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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

PLAN OF COMPROMISE AND ARRANGEMENT ("GEH")

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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**PLAN OF COMPROMISE AND ARRANGEMENT
OF
GREENBORO ESTATE HOMES LIMITED PARTNERSHIP,
by its general partner, GREENBORO ESTATE HOMES (2006) LTD.**

PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA)

SEPTEMBER 13, 2013

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ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated or unless the context otherwise requires:

“ABC” means Alberta Builders Capital Inc.

“Administration Charge” shall have the meaning ascribed thereto in the Initial Order, as may have been amended by subsequent Orders and this Plan;

“Affected Claims” means any and all Claims filed against Greenboro in accordance with the Claims Procedure Order, and includes any reduction to such Claims as a result of any payment, compromise, or other deduction applied against such Claims, whether before or after the Filing Date, but does not include Unaffected Claims;

“Affected Creditors” means Creditors with Affected Claims in respect of and to the extent of such Affected Claims;

“ANHWP” means the Alberta New Home Warranty Program;

“ANHWP Warranty and Seasonal Work” means Greenboro’s obligations for warranty and seasonal deficiency work for the Pre-Filing period, covered by ANHWP;

“Applicants” mean the entities defined in the cover page to this Plan;

“Business Day” means a day other than a Saturday, Sunday or statutory holiday in Alberta;

“Calbridge” means Calbridge (2010) Ltd., operating as Calbridge Homes;

“Calbridge Agreement” means the Interim Management Services Agreement between Greenboro and Calbridge, dated June 25, 2013, as amended by agreement dated August 13, 2013, providing for, *inter alia*, the provision of support services by Calbridge to Greenboro, as may be further amended or replaced;

“CCAA” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

“CCAA Charge” means an Order granting a charge over certain specified property in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, except such interests as are expressly stated to be in priority to such charge;

“CCAA Proceedings” means the proceedings brought by Greenboro, and others, pursuant to the provisions of the CCAA in the Court File Number 1201-05843;

“Certificate” means the Certificate described in Section 7.3 of this Plan;

“Claim” means any right or claim of any Person against Greenboro in connection with any indebtedness, liability or obligation of any kind of Greenboro in existence on the Filing Date, or which has arisen after the Filing Date as a result of the termination or repudiation (including the

deemed termination pursuant to this Plan) by Greenboro or before the Plan Implementation Date of any lease, executory contract, agreement or other arrangement in existence on the Filing Date) and any interest accrued thereon, whether before or after the Filing Date, whether liquidated, un-liquidated, fixed, contingent, absolute, matured, un-matured, disputed, undisputed, asserted, unasserted, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, whether legal or beneficial, by guarantee, surety or otherwise, whether or not reduced to judgment, and whether or not such right is warranty-related or executory in nature including the right or ability of any Person to advance a claim for contribution, indemnity, subrogation or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts, events or matters which exist or occurred on or before the Filing Date;

"Claims Procedure Order" means the Claims Procedure Order granted in the CCAA Proceedings on June 15, 2012, as amended by Orders of this Court and this Plan;

"Court" means the Court of Queen's Bench of Alberta in the Judicial District of Calgary presiding over the CCAA Proceedings;

"Creditor" means any Person having a Claim;

"Creditor Approval" means the approval of this Plan by the Affected Creditors in accordance with the provisions hereof and the CCAA;

"Dentons" means Dentons Canada LLP;

"Disputed Claim" means an Affected Claim that is disputed and/or contingent and addressed in accordance with the Claims Procedure Order, the Meeting Order, and this Plan, particularly Article 5 hereof;

"Effective Time" means 12:01 a.m. Calgary time on the Plan Implementation Date;

"Emergency Facility" means an emergency facility provided by TD to Greenboro pursuant to Schedule 3 of the Term Sheet;

"Equity" means all right, title and interest in (i) all partnership units of Greenboro Estate Homes Limited Partnership; (ii) all issued and outstanding shares of Greenboro Estate Homes (2006) Ltd.; and (iii) all other interests in the equity of Greenboro;

"Filing Date" means May 9, 2012;

"Final Order" means an Order, ruling or judgment of the Court, or any other court of competent jurisdiction, which is not subject to any stay or application to vary or set aside;

