

AGREEMENT

THIS AGREEMENT made this 11th day of December, 2012

BETWEEN:

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

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 "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 on July 10, 2012, the Court issued an Order in the CCA Proceedings approving an Interim Funding Agreement between Valmont at Aspen Stone Inc., as general partner for Valmont at Aspen Stone Limited Partnership (the "Borrower"), 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, as guarantors, and BNS, dated July 5, 2012 (the "First Interim Funding Agreement") in relation to the Project;

AND WHEREAS the budget provided to BNS in relation to the Project after the Court's approval of the First Interim Funding Agreement has changed from the budget previously provided to BNS;

AND WHEREAS the Borrower, Guarantors, BNS, and the Monitor (collectively, the "**Parties**") have agreed that the First Interim Funding Agreement should be terminated and replaced with this Agreement;

AND WHEREAS 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 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, 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;

"Commitment Letter" means the commitment letter dated October 26, 2012 between BNS, Valmont at Aspen Stone Inc., Valmont at Aspen Stone Limited Partnership by its general partner Valmont at Aspen Stone Inc., Today's Communities Limited Partnership by its general partner Today's Communities (2006) Inc., and UBG Alberta Builders Limited Partnership by its general partner UBG Alberta Builders (2006) Inc., a copy of which is affixed hereto as Schedule "C";

"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;

"Existing Security" means the security listed in Schedule "D" to this Agreement;

"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, Existing Security, 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 after May 9, 2012;

"Pre May 9th 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 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;

"Project Manager" means the project manager of the Project, namely Lear Construction Management Ltd., or such other project manager as BNS, the Borrower and the Monitor may agree upon, which Project Manager shall be retained at the expense of the Borrower and shall report directly to BNS;

"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, which QS shall be retained at the expense of the Borrower and shall report directly to BNS;

"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. First Interim Funding Agreement

The Parties hereby agree, subject to Court approval, that the First Interim Funding Agreement shall be terminated, and shall be replaced by this Agreement.

3. 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 Existing Security held by BNS.

(b) Payment of Interest

Throughout the CCAA Proceedings and until all indebtedness owing to BNS is repaid in full, BNS shall be entitled to charge interest on that indebtedness and future advances issued by BNS to the Borrower pursuant to the terms and conditions prescribed by the Commitment Letter (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.

4. 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 December 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, market the phase "C" Units Under Construction, and to complete the construction of the parking structure for phase "C" and "D" of the Project, as those funds are requested by the Borrower (the "**Draws**") and pursuant to the terms and conditions of the Commitment Letter, including, *inter alia*, the following:

- (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 Project Manager), and
 - (B) the total available to the Borrower under Credits Number 1, 2 and 3 pursuant to the Commitment Letter. All advances shall bear interest or

commission (as applicable) at the rate prescribed by the Commitment Letter;

- (iii) the Borrower shall pay to BNS the standby fee, commitment fee and maintenance fee, on the terms and conditions prescribed by the Commitment Letter;
- (iv) Draws will be used to pay Payables related to the completion of the Project, including the phase "C" Units Under Construction and the parking structure in relation to phases "C" and "D"; and
- (v) at no time shall any funds advanced by BNS to the Borrower after the date of this Agreement be utilized to pay Pre-May 9th Payables.

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 Manager fees, QS fees, and all other costs and expenses payable to BNS pursuant to the Loan Documents) in the following order:
 - (A) New Credit 2 Advances, as that term is defined by the Commitment Letter; and
 - (B) advances made under Credit 3 of the Commitment Letter;
- (iv) fourthly, to the repayment of the Outstanding Loan Amount, which is that portion of Credit 2 remaining after the repayment of the New Credit 2 Advances;
- (v) fifthly, to the Outstanding Letters of Guarantee Amount, which amount is described as Credit 1 in the Commitment Letter; and
- (vi) sixthly, to the Borrower for general corporate purposes.

5. 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, pursuant to the terms and conditions of the Commitment Letter. 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 4(c) hereof.

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

6. Construction and Loan Maturity

- (a) The Borrower shall draw down Credits 1, 2 and 3 pursuant to the terms and conditions of the Commitment Letter.
- (b) The Borrower hereby confirms that all monies advanced pursuant to the terms of the Commitment Letter shall be repayable in full, including interest, fees and all other amounts due and owing to the Lender, by no later than June 30, 2013 (the "Maturity Date").
- (c) 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.
- (d) The Borrower acknowledges and agrees that its breach of sections 5(a), (b) and (c) shall constitute events of default pursuant to the Loan Documents.

7. 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 Outstanding Loan Amount, the Outstanding Letters of Guarantee Amount, and the Draws under the DIP Order and Commitment Letter.

8. The Existing Security

The Borrower and Guarantors hereby acknowledge and affirm the validity and enforceability of the Existing Security.

9. BNS is Not a "Developer"

The Borrower and Guarantors hereby acknowledge and agree that BNS is not a "developer" for the purposes of s. 14 of the *Condominium Property Act*, R.S.A. 2000, c. C-22, and further acknowledges that the Bank has no liability to the Borrower or any other party arising directly or indirectly out of any purchase and sale agreement between the Borrower and purchasers of units in the Project, including with respect to any deposits paid by those purchasers in relation to those units.

