or appropriate in this Agreement, the plural shall be interpreted as singular, the masculine gender as feminine or neuter and vice versa.
- (g) Time shall be of the essence hereof.
- (h) This Agreement may be executed in counterparts and delivered via facsimile or via email in PDF format and the counterparts together shall constitute an original.

The Parties have entered into this Agreement as of the date first above written.

**SOUTH TERWILLEGAR VILLAGE LIMITED
PARTNERSHIP, by its general partner, SOUTH
TERWILLEGAR VILLAGE INC.**

Per: Tom Chisholm
Name: Tom Chisholm
Title: President

**UBG ALBERTA BUILDERS LIMITED
PARTNERSHIP by its general partner UBG
ALBERTA BUILDERS (2006) Inc.**

Per: Tom Chisholm
Name: Tom Chisholm
Title: President

BANK OF NOVA SCOTIA

Per: Henk Jansen J017B
Name: Henk Jansen
Title: Senior Account Manager

The Terms of the memorandum of Understanding are Approved and Consented to by the Monitor, ERNST & YOUNG INC.

Per: _____
Robert J. Taylor

SCHEDULE A - Part I

Job #	Suite	Sold Price	Deposit Amount	Contract Date
A-00001	1	\$ 316,437.88	\$ 32,000.00	09/21/2007
A-00002	2	\$ 298,846.48	\$ 30,000.00	01/27/2008
A-00003	3	\$ 297,221.09	\$ 15,000.00	11/27/2007
A-00004	4	\$ 279,900.00	\$ 14,000.00	11/25/2007
A-00005	5	\$ 281,958.84	\$ 15,000.00	09/16/2007
A-00006	6	\$ 291,317.97	\$ 14,566.00	09/23/2007
B-00007	7	\$ 317,208.73	\$ 16,000.00	03/24/2008
B-00008	8	\$ 281,963.99	\$ 14,099.00	02/21/2008
B-00009	9	\$ 281,963.99	\$ 15,000.00	02/20/2008
B-00013	13	\$ 291,762.80	\$ 14,600.00	05/04/2008
B-00014	14	\$ 303,161.20	\$ 15,158.06	02/27/2008
C-00015	15	\$ 311,204.61	\$ 31,121.00	01/25/2008
C-00016	16	\$ 279,900.00	\$ 14,000.00	03/09/2008
C-00017	17	\$ 279,900.00	\$ 27,990.00	11/20/2007
C-00018	18	\$ 308,455.40	\$ 15,422.77	04/17/2008
C-00019	19	\$ 314,427.58	\$ 16,000.00	04/04/2008
C-00020	20	\$ 316,143.80	\$ 16,000.00	04/18/2008
C-00022	22	\$ 308,276.82	\$ 31,000.00	11/28/2007
D-00023	23	\$ 294,956.39	\$ 44,243.50	11/19/2007
D-00024	24	\$ 285,240.60	\$ 14,265.00	01/29/2008
D-00025	25	\$ 316,883.74	\$ 16,000.00	03/11/2008
D-00026	26	\$ 286,654.40	\$ 14,400.00	05/15/2008
D-00027	27	\$ 313,454.37	\$ 15,673.00	12/04/2007
E-00028	28	\$ 331,906.47	\$ 33,200.00	03/23/2008
E-00030	30	\$ 279,900.00	\$ 14,000.00	09/14/2007
E-00035	35	\$ 305,963.08	\$ 15,300.00	02/03/2008
F-00036	36	\$ 298,155.99	\$ 15,000.00	09/17/2007
F-00038	38	\$ 279,900.00	\$ 13,995.00	11/15/2007
F-00040	40	\$ 310,958.00	\$ 32,000.00	05/14/2008
F-00041	41	\$ 315,172.68	\$ 15,800.00	03/06/2008
F-00042	42	\$ 319,035.37	\$ 15,952.00	03/24/2008

Gross Total	\$	9,298,232.27	\$	606,785.33
Less: GST	\$	(297,039.37)		
NET TOTAL	\$	9,001,192.90		