"Friesen" means Mr. Robert Friesen, an individual residing in Calgary, Alberta, or his nominee;

"Fund" means the fund described in Article 4 of this Plan;

"Fund Administration Charge" means the CCAA Charge created in the Sanction Order over the Fund to secure the fees, costs, and expenses of the Monitor, counsel to the Monitor, and counsel to Greenboro, to administer the Fund and the receipts and disbursements related

thereto, to a maximum amount of \$100,000, in priority to all claims, of whatever kind or nature, howsoever arising, of any and all Persons;

“Greenboro” means Greenboro Estate Homes Limited Partnership, by its general partner Greenboro Estate Homes (2006) Ltd., and Greenboro Estate Homes (2006) Ltd.;

“Initial Order” means the Order dated May 9, 2012, as amended or varied by further Order, ordering and declaring, *inter alia*, that Greenboro and certain other related companies are companies to which the CCAA applies;

“LDC” means UBG Lot Deposit Corp.;

“Lots” means all single family and duplex home lots either owned by Greenboro or subject to purchase and sale between Greenboro and various developers;

“Meeting” means the meeting of Affected Creditors held to consider this Plan as outlined in the Meeting Order;

“Meeting Order” means the Order dated September 20, 2013 authorizing the filing of this Plan, and setting out the procedures for the Meeting and dissemination of the documents relating thereto;

“Monitor” means Ernst & Young Inc., in its capacity as the Court appointed monitor as appointed by the Initial Order;

“Mystic Ridge Project” means the 37 Lots available for purchase and development by Greenboro on lands known as the Richards Lands and the Wanklyn lands (as defined in the Term Sheet) in the community known as Montreux in southwest Calgary;

“Order” means an order granted by the Court;

“Permitted Agreements” means: (a) all Pre-Sales, (b) all purchase and sale agreements for Lots (including all Lot financing agreements, if any); (c) licenses and agreements to utilize and operate Greenboro’s server, and accounting and operational software, (d) the Term Sheet, and (e) any other agreements determined by Calbridge, in its sole, unfettered and absolute discretion, provided written notice setting out such agreements is provided to Greenboro and the Monitor prior to the Plan Implementation Date;

“Person” means an individual, partnership, joint venture, trust, corporation, group, firm, association, unincorporated organization, committee, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;

“Plan” means this Plan of Compromise and Arrangement, as restated, supplemented or amended from time to time;

“Plan Implementation” means that all conditions to this Plan have been satisfied or waived;

“Plan Implementation Date” means the Business Day on which the Certificate is filed by the Monitor in the CCAA Proceedings indicating that Plan Implementation has occurred;

"Post-filing Interest or Costs" means all interest accrued or accruing on or after the Filing Date on or in respect of an Affected Claim and all costs and expenses incurred by, or for the account of, an Affected Creditor on or after Filing Date pursuant to or in respect of an Affected Claim;

"Pre-CCAA Warranty and Seasonal Work" means Greenboro's obligations for warranty and seasonal deficiency work for the Pre-Filing period, covered by warranty providers other than ANHWP;

"Pre-Filing" means the period on or before May 9, 2012;

"Pre-Sales" means the pre-sold single family residences described in the Calbridge Agreement;

"Property" means all of the assets, undertakings and property of Greenboro;

"Released Parties" means Greenboro, the Monitor, and their respective present and former officers, directors, deemed directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents and assigns, as applicable;

"Sanction Order" means an Order made under the CCAA approving and sanctioning the Plan that provides the relief described in section 6.2 of this Plan and is otherwise satisfactory to Greenboro and Calbridge;

"Tax Act" means the *Income Tax Act* (Canada);

"TD" means The Toronto-Dominion Bank;

"TD's Charge" means the CCAA Charge granted over all of Greenboro's undertaking, property, and assets in favour of TD on September 14, 2012, as amended, subject to the exceptions to such CCAA Charge permitted thereby;

"Term Sheet" means the Mystic Ridge Development Financing – Master Term Sheet of Secured Credit Facilities between 1199032 Alberta Ltd., as borrower under certain facilities, Greenboro, as borrowers and guarantors under certain facilities, UBG Land Limited Partnership, by its general partner, UBG Land Inc., as guarantor, and TD, as lender, as will be amended and restated from time to time to the satisfaction of TD, Greenboro and Calbridge to address all financing needs of Greenboro including all aspects of the Mystic Ridge Project and all of Greenboro's projects;