10. 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:

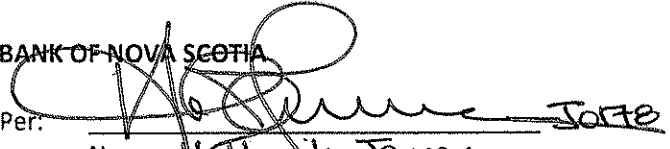
**UBG ALBERTA BUILDERS LIMITED
PARTNERSHIP by its general partner UBG
ALBERTA BUILDERS (2006) Inc.**

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:  _____
Name: *H. Henrik Jensen*
Title: *Senior Account Manager.*

The Monitor, **ERNST & YOUNG INC.**

Per: _____
Robert J. Taylor

Schedule "A" - Units

PART I

Building C - Units Sold

Job #	Suite	Model Name
2C-00101	101	B1-b
2C-00102	102	B1-a
2C-00104	104	B1-b
2C-00105	105	A1
2C-00107	107	B1
2C-00108	108	A1
2C-00109	109	B1
2C-00110	110	B1
2C-00112	112	A1
2C-00113	113	A1
2C-00114	114	B1
2C-00201	201	B1-b
2C-00202	202	B1-a
2C-00203	203	B1-a
2C-00204	204	B1-b
2C-00205	205	A1
2C-00207	207	B1
2C-00208	208	A1
2C-00209	209	B1
2C-00210	210	B1
2C-00211	211	B1
2C-00212	212	A1
2C-00213	213	A1
2C-00214	214	B1
2C-00216	216	B1
2C-00306	306	E1
2C-00307	307	E2
2C-00308	308	C1
2C-00309	309	B1
2C-00310	310	A1
2C-00311	311	B1
2C-00312	312	B1
2C-00313	313	B1
2C-00314	314	A1
2C-00315	315	A1
2C-00316	316	B1

PART II

Building C - Remaining Units to Sell

Job #	Suite	Model Name
2C-00103	103	B1-a
2C-00104	104	B1-b
2C-00106	106	C1
2C-00115	115	C1
2C-00116	116	B1
2C -00206	206	C1
2C -00215	215	C1
2C-00301	301	E1
2C -00302	302	E1
2C-00303	303	E1
2C-00304	304	E1
2C -00305	305	E1
2C -00317	317	C1
2C-00318	318	D1

Schedule "B"- DIP Order

Clerk's stamp:

COURT FILE NUMBER 1201-05843

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF 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

Amending Order
(re: BNS Protocol (Valmont))

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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

DATE ON WHICH ORDER WAS
PRONOUNCED

December 14, 2012

NAME OF JUSTICE WHO MADE
THIS ORDER

The Honourable Madam Justice K.M. Horner

AMENDING ORDER
(re: BNS Protocol (Valmont))

UPON the application of the Applicants in these proceedings (collectively, "UBG"); **AND UPON** having read the Application of the Applicants, dated December __, 2012, the Affidavit of Robert Friesen, dated December __, 2012, the __ Report of the Monitor, dated December __, 2012, the Affidavit of Anna Collister, dated December __, 2012 (the "Service Affidavit"), and such other material in the pleadings and proceedings as deemed necessary; **AND UPON** hearing counsel for UBG, counsel for Bank of Nova Scotia ("BNS"), counsel for the Monitor, and other interested parties; **IT IS HEREBY ORDERED AND DECLARED THAT:**

Service

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

Amendment to the Order (re: BNS Protocol (Valmont))

3. Paragraph 3 of the Order (re: BNS Protocol (Valmont)) granted on July 10, 2012 in these proceedings is hereby deleted and replaced with the following paragraph:

The loan agreement among Valmont at Aspen Stone Inc., as general partner for Valmont at Aspen Stone Limited Partnership (the "**Borrower**"), 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, as guarantors, and BNS, dated October 26, 2012, attached as Exhibit "XXX" to the Affidavit of Robert Friesen sworn in these proceedings on December __, 2012 (the "**BNS Interim Financing Agreement**") providing for, *inter alia*, the funding, completion, sale of and distribution of proceeds from the development of the Project and sale of Units in the Project (as defined in the BNS Interim Financing Agreement) is hereby approved.

Miscellaneous

4. The Applicants shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

Justice of the Court of Queen's Bench of Alberta

Schedule "C" – Commitment Letter

The Bank of Nova Scotia
Real Estate Lending, Prairie Region
Suite 316, 240 8th Avenue SW
Calgary, Alberta
Canada T2P 1B5
Fax: (403) 221-6414

October 26, 2012



Valmont at Aspen Stone Inc.
c/o UBG Alberta Builders Inc.
808 – 55 Avenue NE
Calgary, Alberta
T2E 6Y4

Dear Sirs:

We are pleased to confirm that subject to acceptance by you and approval by the Court of Queen's Bench of Alberta in UBG's CCAA proceedings, The Bank of Nova Scotia (the "Bank") will make available to **Valmont at Aspen Stone Inc. as general partner for Valmont at Aspen Stone Limited Partnership** (the "Borrower"), credit facilities on the terms and conditions set out in the attached Terms and Conditions Sheet and Schedule "A".

If the arrangements set out in this letter, and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are acceptable to you, please sign the enclosed copy of this letter in the space indicated below and return the letter to us by the close of business on November 7, 2012, after which date this offer will lapse.

This Commitment Letter restates all previous commitments issued by the Bank to the Borrower.

Yours very truly,

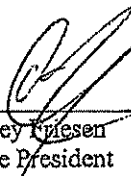
Ricardo Estrada
Account Manager
Real Estate Lending

H. Henrik Jensen
Senior Account Manager
Real Estate Lending

By signing this Commitment Letter you confirm that the product(s) and/or service(s) offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Commitment Letter for whose benefit such products and services are intended.