SCHEDULE A - Part II

Job #	Site	Buyer Last Name	Conditional Sale/Recession Period	Current List Price	Deposit Amount	Contact Date
B-00010	10			\$ 279,900.00		
B-00011	11			\$ 279,900.00		
B-00012	12			\$ 279,900.00		
C-00021	21			\$ 279,900.00		
E-00029	29			\$ 279,900.00		
E-00031	31			\$ 279,900.00		
E-00032	32			\$ 279,900.00		
E-00033	33			\$ 279,900.00		
E-00034	34			\$ 279,900.00		
F-00037	37			\$ 279,900.00		
F-00039	39			\$ 279,900.00		

Gross Total	\$	-	\$ 3,078,900.00	\$	-
Less: GST	\$	-	\$ (98,357.89)		
NET TOTAL	\$	-	\$ 2,980,542.11		

AGREEMENT

THIS AGREEMENT made this 5th day of July, 2012

BETWEEN:

VALMONT AT ASPEN STONE INC., as general partner for VALMONT AT ASPEN STONE LIMITED PARTNERSHIP (the "Borrower")

THIS IS EXHIBIT "C"
referred to in the Affidavit of
Robert Friesen
Sworn before me this 6th
Day of July, A.D. 2012
Tyler E. Johnson
A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA
A Notary Public in and for
TYLER E. JOHNSON, B.A., LL.B.
BARRISTER, SOLICITOR,
NOTARY PUBLIC
OF THE FIRST PART

- and -

VALMONT AT ASPEN STONE INC., as general partner for VALMONT AT ASPEN STONE LIMITED PARTNERSHIP, UBG ALBERTA BUILDERS (2006) INC., as general partner for UBG ALBERTA BUILDERS LIMITED PARTNERSHIP, TODAY'S COMMUNITIES (2006) Inc., as general partner for TODAY'S COMMUNITIES LIMITED PARTNERSHIP (collectively, the "Guarantors")

OF THE SECOND PART

- and -

BANK OF NOVA SCOTIA ("BNS")

OF THE THIRD PART

WHEREAS BNS has made secured loans and advances to the Borrower and has been granted security from the Borrower therefor including, *inter alia*, a first mortgage on the Project, including the lands, premises, and condominium units described in the attached Schedule "A" (the "Units");

AND WHEREAS the Borrower has obtained protection under and pursuant to the provisions of the *Companies' Creditors Arrangement Act* pursuant to an Initial Order (the "Initial Order") made in the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") in Action Number 1201-05843 on May 9, 2012 (the "CCAA Proceedings");

AND WHEREAS the Borrower has obtained a Vesting Order (the "Vesting Order") in the CCAA Proceedings on June 15, 2012 in respect of, *inter alia*, the sale of the Units;

AND WHEREAS the Borrower has obtained a Claims Procedure Order (the "Claims Procedure Order") in the CCAA Proceedings on June 15, 2012;

AND WHEREAS Ernst & Young Inc. is the court appointed monitor (the "Monitor") in the CCAA Proceedings;

AND WHEREAS the Borrower, BNS, and the Monitor (collectively, the "Parties") have agreed to proceed with a plan to:

- (a) fund and complete construction of the Project, including the Units under construction;
- (b) close the sales of Units that are under contract for sale;

- (c) market and sell (and to the extent required, complete the construction thereof) the Remaining Units (defined below);
- (d) all with a view to expeditiously repaying the secured indebtedness owing to BNS.