"UBG" means UBG Builders Inc. and all of its direct and indirect subsidiaries and related entities that filed for protection in the CCAA Proceedings, including the Applicants and all their related limited partnerships set out in Schedule "A" to the Initial Order;

"Unaffected Claims" means:

- (i) TD's Claim;
- (ii) ABC's Claim;
- (iii) LDC's Claim;

- (iv) any Claims for goods and services provided to Greenboro after the Filing Date;
 - (v) any Claim in respect of Permitted Agreements, if any;
- but does not include Affected Claims.

“Unaffected Creditors” means Creditors with Unaffected Claims in respect of and to the extent of such Unaffected Claims;

In this Plan, unless otherwise stated or unless the context otherwise requires:

- (b) the division of the Plan into Articles and sections and the use of headings are for convenience or reference only, and do not affect the construction or interpretation of the Plan;
- (c) the words “hereunder”, “hereof” and similar expressions refer to the Plan and not to any one Article or section and references to “Articles” or “sections” are to the Articles or sections of the Plan;
- (d) words importing the singular include the plural and *vice versa* and words importing any gender include all genders;
- (e) the word “including” means “including without limiting the generality of the foregoing”;
- (f) a reference to any statute is a reference to that statute as now enacted or as the statute may from time to time be amended, re-enacted or repealed and includes any regulation made thereunder;
- (g) references to currency, “\$”, or other dollar amounts are to Canadian dollars unless otherwise specified; and
- (h) references to times are to local time in Calgary, Alberta.

1.2 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of each Person named in or subject to the Plan.

1.3 Governing Law

The Plan shall be governed by and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan shall be subject to the jurisdiction of the Court.

ARTICLE 2
BACKGROUND

2.1 Background

Greenboro's role in UBG is the development of single family homes in and around Calgary, Alberta. Although the construction of single family homes has proven to be profitable for Greenboro, many of UBG's other projects, including unsuccessful ventures into Colorado and Canmore, proved to be unprofitable. Given Greenboro's success, it had subsidized many of UBG's unsuccessful projects such that by the end of the first quarter of 2012, Greenboro was no longer able to service its existing credit facilities with TD. It is currently estimated that, if Greenboro were liquidated immediately, TD would experience a shortfall in excess of \$10 million, Greenboro's remaining creditors (both lienholders and unsecured) would recover nothing, and no further homes could be completed and delivered to Greenboro's customers.

Notwithstanding a profitable home building operation, and further opportunities in new communities like the Mystic Ridge Project, Greenboro and UBG commenced the CCAA Proceedings on May 9, 2012.

Greenboro has used the CCAA Proceedings to restructure its affairs and now proposes to emerge from the CCAA Proceeding in accordance with the terms and conditions of this Plan. Greenboro's emergence marks a number of milestones for Greenboro that are anticipated to be hallmarks of a successful future as a going concern. These features include:

- (a) a stabilized relationship with TD that includes new financing pursuant to the Term Sheet that provides for financing to: (i) fund a payment to Greenboro's creditors, (ii) develop Mystic Ridge, and (iii) emerge from the CCAA Proceedings on a solid financial footing;
- (b) the resolution of a number of disputes surrounding the Mystic Ridge Project that have enabled Greenboro to proceed with the development of the Mystic Ridge Project;
- (c) the review and compromise of a number of Claims with the result that amounts owed by Greenboro were reduced and impediments were removed to enable a successful restructuring;
- (d) a strategic alliance with Calbridge that will allow for the continued operations of Greenboro's business on a capable and cost efficient basis; and
- (e) a mechanism to resolve any outstanding deficiencies on homes built by Greenboro.