The arrangements set out above and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are hereby acknowledged and accepted by:

Valmont at Aspen Stone Inc.


By: 
Name: Corey Friesen
Title: Vice President
Date: November 7, 2012

Guarantors of Valmont at Aspen Stone Inc.


Valmont at Aspen Stone Limited Partnership
by its General Partner Valmont at Aspen Stone Inc.
(Guarantor)

By: 
Title: Vice President
Date: November 7, 2012

Today's Communities Limited Partnership
by its General Partner Today's Communities (2006) Inc.
(Guarantor)

By: 
Title: Vice President
Date: November 7, 2012

UBG Alberta Builders Limited Partnership
by its General Partner UBG Alberta Builders (2006) Inc.
(Guarantor)

By: 
Title: Vice President
Date: November 7, 2012

TERMS AND CONDITIONS

Credit Number 1: **Authorized Amount: \$778,534**

Type

Letter(s) of Guarantee to expire one year from date of issue.

Purpose

To meet the security requirements of the City of Calgary with respect to the Project and other sundry requirements under the applicable site plan and/or development agreement(s).

Currency

Canadian Dollars.

Availment

The Borrower may avail the Credit by way of Letters of Guarantee.

Commission

1.00% per annum, calculated on the issue amount, based on increments of 30 days or multiples thereof, from date of issuance to expiry date. Periods of less than 30 days will be counted as a thirty day increment. The amount is subject to the Bank's minimum fee as well as revision at any time and is payable upon issuance.

Repayment

Advances are repayable on demand.

Specific Security

Application and Agreement for Irrevocable Standby Letter of Credit/ Letter of Guarantee, (when utilized).

Authority to Hold Funds on Deposit.

Upon repayment and cancellation of Credit Numbers 2 and 3 full net closing proceeds of condominium sales closings are to be assigned/hypothecated to the Bank and held as continuing security for any outstanding letters of guarantee, on a dollar for dollar basis.

Credit Number 2: **Authorized Amount: \$11,100,000**

Type

Non-Revolving

Purpose

To assist in financing the completion of Valmont at Aspen Stone Building 'C', a 50 unit apartment condominium building having 48,725 saleable sq.ft. as follows:

	<u>Project Costs</u>
Land at pro-rata Cost	\$1,300,000
Site Servicing Costs	\$2,088,000
Hard Construction Costs	\$8,163,000
Soft Construction Costs	\$1,722,000
Contingency	\$587,000
Total Construction Costs:	<u>\$13,860,000</u>
Less: Equity	\$1,629,000
Less: Purchaser Deposits (refer to Availment below)	\$693,000
Less: Pre-May 9, 2012 Accounts Payable	\$438,000
Bank Financing:	<u>\$11,100,000</u>

Bank financing represents an increase of \$1,300,000 over the previous Commitment dated April 1, 2011. Funding to be directed to the payment of post May 9, 2012 Valmont Building 'C' accounts payable and the completion of Valmont Building 'C' only as per the revised budget above.

Currency

Canadian Dollars

Availment

The Borrower may avail the credit by way of direct advances evidenced by Demand Promissory Notes.

Availability under Credit Number 2 is to permanently reduce on a dollar for dollar basis, by the equivalent amount of purchasers deposits in excess of \$693,000 received for Valmont at Aspen Stone Building "C" and used by the Borrower in the Project, to meet approved budgeted Costs.

Drawdown

Initial drawdown of the re-stated loan is to occur no later than November 30, 2012.

Repayment

Credit Number 2 is repayable on demand and is to be repaid and cancelled by June 30, 2013 (the "Building 'C' Maturity Date") from Valmont at Aspen Stone Building "C" condominium unit sale closings. 100% of the proceeds from each unit sale (after GST, deposits received and used in the project to meet approved budget costs, sales commissions, closing costs applicable to the sale of the unit, the sum of the foregoing being referred to as Net Sales Proceeds LESS CCAA Monitor cost/overhead equal to 6% of Net Sales Proceeds, and Alberta New Home Warranty fund of .5% of Net Sales Proceeds) are to be applied against the balance of Credit Number 2 advanced after May 9, 2012 (the "New Credit 2 Advances").

Upon repayment of the New Credit 2 Advances, 100% of the proceeds from each unit sale in Valmont at Aspen Stone Building "C" (less the deductions noted above) are to be directed to the repayment of Credit Number 3.

Upon repayment and cancellation of Credit Number 3, 100% of the proceeds from each unit sale in Valmont at Aspen Stone Building "C" are to be directed to the repayment of the balance owing under Credit Number 2 (less the deductions noted above), which is to result in the repayment and cancellation of this facility by 49th unit closing.

Upon repayment and cancellation of Credit Numbers 2 and 3, 100% of the proceeds from each unit sale in Valmont at Aspen Stone Building "C" (less the deductions noted above) are to be assigned/hypothecated to the Bank and held as continuing security for any outstanding letters of guarantee under Credit Number 1, on a dollar for dollar basis.

Interest Rate

Effective on the acceptance of this Commitment Letter and approval of the appropriate Order by the Court the interest rate shall be set at the Bank's Prime Lending Rate from time to time, plus 4.0% per annum, with interest payable monthly.

Standby Fee

0.25% per annum on the unfunded portion of Credit Number 2, payable monthly.