NOW THEREFORE, this agreement (hereinafter, the "Agreement") witnesses that in consideration of the mutual covenants and agreements contained herein the Parties agree as follows:

1. Defined Terms

In this Agreement, unless otherwise defined herein, capitalized terms shall have the following meanings:

"Borrower's Costs" means an amount payable to the Borrower for its immediate use to cover its ongoing costs and disbursements of developing, constructing, marketing, selling, and otherwise completing the Project, calculated as follows:

- a) beginning as of the date of the first advance under the Revised Facility and ending on the closing date of the first sale of a Unit, the amount of \$50,000 per month;
- b) commencing upon the closing of the sale of the first Unit and continuing for all closings thereafter, a percentage of the Net Sale Proceeds of each Unit, where the percentage is equal to: 6%;

"Closing Costs" means all ordinary or reasonable costs of closing the sale of a Unit including, without limitation: (a) all goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium or community fees, and legal fees and disbursements; and (b) such withholdings as may be customary or necessary, including to secure warranty obligations of the Borrower of 0.5% of the total sale proceeds of the Unit;

"DIP Order" means an Order granted by the Court in the CCAA Proceedings in the form attached hereto as Schedule "B" or otherwise acceptable to the parties;

"Guarantees" means:

- a) a Guarantee Agreement dated March 22, 2007 provided by Today's Communities Limited Partnership in favour of BNS;
- b) a Guarantee Agreement dated March 22, 2007 provided by UBG Alberta Builders Limited Partnership in favour of BNS;
- c) a Guarantee Agreement dated April 26, 2007 provided by Valmont at Aspen Stone Limited Partnership in favour of BNS;

"Loan Documents" means the commitment letter, security documents, Guarantees, and related agreements among BNS and the Borrower governing the credit facilities granted by BNS in favour of the Borrower for the development of the Project and sale of the Units;

"Net Sale Proceeds" means the gross selling price of each Unit, less Closing Costs.

"Payables" means any amount owed by the Borrower for the provision of property, goods or services in respect of developing the Project and all the Units thereof to their completion and, in the case of goods or services provided to the Borrower prior to May 9, 2012, where such claim has been proven in accordance with the Claims Procedure Order;

"Project" means the multi-unit residential condominium project known as "Valmont", being a four phase development ("A", "B", "C", and "D") comprised of 257 units located in southwest Calgary, Alberta.

"QS" means the quantity surveyor of the Project, namely BTY Group, or such other quantity surveyor as BNS, the Borrower, and the Monitor may agree upon;

"Units" means all of the residential properties in the Project set forth in Schedule "A" to this Agreement and such additional residential units as may be agreed to by the parties in writing; and

"Units Under Construction" means those Units listed in Parts I and II of Schedule "A" to this Agreement.

2. BNS Indebtedness

(a) Confirmation of Indebtedness

As of May 9, 2012 the principal balance outstanding and owing by the Borrower to BNS is \$4,320,000 (the "Outstanding Loan Amount"), plus letters of guarantee issued by BNS on behalf of the Borrower totalling \$232,155 (the "Outstanding Letters of Guarantee Amount"), exclusive of accrued interest and all other costs and charges due or accruing due under and pursuant to the security held by BNS (collectively, the Outstanding Loan Amount and Outstanding Letters of Guarantee Amount shall be referred to as the "Indebtedness").

(b) Payment of Interest

Throughout the CCAA Proceedings and until the Indebtedness is repaid in full, BNS shall be entitled to charge interest on the Indebtedness to the Borrower on the terms and conditions prescribed by the Loan Documents (the "Interest"). The Borrower shall pay Interest to the Borrower first out of any interest reserves of the Borrower with BNS (the "Interest Reserves") until the Interest Reserves are exhausted, after which such Interest shall be paid to BNS by the Borrower out of its cashflow.

3. Future Unit Sales

(a) General

The Borrower has advised that the Units of phase "C" listed in Part I of Schedule "A" to this Agreement have been sold to arms-length parties pursuant to existing written contracts for sale (collectively, the "Contracts"). The Borrower agrees to provide copies of the Contracts to BNS and the Monitor on or before July 31, 2012.

The Borrower has advised that the Units of phase "C" listed in Part II of Schedule "A" to this Agreement have not yet been sold and are being constructed as part of the requirements of the Project and the occupancy thereof (the "Remaining Units").