ARTICLE 3
OVERVIEW OF THE PLAN

3.1 Overview

In summary, the Plan provides as follows:

- a) concurrently with the implementation of the Plan, Calbridge or its nominee shall acquire a 50% interest in the Equity for \$1.00, free and clear from all encumbrances and Friesen shall acquire the other 50% interest in the Equity for \$1.00, free and clear from all encumbrances;

- b) all Affected Creditors will share in the Fund such that all Affected Creditors will get the first \$3,000 of their claim, and then share on a *pro-rata* basis up to a maximum aggregate distribution equal to the lesser of: (i) 75% of the aggregate value of all Affected Claims; and (ii) the aggregate value of the Fund;
- c) Greenboro shall provide a payment to the Monitor of \$750,000 in respect of the costs of Greenboro (including costs related to the administration of Greenboro's participation in the CCAA Proceedings);
- d) upon implementation of the Plan, all claims of Affected Creditors shall be released and discharged as against Greenboro and Greenboro shall thereupon be released from all claims, other than: (i) Unaffected Claims, and (ii) the obligations of Greenboro under this Plan, including to establish the Fund with the Monitor.
- e) Unaffected Creditors will include: (i) TD, (ii) ABC, (iii) LDC, (iv) all trade creditors for goods and services provided to Greenboro after Filing Date, and (v) counterparties to Permitted Agreements, in respect of all obligations to the counterparties under those Permitted Agreements;
- f) releases for the Monitor, the Monitor's counsel, Greenboro, each and every current and former director, officer, deemed director, and employee of Greenboro, and Greenboro's legal counsel.
- g) the disclaimer and release of all obligations owed by Greenboro in respect of warranties, executory contracts and other liabilities except Permitted Agreements;
- h) the implementation of the Plan is conditional on a number of factors referenced in this Plan, including the following:
 - a. the requisite approval of the Plan by Affected Creditors;
 - b. the Court issuing a Sanction Order;
 - c. all amounts secured under the Administration Charge shall have been paid in full or agreements satisfactory to the beneficiaries of the Administration Charge shall be in place in respect of the payment of all amounts so secured;
 - d. the Term Sheet, and the financing contemplated therein, are satisfactory in form and substance to TD, Calbridge and Greenboro and commitment letters have been issued by TD and accepted by the borrowers and guarantors thereunder;
 - e. ANHWP shall have confirmed its commitment to complete, or cause to be completed, all ANHWP Warranty and Seasonal Work; and

- f. all documents necessary to give effect to all material provisions of the Plan have been executed and delivered (including the requisite documents for Calbridge or its nominee to acquire 50% of the Equity and Friesen to acquire 50% of the Equity).

The Plan is described in detail in the Monitor's Thirteenth Report. The Monitor's Thirteenth Report is included in the package provided to all Affected Creditors pursuant to the Meeting Order and can also be found on the Monitor's Website, www.ey.com/ca/unitybuildersgroup. Affected Creditors are encouraged to review that Report in detail in conjunction with their consideration of this Plan.

3.2 Effect of the Plan

On the Plan Implementation Date, the Plan will be binding on Greenboro and on all Persons with Affected Claims.

ARTICLE 4 THE FUND

4.1 The Fund

Upon Plan Implementation, Greenboro is authorized and directed to drawdown the Emergence Facility and utilize such funds to establish the Fund with the Monitor. In no event shall the amount contributed to the Fund – whether under the Emergence Facility or otherwise provided by Greenboro - exceed the amount of \$1,700,000.

4.2 Administration of the Fund

The Monitor shall maintain a separate, interest bearing trust account where all contributions to the Fund will be maintained and disbursed by the Monitor as set forth in this Plan. The Fund shall be subject to the Fund Administration Charge.

4.3 Disbursements from the Fund

The Fund shall be disbursed by the Monitor in accordance with the provisions of this Plan and in the following priority:

- (a) firstly, in satisfaction of any amounts owing under the Fund Administration Charge;
- (b) secondly, in satisfaction of claims described in paragraph 5.9 hereof; and
- (c) thirdly, to Affected Creditors in accordance with their respective entitlements under this Plan.

ARTICLE 5 AFFECTED CLAIMS

5.1 Class of Affected Creditors

All Affected Creditors shall form one class of creditors under the Plan for the purpose of considering and voting upon this Plan.