Discharge of Security

The Bank will provide discharges of condominium units sold against receipt of dedication of the closing proceeds for each condominium unit as outlined under "Repayment" above.

Credit Number 3: Authorized Amount: \$2,300,000

Type

Non-Revolving

Purpose

To assist in financing the completion of Valmont at Aspen Stone Building 'C and D', parking structure as follows:

	<u>Project Costs</u>
Hard Construction Costs	\$3,268,000
Soft Construction Costs	\$322,000
Financing Costs	\$107,000
Total Construction Costs:	<u>\$3,697,000</u>
Less: Paid costs in place	\$962,000
Less: Pre-May 9, 2012 Accounts Payable	\$435,000
Bank Financing:	<u>\$2,300,000</u>

Funding to be directed to the payment of post May 9, 2012 Valmont Building 'D' parking structure accounts payable and the completion of the Valmont Building 'D' parking structure only as per the budget above.

Currency

Canadian Dollars

Availment

The Borrower may avail the credit by way of direct advances evidenced by Demand Promissory Notes.

Availability under Credit Number 3 is to permanently reduce on a dollar for dollar basis, by the equivalent amount of current purchasers deposits received for Valmont at Aspen Stone Building "D" and used by the Borrower in the Project, to meet approved budgeted Costs.

Drawdown

Initial drawdown of the re-stated loan is to occur no later than November 30, 2012.

Repayment

After repayment of the New Credit 2 Advances, Credit Number 3 is repayable on demand and is to be repaid and cancelled by June 30, 2013 (the "Building 'C' Maturity Date") from Valmont at Aspen Stone Building "C" condominium unit sale closings. 100% of the proceeds from each unit sale (after GST, deposits received and used in the project to meet approved budget costs, sales commissions, closing costs applicable to the sale of the unit, the sum of the foregoing being referred to as Net Sales Proceeds LESS CCAA Monitor cost/overhead equal to 6% of Net Sales Proceeds, and Alberta New Home Warranty fund of .5% of Net Sales Proceeds) are to be applied against the balance of the loan which is to result in the repayment and cancellation of this facility by the 30th unit closing.

Upon repayment and cancellation of Credit Number 3, 100% of the proceeds from each unit sale in Valmont at Aspen Stone Building "C" are to be directed to the repayment of the balance owing under Credit Number 2 (less the deductions noted above).

Upon repayment and cancellation of Credit Numbers 2 and 3, 100% of the proceeds from each unit sale in Valmont at Aspen Stone Building "C" (less the deductions noted above) are to be assigned/hypothecated to the Bank and held as continuing security for any outstanding letters of guarantee under Credit Number 1, on a dollar for dollar basis.

Interest Rate

The Bank's Prime Lending Rate from time to time, plus 4.0% per annum, with interest payable monthly.

Standby Fee

0.25% per annum on the unfunded portion of Credit Number 3, payable monthly.

Discharge of Security

The Bank will provide discharges of condominium units sold against receipt of dedication of the closing proceeds for each condominium unit as outlined under "Repayment" above.

Commitment Fee

A Commitment Fee of \$145,500 is to be paid at the signing of this re-stated Commitment Letter.

Maintenance Fee

A Maintenance Fee of \$10,000 is payable monthly until Credit Numbers 2 and 3 are repaid in full.

General Security, Terms, and Conditions Applicable to all Credits

General Security

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availing being made under the Credit:

1. An Order of the Court in UBG's CCAA proceedings, granting first in priority debtor in possession financing to all New Credit 2 Advances and all advances made under Credit 3, on terms and conditions satisfactory to the Bank, to be determined in its sole discretion (the "DIP Order");
2. Confirmation of the validity and enforceability of the existing first fixed charge Demand Debenture for \$40,000,000 secured by a first fixed charge over the subject lands (Plan 051 3219, Block 5, Lot 3) containing some 8.72 acres located in Calgary, Alberta. Excepting thereout all mines and minerals.
3. Confirmation of the validity and enforceability of the existing General Security Agreement over all present and future personal and real property (including an assignment of all rental income) with appropriate insurance coverage, loss if any, payable to the Bank.
4. Confirmation of the validity and enforceability of the existing General Assignment of Plans, Specifications, Permits, Contracts and Agreements of Purchase and Sale, and when requested by the Bank, specific assignments will be provided.
5. Applicable All-Risk Insurance, with loss, if any, payable to the Bank of Nova Scotia together with Public Liability Insurance for not less than \$2,000,000 with the Bank shown as additional insured.
6. Confirmation of the validity and enforceability of the unlimited corporate guarantee of Valmont at Aspen Stone Limited Partnership.
7. Confirmation of the validity and enforceability of the unlimited corporate guarantee of Today's Communities Limited Partnership supported by an undertaking to maintain a minimum Tangible Net Worth (TNW) of \$2,000,000. TNW is defined as the sum of share capital, earned and contributed surplus and funds advanced by the partners less intangible assets as defined by the Bank. **The Bank acknowledges the Guarantor, Today's Communities Limited Partnership, is in default of this covenant.**
8. Confirmation of the validity and enforceability of the unlimited corporate guarantee of UBG Alberta Builders Limited Partnership supported by an undertaking to maintain a minimum Tangible Net Worth (TNW) of \$42,500,000. TNW is defined as the sum of share capital, earned and contributed surplus and funds advanced by the partners less intangible assets as defined by the Bank. **The Bank acknowledges the Guarantor, UBG Alberta Builders Limited Partnership, is in default of this covenant.**
9. Confirmation of the validity and enforceability of the Unlimited Cost Overrun and Completion Guarantee from the Borrower and Guarantors.