(b) Interim Financing

BNS will advance the funds required to complete phase "C" of the Project and market the phase "C" Units Under Construction as requested by the Borrower (the "Draws") as follows:

- (i) Draws will be secured by the "super-priority" charge set forth in, and otherwise governed by the provisions of, the DIP Order;
- (ii) Draws will not exceed:
 - (A) the allocated budget expense for the Project (as confirmed by the QS), and
 - (B) the aggregate principal amount of \$5,480,000, and will bear interest at BNS prime rate of interest plus 1.75% (the "Revised Facility");
- (iii) the Borrower shall pay to BNS a monthly maintenance fee in the amount of \$10,000 (the "Monthly Maintenance Fee") with respect to the Revised Facility, which sum shall be withdrawn automatically on a monthly basis by BNS from the Revised Facility;
- (iv) for the sake of clarity, except for the rate of interest on the Revised Facility prescribed by subparagraph (ii)(B) above and the Monthly Maintenance Fee, which terms are prescribed herein, all fees, costs, charges and other amounts payable by the Borrower to BNS pursuant to the Loan Documents shall also be paid by the Borrower with respect to the Revised Facility, and shall be withdrawn by BNS from the Revised Facility pursuant to the terms of the Loan Documents;
- (v) Draws will be used to pay Payables related to the completion of the Project, including the phase "C" Units Under Construction; and
- (vi) except as may be provided in this Agreement and the DIP Order, Draw advances shall be subject to the terms and conditions set forth in the Loan Documents.

The Borrower shall immediately proceed in the CCAA Proceedings to seek and obtain the DIP Order.

(c) Completion and Sale of Units Under Construction

The Borrower agrees to utilize diligent commercial efforts to proceed to the completion of the Project, including the completion and closing of the sale of the Units pursuant to the Contracts and to the completion, sale and closing of the Remaining Units. The Parties agree that the sales proceeds from the Units shall be disbursed as follows:

- (i) firstly, to the payment of Closing Costs;

- (ii) secondly, to the payment of the Borrower's Costs;
- (iii) thirdly, to the repayment of all Draws made pursuant to the DIP Order (including all of BNS's costs and expenses, including but not limited to legal fees, project monitor fees, and all other costs and expenses payable to BNS pursuant to the Loan Documents);
- (iv) fourthly, to the repayment of the Outstanding Loan Amount;
- (v) fifthly, to the Outstanding Letters of Guarantee Amount; and
- (vi) sixthly, to the Borrower for general corporate purposes.

4. Sale and Marketing of Remaining Units

The Borrower, with the consent of the Monitor, shall supply a proposed listing price (the "Listing Price") of the Remaining Units to BNS, which Listing Price shall not be less than the lowest list price permitted by agreements related to each Remaining Unit. The Borrower shall be entitled to enter into arms length contracts for sale of the Remaining Units in the manner prescribed by paragraph 4 of the Vesting Order. The proceeds of sale from any Remaining Units shall be paid pursuant to Section 3(c) hereof.

The Parties agree that the Borrower shall consult with BNS in respect of sales and marketing process for the Remaining Units.

5. Construction and Loan Maturity

- (a) The Borrower hereby confirms that the monies advanced pursuant to the terms of this Agreement shall be repayable in full, including interest, fees and all other amounts due and owing to the Lender, by no later than December 31, 2012 (the "Maturity Date").
- (b) The Borrower shall make its best efforts on an ongoing basis to construct the Project in a timely, orderly and diligent fashion, and shall complete construction on the Project by no later than the Maturity Date.
- (c) The Borrower acknowledges and agrees that its breach of sections 5(a) and 5(b) shall constitute events of default pursuant to the Loan Documents.

6. The Guarantees

The Guarantors hereby acknowledge and affirm their existing and ongoing obligations to BNS pursuant to the Guarantees, including but not limited to the indebtedness and the Draws under the Revised Facility.

7. General

- (a) The Parties agree and acknowledge that this Agreement is subject to the provisions of, and compliance with, the DIP Order, the Claims Procedure Order and the Vesting Order, all in form and substance satisfactory to the Parties.