S.2 Treatment of Affected Creditors

Every Affected Creditor shall, subject to the provisions of the Plan, be treated as follows:

- (a) Each Affected Creditor will receive a copy of the Meeting Order, including all ancillary materials set forth in the Meeting Order.
- (b) At the Meeting, the Affected Creditors will vote on this Plan.
- (c) If the Plan receives Creditor Approval, Greenboro will apply for a Sanction Order as soon as practicable.
- (d) On the Plan Implementation Date, Affected Creditors shall become entitled to receive the following payment from the Fund in full satisfaction of their Claim (subject to the resolution of any aspect of their Claim that is a Disputed Claim):
 - (i) firstly, the Fund shall be distributed to Affected Creditors to the extent of the lesser of:
 - (A) the amount of \$3,000; and
 - (B) the full amount of the Affected Creditors claim; plus
 - (ii) secondly, distributions will be made from the Fund to Affected Creditors remaining after disbursement of the amounts described in subparagraph (i), above, pursuant to their remaining respective proven claims, without interest, on a *pro rata* basis up to the maximum aggregate amount of 75% of the remaining proven claims after deducting the distributions described in subparagraph (i) above.

5.3 Distribution of the Fund

The Monitor may make distributions from the Fund when it deems it necessary or advisable, and the Monitor has satisfied itself that the Affected Claim is not an unresolved Disputed Claim. Notwithstanding the existence of Disputed Claims, the Monitor may make distributions provided that it makes suitable reserves in respect of outstanding Disputed Claims.

5.4 Voting by Affected Creditors

Each Affected Creditor shall be entitled to vote on this Plan at the Meeting to the extent of the amount of its filed Affected Claim. For greater certainty:

- (a) for the purposes of voting on this Plan, all Affected Creditors shall be entitled to vote on the proof of claim (as may have been amended, reduced, or compromised) they filed in respect of their Affected Claim pursuant to the Claims Procedure Order, but for the purposes of receiving distributions under this Plan remain subject to further review and final acceptance, and may be determined to be, in whole or in part, a Disputed Claim;
- (b) where one or more Disputed Claim affects the ability of the Monitor to determine whether the requisite Creditor Approval has been obtained, then the Monitor shall immediately apply to the Court to: (i) seek an expedited resolution of such Disputed

Claim(s), and (ii) adjourn the hearing of the Sanction Order pending resolution of such Disputed Claim(s);

- (c) accepting an Affected Claim for the purpose of voting on the Plan shall in no way prejudice the review of such claim for distribution purposes.

The Monitor shall report the results of the vote and the tabulation of votes of Affected Creditors to the Court.

5.5 Disputed Claims

Except as may be required pursuant to section 5.4 (a) of this Plan, Disputed Claims will be addressed in accordance with the provisions set forth in the Claims Procedure Order, commencing within 30 days following the Plan Implementation Date.

5.6 Entitlement of Affected Creditors

- (a) All cash payments made to an Affected Creditor pursuant to the Plan shall be in satisfaction of the Affected Claim.
- (b) No Affected Creditor shall receive any Post-filing Interest or Costs.
- (c) Each Affected Creditor shall be liable to pay any tax exigible in respect of amounts received by such Affected Creditor pursuant to the Plan and Greenboro shall have no liability with respect thereto.

5.7 Extinguishment of Claims

As of and from the Effective Time and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims under the Plan shall be final and binding on Greenboro and all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and all Claims, other than Unaffected Claims, shall be released and discharged as against Greenboro and Greenboro shall thereupon be released from all Claims, other than: (i) Unaffected Claims, and (ii) the obligations of Greenboro to establish the Fund with the Monitor as provided for in this Plan.

5.8 Set-Off

Despite any other provision of the Plan, the law of set-off applies to all claims made by or against Greenboro (including Claims) to the same extent as if Greenboro was plaintiff or defendant, as the case may be. For greater certainty, a Person may only set off as against a Claim an obligation of such Person to Greenboro and that existed on or before the Filing Date (that is otherwise the proper subject of set-off) and a Person may only set off as against a Claim by such Person against Greenboro arising after the Filing Date, an obligation of such Person to Greenboro arising after the Filing Date (that is otherwise the proper subject of set-off).

5.9 Crown Priority Claims

Within six months from the date the Sanction Order is granted, Greenboro shall pay in full to Her Majesty in Right of Canada or of a province all amounts owing by it of a kind that could be subject to a demand under subsection 224(1.2) of the *Tax Act* or under any substantially similar provision of any

provincial legislation and that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the *Tax Act*;
- (b) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Tax Act* and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under part VII.1 of the *Employment Insurance Act* and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Tax Act*; or
 - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

ARTICLE 6 SANCTION ORDER

6.1 Application for Sanction Order

If Creditor Approval of the Plan is obtained, Greenboro shall apply to the Court for the Sanction Order. If Creditor Approval is not obtained, Greenboro shall so report to the Court as soon as reasonably practicable.