Conditions Precedent

The following conditions are to be met, satisfactory to the Bank, prior to any further advances under Credit Number 2 (Valmont at Aspen Stone Building 'C'):

1. All fees due are to be paid in full.
2. The DIP Order being pronounced in UBG's CCAA proceedings.
3. The Bank will engage independent legal counsel to act on its behalf in the registration of its security. Such costs are for the account of the Borrower.

4. All security evidenced by documents in form satisfactory to the Bank and its solicitor and registered or recorded as required by the Bank, is to be provided prior to any advances or availing being made.
5. Borrower's equity as shown on page 4 has been confirmed as being in the Project, and the source of equity capital, along with the terms and conditions of same, is to be found satisfactory to the Bank.
6. All property taxes paid.
7. Phase 1 Environmental Site Assessment. **Receipt confirmed.**
8. A satisfactory Geotechnical Report. **Receipt confirmed.**
9. All land use by-laws and restrictive covenants must be complied with.
10. **An independent third party Project Manager acceptable to the Bank is to be engaged at the Borrower's expense to verify/monitor/control all facets of the construction of the Project and is to report directly to the Bank.**
11. A Project Monitor acceptable to the Bank is to be engaged at the Borrower's expense to verify/monitor/control all facets of the Project and is to report directly to the Bank.
12. Copies of the following are to be provided to the Bank, Project Manager and the Project Monitor, who will review and approve the same and provide their written report to the Bank confirming the Project Budget is fully sufficient to complete the Project, given the zoning, permits, development schedule and the Project specifications:
 - a) All zoning amendments, Consents, Licences, Permits (including Building Permits) and approvals required by all Governmental and other Authorities in connection with the Project;
 - b) A detailed Construction Budget to include all hard and soft costs, with costs not to exceed \$13,860,000 (including land at \$1,300,000); and,
 - c) A final set of architectural drawings and specifications.
13. Final projected unit selling prices (the "Approved Price List") with aggregate selling prices of no less than \$15,579,000 (excluding net GST).

All sales to be not less than 95% of the Approved Price List.
14. Prior to any further advances, the Borrower is to confirm a minimum of 36 firm pre-sales in Valmont at Aspen Stone Building 'C' at pro-forma budget numbers or better representing a minimum of \$10,100,000 (excluding net GST). To constitute a firm pre-sale, the Bank will require that:
 - a) All sales are to be not less than 95% of the Approved Price List.
 - b) End purchasers must be pre-approved for conventional or CMHC approved mortgages or provide evidence of ability to close the purchase without mortgage financing,
 - c) All purchase and sale agreements to be submitted to the Bank,
 - d) All sales to be arms length, owner occupied transactions,
 - e) Minimum contracted deposits of 10% with minimum 5% in hand and the balance due prior to start of framing (except for those units which are verified to be CMHC insured which will require deposits of 5% of the purchase price received).

Pre-sales test is to be confirmed as met on or before November 30, 2012 or Credit Number 2 may be cancelled at the sole discretion of the Bank.

15. The Bank is to be satisfied with the dispersal of pre-sales within the Project.

16. Confirmation that a development permit has been issued by the City of Calgary for the development of the Project.
17. Confirmation required that all necessary building permits have been issued to permit construction of the Project, and assigned to the Bank.
18. All zoning by-laws and restrictive covenants must be complied with and the registration of the first charge must be satisfactory in all respect to the Bank's solicitors. In this regard, the Borrower is to provide the Bank with copies of all municipal approvals.
19. A minimum of 50% of all site servicing and hard construction costs to be under fixed price contract and verified by the Bank's Project Monitor.
20. Evidence of registration in and good standing with a New Home Warranty Program satisfactory to the Bank.
21. The Borrower is to open a current account with the Bank, from which all disbursements with respect to the Project are to be drawn, and through which all deposits with respect to the Project are to be made. This account is not to be used for any purpose other than as stated above.
22. All other documentation pertinent to this transaction, as may be reasonably required by the Bank's solicitors must be acceptable in substance and form to the Bank and its solicitors.

The following conditions are to be met, satisfactory to the Bank, prior to any advances under Credit Number 3 (Valmont at Aspen Stone Building 'C and D' parking structure):

1. All Conditions Precedent to further funding of Credit Number 2 to have been met.
2. All fees due are to be paid in full.
3. The Bank will engage independent legal counsel to act on its behalf in the registration of its security. Such costs are for the account of the Borrower.
4. All security evidenced by documents in form satisfactory to the Bank and its solicitor and registered or recorded as required by the Bank, is to be provided prior to any advances or avancement being made.
5. Borrower's equity as shown on page 5 in the form of paid for work in place has been confirmed as being in the Project, and the source of equity capital, along with the terms and conditions of same, is to be found satisfactory to the Bank.
6. An independent third party Project Manager acceptable to the Bank is to be engaged at the Borrower's expense to verify/monitor/control all facets of the construction of the Project and is to report directly to the Bank.
7. A Project Monitor acceptable to the Bank is to be engaged at the Borrower's expense to verify/monitor/control all facets of the Project and is to report directly to the Bank.
8. Copies of the following are to be provided to the Bank, Project Manager and the Project Monitor, who will review and approve the same and provide their written report to the Bank confirming the Project Budget is fully sufficient to complete the Project, given the zoning, permits, development schedule and the Project specifications:
 - b) All zoning amendments, Consents, Licences, Permits (including Building Permits) and approvals required by all Governmental and other Authorities in connection with the Project;
 - b) A detailed Construction Budget to include all hard and soft costs, with costs not to exceed \$3,697,000; and,
 - d) A final set of architectural drawings and specifications.