- (b) The Parties agree to use diligent commercial efforts to give full effect to the terms and conditions of this Agreement. To the extent a Party determines, acting reasonably, that Court approval is required to give effect to the provisions herein, then the other Parties covenant and agree to support any application to the Court to give effect to the terms of this Agreement.
- (c) There is no promise, warranty, representation, undertaking, covenant or understanding by or binding upon the Parties except such as are expressly set forth in this Agreement, and this Agreement contains the entire agreement between the Parties in respect of the subject matter hereof.
- (d) This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the Province of Alberta.
- (e) No amendment, modification or supplement to this Agreement shall be valid or binding unless set out in writing and executed by the Parties.
- (f) Whenever necessary or appropriate in this Agreement, the plural shall be interpreted as singular, the masculine gender as feminine or neuter and vice versa.
- (g) Time shall be of the essence hereof.
- (h) This Agreement may be executed in counterparts and delivered via facsimile or via email in PDF format and the counterparts together shall constitute an original.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

The Parties have entered into this Agreement as of the date first above written.

VALMONT AT ASPEN STONE LIMITED PARTNERSHIP, by its general partner, **VALMONT AT ASPEN STONE INC.**

Per: _____
Name:
Title:


UBG ALBERTA BUILDERS LIMITED PARTNERSHIP by its general partner **UBG ALBERTA BUILDERS (2006) Inc.**

Per: _____
Name:
Title:

TODAY'S COMMUNITIES LIMITED PARTNERSHIP by its general partner **TODAY'S COMMUNITIES (2006) INC.**

Per: _____
Name:
Title:

BANK OF NOVA SCOTIA

Per:  _____ Jd78
Name: *Henrik Jensen*
Title: *Senior Account Manager*

The Terms of the memorandum of Understanding are Approved and Consented to by the Monitor, **ERNST & YOUNG INC.**

Per:  _____
Robert J. Taylor

The Parties have entered into this Agreement as of the date first above written.

VALMONT AT ASPEN STONE LIMITED PARTNERSHIP, by its general partner,
VALMONT AT ASPEN STONE INC.

Per: Tom Chisholm
Name: Tom Chisholm
Title: President USA

UBG ALBERTA BUILDERS LIMITED PARTNERSHIP by its general partner **UBG ALBERTA BUILDERS (2006) Inc.**

Per: Tom Chisholm
Name: Tom Chisholm
Title: President USA

TODAY'S COMMUNITIES LIMITED PARTNERSHIP by its general partner **TODAY'S COMMUNITIES (2006) INC.**

Per: Tom Chisholm
Name: Tom Chisholm
Title: President

BANK OF NOVA SCOTIA
Per: Henrik Jensen J078
Name: Henrik Jensen
Title: Senior Account Manager

The Terms of the memorandum of Understanding are Approved and Consented to by the Monitor, **ERNST & YOUNG INC.**