6.2 Sanction Order

Greenboro shall apply for a Sanction Order having effect on the Plan Implementation Date (or as may be otherwise provided in the Sanction Order) which shall, among other things:

- (a) declare that the compromises contemplated by the Plan are approved, binding and effective as herein set out on all Persons affected by the Plan;
- (b) declare that the stay of proceedings contained in the Initial Order continues in respect of the Affected Claims except as set forth in this Plan;
- (c) amend the powers of the Monitor to carry out its mandate under this Plan;

- (d) approve the sale of the Equity to Calbridge and Friesen (or their individual or collective nominee) free and clear of all interests and encumbrances, howsoever arising;
- (e) approve Calbridge's acquisition of the LDC Claim;
- (f) amend the charges granted in the CCAA Proceedings to: (i) discharge all CCAA Charges against the Property, and (ii) create the Fund Administration Charge;
- (g) release all Post-Filing Interest and Costs;
- (h) declare that nothing in the Sanction Order affects or otherwise disturbs the Order granted April 25, 2013 regarding the settlement surrounding the Mystic Ridge Project;
- (i) declare that all obligations of Greenboro in respect of warranty obligations, ANHWP Warranty and Seasonal Work, Pre-CCAA Warranty and Seasonal Work, executory contracts, and other liabilities are discharged and released except in respect of Permitted Agreements, which are deemed to be valid, binding, and in good standing, and no Person who is a party to any such obligation or agreement shall, on or after the Effective Time, accelerate, terminate, rescind, refuse to renew, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise, or purport to enforce or exercise, any right (including any right of set-off, combination of accounts, dilution, buy-out, divestiture, forced purchase or sale option, or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:
 - (i) any event or events which occurred on or before the Plan Implementation Date and is not continuing after the Plan Implementation Date, which would have entitled any party thereto to enforce such rights or remedies (including defaults or events of default arising as a result of the insolvency of Greenboro);
 - (ii) Greenboro having sought or obtained relief under the CCAA; or
 - (iii) any arrangements, settlements, assignments or transactions effected pursuant to the Plan, the Sanction Order or completed during the CCAA Proceedings;
- (j) declare that the releases contained in this Plan are effective and binding;
- (k) direct the Registrar of Land Titles to discharge all liens and other interests registered by Affected Creditors against title to real property of Greenboro upon the request of either Greenboro or the Monitor;
- (l) declare that the arrangements and compromises contained in this Plan are fair and are not oppressive; and
- (m) such further and other relief as Greenboro, Calbridge, or the Monitor may reasonably require which is not materially inconsistent with the Plan, and the Court may grant;

all of which shall be in form and substance satisfactory to Greenboro, Calbridge, and the Monitor.

ARTICLE 7
CONDITIONS OF PLAN IMPLEMENTATION

7.1 Conditions of Plan Implementation

The implementation of the Plan is conditional on the satisfaction or waiver of the following conditions, in a manner satisfactory to Greenboro and the Monitor:

- (a) Creditor Approval of the Plan shall have been obtained;
- (b) the Court shall have issued the Sanction Order in accordance with section 6.2 and the Sanction Order shall be a Final Order;
- (c) Greenboro shall have paid the Monitor the sum of \$750,000 in satisfaction of all amounts owed by Greenboro to the beneficiaries of the Administration Charge;
- (d) the Term Sheet, and the financing contemplated therein, are satisfactory in form and substance to TD, Calbridge and Greenboro and commitment letters have been issued by TD and accepted by the borrowers and guarantors thereunder;
- (e) Calbridge shall have acquired LDC's Claim on terms and conditions satisfactory to Calbridge and Greenboro;
- (f) the Calbridge Agreements are in good standing and satisfactory in form and substance to Calbridge and Greenboro;
- (g) Calbridge and Friesen (or their individual or collective nominee) shall have acquired the Equity in form and substance satisfactory to each of them;
- (h) the aggregate Claims of Affected Creditors do not exceed an amount equal to the amount set forth in paragraph 4.1, of this Plan, divided by 0.75;
- (i) ANHWP shall have: (i) confirmed its commitment to complete, or cause to be completed, all ANHWP Warranty and Seasonal Work; and (ii) released any Claim it may have against Greenboro;
- (j) all agreements and other documents and other instruments which are necessary to be executed and delivered by Greenboro to implement the Plan and perform its obligations hereunder, shall have been executed and delivered;
- (k) any applicable governmental, regulatory and judicial consents or orders, and other similar consents and approvals, and all filings with all governmental authorities, securities commissions and other regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable for the completion of the transactions contemplated by the Plan or any aspect thereof, shall have been made, obtained or received;
- (l) all documents necessary to give effect to all material provisions of the Plan shall have been executed and delivered by all relevant Persons; and