9. Confirmation that a development permit has been issued by the City of Calgary for the development of the Project.
10. Confirmation required that all necessary building permits have been issued to permit construction of the Project, and assigned to the Bank.
11. All zoning by-laws and restrictive covenants must be complied with and the registration of the first charge must be satisfactory in all respect to the Bank's solicitors. In this regard, the Borrower is to provide the Bank with copies of all municipal approvals.
12. A minimum of 50% of all site servicing and hard construction costs to be under fixed price contract and verified by the Bank's Project Monitor.
13. Evidence of registration in and good standing with a New Home Warranty Program satisfactory to the Bank.
14. The Borrower is to open a current account with the Bank, from which all disbursements with respect to the Project are to be drawn, and through which all deposits with respect to the Project are to be made. This account is not to be used for any purpose other than as stated above.
15. The Borrower hereby acknowledges and agrees that the Bank is not a "developer" for the purposes of s. 14 of the *Condominium Property Act*, R.S.A. 2000, c. C-22, and further acknowledges that the Bank has no liability to the Borrower or any other party arising directly or indirectly out of any purchase and sale agreement between the Borrower and purchasers of units in Valmont At Aspen Stone Building "D", including with respect to any deposits paid by those purchasers in relation to those units.
16. All other documentation pertinent to this transaction, as may be reasonably required by the Bank's solicitors must be acceptable in substance and form to the Bank and its solicitors.

Ongoing Conditions

Until all debts and liabilities under the Credits have been discharged in full, the following conditions will apply in respect of the Credits:

1. Advances will be made on a cost in place/cost to complete basis upon receipt of the Project Manager's Progress Certificates, specifying the dollar amount of services and/or materials supplied under the contract. At all times, the undrawn balance of the credit is to fully cover the cost-to-complete plus holdbacks. Aggregate outstanding advances shall not at any time exceed the aggregate sum of the total costs in place for the Project less Equity, trade payables and unfunded statutory holdbacks.
2. Advances (maximum of one advance per month) will be made, and holdbacks released upon receipt by the Bank of its solicitor's title opinion, ensuring continued ranking of the Bank's security interests. Costs related to title opinions are for the account of the Borrower.
3. All cost overruns and contract additions are to be funded by the Borrower or Guarantors as and when they occur.
4. The Bank is not obligated to make loan/mortgage advances if there is any construction lien registered against the property or if written notice of a construction lien is received by the Bank.
5. The Borrower is to ensure that any liens registered against the Project, are to be settled immediately or cleared from title, as identified.
6. The Bank will supply such information to lien claimants as may be required under the applicable Construction Lien legislation.

7. The Borrower covenants to fulfil the requirements of the Builder's Lien Act of Alberta.
8. If requested by the Bank, the Borrower is to display appropriate signage on the site at the Bank's expense, identifying the Bank as having provided construction financing for the Project. The Borrower agrees to provide a satisfactory framework on which to mount the sign and will be responsible for maintaining same through construction.
9. The Borrower covenants and agrees to use the proceeds of advances under the Credit to pay approved hard and soft costs of the Project and for no other purpose.
10. Without the Bank's prior written consent:
 - a) no change in ownership is permitted.
 - b) no transfer of funds to other projects/companies is permitted.
 - c) no withdrawals of equity or profit or payment of dividends are permitted in any form.
 - d) no mergers, acquisitions or change in the Borrower's line of business are permitted.
 - e) guarantees or other contingent liabilities are not to be entered into and assets are not to be further encumbered.
11. Sale or transfer of property, except for sales in the normal course of the Project, or any change in ownership of the Borrower not approved by the Bank, will cause all monies owing under the loan to become due and payable at the Bank's option.
12. All reasonable costs, including but not limited to legal costs and out of pocket expenses are for the account of the Borrower.
13. A 45-day holdback of 10% of the dollar value of services and/or material supplied, as determined by the Borrower and Project Monitor, will be withheld from each advance until substantial completion has been certified in accordance with applicable lien legislation.
14. All deposits collected by the Borrower from the sale of the subject condominium units are to be handled at all times in accordance with the applicable requirements of *The Condominium Property Act* and the applicable Home Warranty Program.
15. Should the Borrower choose not to utilize the purchaser's deposits in the Project, the deposits are then to be held in trust under arrangements satisfactory to the Bank.
16. No vendor-take-back mortgages are permitted without the Bank's prior written consent.
17. No change orders in excess of \$100,000 in the aggregate to be instituted without the prior review of the Project Monitor and written confirmation from the Bank.
18. The Borrower is to ensure the Bank, Project Manager and the Project Monitor have full access to the Project, the Project manager and Project records to monitor construction progress.
19. The Borrower is to maintain insurance satisfactory to the Bank, over the Project.
20. Credits are subject to periodic review but no less frequently than annually.
21. If the expected completion of various phases of the Project will not occur prior to their respective Maturity Dates, and the respective Credits have not been extended at the sole discretion of the Bank, then the Borrower and the Project will be in default and all indebtedness and liability of the Borrower to the Bank will be subject to the Acceleration provisions as set out in Clause 10 of Schedule 'A' hereto.