Per: _____
Robert J. Taylor

Schedule A - Part I
 Building C - Units Sold

Job #	Suite	Model Name	Sold Price	Deposit Amount	Contract Date
2C-00101	101	B1-b	\$ 302,165.00	\$ 31,727.33	03/25/2008
2C-00102	102	B1-a	\$ 300,212.00	\$ 15,645.00	07/19/2007
2C-00104	104	B1-b	\$ 307,195.00	\$ 16,127.74	06/01/2008
2C-00105	105	A1	\$ 199,900.00	\$ 20,989.50	08/15/2007
2C-00107	107	B1	\$ 321,192.00	\$ 16,862.58	04/14/2008
2C-00108	108	A1	\$ 190,000.00	\$ 9,975.00	05/30/2007
2C-00109	109	B1	\$ 314,900.00	\$ 16,352.25	04/15/2008
2C-00110	110	B1	\$ 329,887.00	\$ 17,319.07	05/22/2008
2C-00112	112	A1	\$ 201,148.00	\$ 10,560.27	03/05/2008
2C-00113	113	A1	\$ 199,900.00	\$ 20,899.50	08/20/2007
2C-00114	114	B1	\$ 327,400.00	\$ 17,188.50	04/24/2008
2C-00201	201	B1-b	\$ 292,345.00	\$ 30,334.50	07/02/2007
2C-00202	202	B1-a	\$ 289,365.00	\$ 30,135.00	06/20/2007
2C-00203	203	B1-a	\$ 294,065.00	\$ 30,660.00	06/19/2007
2C-00204	204	B1-b	\$ 292,300.00	\$ 30,660.00	06/21/2007
2C-00205	205	A1	\$ 203,473.00	\$ 10,652.25	06/13/2007
2C-00207	207	B1	\$ 313,900.00	\$ 16,479.75	01/22/2008
2C-00208	208	A1	\$ 206,318.00	\$ 21,304.50	06/22/2007
2C-00209	209	B1	\$ 304,437.00	\$ 15,744.75	07/16/2007
2C-00210	210	B1	\$ 313,362.00	\$ 15,482.25	06/12/2007
2C-00211	211	B1	\$ 299,647.00	\$ 31,384.50	06/24/2007
2C-00212	212	A1	\$ 203,450.00	\$ 10,652.25	06/25/2007
2C-00213	213	A1	\$ 202,248.00	\$ 10,652.25	07/02/2007
2C-00214	214	B1	\$ 299,647.00	\$ 31,384.50	06/24/2007
2C-00216	216	B1	\$ 299,525.00	\$ 31,185.00	06/19/2007
2C-00307	307	E2	\$ 326,630.00	\$ 17,148.08	06/13/2008
2C-00308	308	C1	\$ 469,900.00	\$ 49,339.50	06/19/2007
2C-00309	309	B1	\$ 316,477.00	\$ 16,269.75	06/04/2007
2C-00310	310	A1	\$ 233,900.00	\$ 12,279.75	06/04/2007
2C-00311	311	B1	\$ 312,412.00	\$ 16,269.75	07/16/2007
2C-00312	312	B1	\$ 315,292.00	\$ 32,539.50	06/22/2007
2C-00313	313	B1	\$ 314,900.00	\$ 16,532.25	08/07/2007
2C-00314	314	A1	\$ 208,900.00	\$ 10,967.25	06/10/2007
2C-00315	315	A1	\$ 210,448.00	\$ 10,967.25	06/07/2007
2C-00316	316	B1	\$ 334,787.00	\$ 17,319.75	05/30/2007

Gross Total \$ 9,851,627 \$ 709,991

Valmont at Aspen Stone (VAS2)
 Sales Summary
 As at 07/06/2012

Schedule A - Part II
 Building C - Remaining Units to Sell

Job #	Site	Model Name	Buyer Last Name	Conditional Sale/Rescission Period	Listed Price	Deposit Amount	Rescission Expiry
2C-00103	103	B1-a	SPIESS	\$ 322,215.00		\$ 16,916.29	07/30/2012
2C-00106	106	C1			\$ 479,900.00		
2C-00111	111	B1	KLINAKIS	\$ 316,620.00		\$ 16,622.55	07/06/2012
2C-00115	115	C1			\$ 467,900.00		
2C-00116	116	B1	SALES CENTRE		\$ 309,900.00		
2C -00206	206	C1			\$ 489,900.00		
2C -00215	215	C1			\$ 477,900.00		
2C-00301	301	E1			\$ 319,900.00		
2C -00302	302	E1			\$ 319,900.00		
2C-00303	303	E1			\$ 319,900.00		
2C-00304	304	E1			\$ 319,900.00		
2C -00305	305	E1			\$ 319,900.00		
2C-00306	306	E1			\$ 319,900.00		
2C -00317	317	C1			\$ 487,900.00		
2C-00318	318	D1			\$ 478,900.00		

Gross Total \$ 638,835 \$ 5,111,700 \$ 33,539