Default

If default occurs under the terms and conditions as outlined above or under any security provided to the Bank or any other event occurs which causes the Bank in good faith to deem itself insecure, then at the option of the Bank, all monies owing shall immediately become payable without demand.

General Borrower Reporting Conditions

Until all debts and liabilities under the Credit(s) have been discharged in full, the Borrower will provide the Bank with the following:

1. Annual ~~Accountant prepared~~ financial statements of the Borrower, and corporate guarantors, within 120 days of their respective fiscal year end(s).
2. Monthly sales reports including deposit schedule (which is to show both the deposits in hand and those yet to be received along with the expected date of receipt), within 20 days of period end, until all the units have been sold or our loan has been discharged.
3. Monthly, a schedule showing the date and units that have closed. This schedule is to include the expected closing date and units on which a purchaser has placed a deposit, within 20 days of period end, until all the units have been sold or our loan has been discharged.
4. Monthly construction progress reports showing cost-to-date, cost-to-complete, and holdbacks in relation to the Project Budget approved by the Bank. These monthly reports are to be accompanied by appropriate explanations of any significant variations from the original budget approved by the Bank, and supported by:
 - a) trial balance and aged list of accounts payable;
 - b) a certificate of a Senior Financial Officer of the Borrower acceptable to the Bank confirming the amount of hard and soft costs in place (supported by the appropriate invoices and/or cancelled cheques); and
 - c) affidavit attesting to proper use of the funds advanced by the Bank in the Project.
5. Such other information as the Bank or the Project Monitor may reasonably require from time to time.

SCHEDULE A
ADDITIONAL TERMS AND CONDITIONS
APPLICABLE TO ALL CREDITS

1. Calculation and Payment of Interest

Interest on loans/advances made in Canadian dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a calendar year for the actual number of days elapsed both before and after demand of payment or default and/or judgment.

2. Interest on Overdue Interest

Interest on overdue interest shall be calculated at the same rate as interest on the loans/advances in respect of which interest is overdue, but shall be compounded monthly and be payable on demand, both before and after demand and judgment.

3. Indemnity Provision

If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrower of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has due to the Bank's compliance the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any availment hereunder; (ii) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any availment hereunder or on its capital; or (iii) causing the Bank to make any payment or to forgo any return based on any amount received or receivable by the Bank hereunder or in respect of any availment hereunder determined by the Bank in its discretion, then upon demand from time to time the Borrower shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or forgone return (collectively "Increased Costs") as such amounts are reasonably determined by the Bank and set forth in a certificate to the Borrower.

In the event of the Borrower becoming liable for such Increased Costs, the Borrower shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by the Bank for the account of the Borrower, including, without limitation, a Letter of Credit, a Letter of Guarantee or a Bankers' Acceptance. Upon any such prepayment, the Borrower shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate the Bank for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

4. Calculation and Payment of Standby Fee

Standby fees shall be calculated daily and payable monthly on the basis of a calendar year for Canadian dollar credits and on the basis of a 360-day year for U.S. dollar credits from the date of acceptance by the Borrower of this Commitment Letter.

5. Environment

The Borrower agrees:

- (a) To obey all applicable laws and requirements of any federal, provincial, or any other governmental authority relating to the environment and the operation of the business activities of the Borrower;

- (b) To allow the Bank access at all times to the business premises of the Borrower to monitor and inspect all property and business activities of the Borrower;
- (c) To notify the Bank from time to time of any business activity conducted by the Borrower which involves the use or handling of hazardous materials or wastes or which increases the environmental liability of the Borrower in any material manner;
- (d) To notify the Bank of any proposed change in the use or occupation of the property of the Borrower prior to any change occurring;
- (e) To provide the Bank with immediate written notice of any environmental problem and any hazardous materials or substances which have an adverse effect on the property, equipment, or business activities of the Borrower and with any other environmental information requested by the Bank from time to time.
- (f) To conduct all environmental remedial activities which a commercially reasonable person would perform in similar circumstances to meet its environmental responsibilities and if the Borrower fails to do so, the Bank may perform such activities; and
- (g) To pay for any environmental investigations, assessments or remedial activities with respect to any property of the Borrower that may be performed for or by the Bank from time to time.
- (h) To indemnify and save harmless the Bank, its officers, directors, employed agents and shareholders from and against all losses, damages or costs suffered by the Bank arising or relating to any breach by the Borrower of the foregoing covenants in this paragraph 3 and any breach by the Borrower or any other person now or hereafter having an interest in the property which is asserted or claimed against the Bank. This indemnity shall survive the payment in full of all amounts set out in this Agreement and the discharge of the debenture security.

If the Borrower notifies the Bank of any specified activity or change or provides the Bank with any information pursuant to subsections (c), (d), or (e), or if the Bank receives any environmental information from other sources, the Bank, in its sole discretion, may decide that an adverse change in the environmental condition of the Borrower or any of the property, equipment, or business activities of the Borrower has occurred which decision will constitute, in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Bank, the Bank shall notify the Borrower of the Bank's decision concerning the adverse change.

If the Bank decides or is required to incur expenses in compliance or to verify the Borrower's compliance with applicable environmental or other regulations, the Borrower shall indemnify the Bank in respect of such expenses, which will constitute further advances by the Bank to the Borrower under this Agreement.

For purposes of this subsection:

- (i) "Contaminant" means any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation, or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse affect on the health of any person, (v) impairment of the safety of any person, (vi) rendering any property or plant or animal life unfit for use by man, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any pollutant or contaminant as defined in any applicable Environmental Laws and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled.

- (ii) "Environmental Laws" means the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, licences, orders, permits, decisions or requirements concerning Contaminants, occupational or public health and safety or the environment and any other order, injunction, judgement, declaration, notice or demand issued thereunder.

6. Notice of Drawdown / Payments

The Borrower shall give the Bank prior notice of a drawdown or payment of any loan/advance as follows:

- two bank business days when the amount is less than \$1 million dollars.
- three bank business days when the amount is \$1 million dollars or more.

7. Initial Drawdown

The right of the Borrower to obtain the initial drawdown under the Credit(s) is subject to the condition precedent that there shall not have been any material adverse changes in the financial condition or the environmental condition of the Borrower or any guarantor of the Borrower.

8. Periodic Review

The obligation of the Bank to make further advances or other accommodation available under any Credit(s) of the Borrower under which the indebtedness or liability of the Borrower is payable on demand, is subject to periodic review and to no adverse change occurring in the financial condition or the environmental condition of the Borrower or any guarantor.

9. Evidence of Indebtedness

The Bank's accounts, books and records constitute, in the absence of manifest error, conclusive evidence of the advances made under this Credit, repayments on account thereof and the indebtedness of the Borrower to the Bank.

10. Acceleration

- (a) All indebtedness and liability of the Borrower to the Bank payable on demand, is repayable by the Borrower to the Bank at any time on demand;
- (b) All indebtedness and liability of the Borrower to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following Events of Default occurs:
 - (i) The Borrower or any guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
 - (ii) There is a breach by the Borrower or any guarantor of any other term or condition contained in this Commitment Letter or in any other agreement to which the Borrower and/or any guarantor and the Bank are parties;
 - (iii) Any default occurs under any security listed in this Commitment Letter under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrower and/or any guarantor is a party;

- (iv) Any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrower or any guarantor and, if instituted against the Borrower or any guarantor, are allowed against or consented to by the Borrower or any guarantor or are not dismissed or stayed within 60 days after such institution;
- (v) A receiver is appointed over any property of the Borrower or any guarantor or any judgement or order or any process of any court becomes enforceable against the Borrower or any guarantor or any property of the Borrower or any guarantor or any creditor takes possession of any property of the Borrower or any guarantor;
- (vi) Any course of action is undertaken by the Borrower or any guarantor or with respect to the Borrower or any guarantor which would result in the Borrower's or guarantor's reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrower's or any guarantor's assets;
- (vii) Any guarantee of indebtedness and liability under the Credit Line is withdrawn, determined to be invalid or otherwise rendered ineffective;
- (viii) Any adverse change occurs in the financial condition of the Borrower or any guarantor.
- (ix) Any adverse change occurs in the environmental condition of:
 - (A) The Borrower or any guarantor of the Borrower; or
 - (B) Any property, equipment, or business activities of the Borrower or any guarantor of the Borrower.

11. Costs

All costs, including legal and appraisal fees incurred by the Bank relative to security and other documentation and the enforcement thereof, shall be for the account of the Borrower and may be charged to the Borrower's deposit account when submitted.

12. Request for English

This document and all related documents have been drafted in English at the Borrower's request. Ce document et tous les documents y afférents ont été rédigés en anglais à la demande de l'emprunteur.

13. Judgement Currency

The obligations of the Borrower or any Guarantor shall be payable in Canadian Dollars. Such obligations shall not be discharged or satisfied by any tender or recovery pursuant to any judgement expressed in or converted into any other currency except to the extent to which such tender or recovery shall result in the effective receipt by the Bank of the full amount of Canadian Dollars so payable. Accordingly, the obligation of the Borrower shall be enforceable as an alternate or additional cause of action for the purpose of recovery in Canadian Dollars of the amount (if any) by which such effective receipt shall fall short of the full amount of Canadian Dollars so payable and shall not be affected by any judgement being obtained for any other sum due hereunder.

14. Financing Statement

On acceptance of this credit offer the Bank is hereby authorized to register a financing statement(s) in connection with the security detailed in the aforementioned Terms and Conditions sheet(s).

END

Schedule "D" – Existing Security

1. Demand Debenture for \$40,000,000 secured by a first fixed charge over the subject lands (Plan 051 3219, Block 5, Lot 3) containing some 8.72 acres located in Calgary, Alberta, excepting thereout all mines and minerals.
2. General Security Agreement over all present and future personal and real property (including an assignment of all rental income) of the Borrower.
3. General Assignment of Plans, Specifications, Permits, Contracts and Agreements of Purchase and Sale, and when requested by BNS, specific assignments will be provided.
4. Applicable All-Risk Insurance, with loss, if any, payable to BNS together with Public Liability Insurance for not less than \$2,000,000 with BNS shown as additional insured.
5. Unlimited corporate guarantee of Valmont at Aspen Stone Limited Partnership.
6. Unlimited corporate guarantee of Today's Communities Limited Partnership supported by an undertaking to maintain a minimum Tangible Net Worth of \$2,000,000. **BNS acknowledges the Guarantor, Today's Communities Limited Partnership, is in default of this covenant.**
7. Unlimited corporate guarantee of UBG Alberta Builders Limited Partnership supported by an undertaking to maintain a minimum Tangible Net Worth of \$42,500,000. **BNS acknowledges the Guarantor, UBG Alberta Builders Limited Partnership, is in default of this covenant.**
8. Unlimited Cost Overrun and Completion Guarantee from the Borrower and Guarantors.