- (m) all steps, conditions and documents necessary to the implementation of the Plan (including without limitation those set out above) are capable of being implemented on or before the Plan Implementation Date.

7.2 Waiver of Plan Implementation Conditions

Any condition set forth in section 7.1 may be waived in whole or in part in writing by Greenboro, with the consent of the Monitor. Calbridge and TD shall approve any waivers granted by Greenboro under this Section. Any condition so waived shall be deemed to have been satisfied for the purposes of the Plan.

7.3 Monitor's Certificate

Upon being advised in writing by Greenboro that the conditions set out in section 7.1 have been satisfied or waived in accordance with section 7.2 and that the Plan is capable of being implemented, the Monitor shall file with the Court a certificate stating that all conditions precedent set out in section 7.1 of the Plan have been satisfied or waived in accordance with the Plan and that the Plan has been implemented, effective as of the Effective Time.

7.4 Failure to Satisfy Plan Conditions

If the conditions contained in section 7.1 of the Plan are not satisfied or waived in accordance with section 7.2 of the Plan on or before the day which is 30 days after the date on which the Sanction Order is issued or such later date as may be specified by Greenboro, with the consent of the Monitor, the Plan shall not be implemented and the Plan and the Sanction Order shall, unless an Order is granted otherwise, cease to have any further force or effect.

ARTICLE 8 PLAN IMPLEMENTATION

8.1 Implementation of the Plan

After and subject to the satisfaction or waiver of the conditions as outlined in Article 7 of the Plan and the issuance of the Certificate, the Plan shall be fully enforceable in accordance with its terms, effective as of the Effective Time.

ARTICLE 9 EFFECT OF THE PLAN

9.1 Binding Effect of the Plan

On the Plan Implementation Date, the Plan shall be implemented by the Monitor and Greenboro and shall be fully effective and binding on Greenboro and all Persons affected by the Plan. Without limitation, the treatment of Claims under the Plan and under the Claims Procedure Order shall be final and binding on Greenboro, the Affected Creditors and all Persons affected by the Plan and their respective heirs, executors, administrators, legal representatives, successors and assigns.

9.2 Release of the Released Parties

For good and valuable consideration, each Affected Creditor on the Affected Creditor's own behalf and on behalf of the Affected Creditor's respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, hereby fully, finally, irrevocably and unconditionally releases and forever discharges each of the Released Parties of and from any and all past, present and future claims, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees (including legal fees on a solicitor and its own client, full indemnity basis), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or un-liquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly: any act, inaction or omission existing or taking place on or prior to the Plan Implementation Date relating to or otherwise in connection with the business and affairs of Greenboro relating to or otherwise in connection with Greenboro's construction of single family residences or any other projects, the CCAA Proceedings, in anticipation of or preparation for the restructuring of Greenboro and/or the CCAA Proceedings, the Meeting or the Plan (collectively, the "Released Claims"); and each Affected Creditor shall not make or continue any claims or proceedings whatsoever based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, the substance of the facts giving rise to any matter herein released (including, without limitation, any action, cross-claim, counter-claim, third party action or application) against any Person who claims or might reasonably be expected to claim in any manner or forum against one or more of the Released Parties, including, without limitation, by way of contribution or indemnity, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, and that in the event that any of the Released Parties are added to such claim or proceeding, it will immediately discontinue any such claim or proceeding. Notwithstanding the foregoing, nothing herein shall release or discharge a Released Party from its obligations, if any, under the Plan.

9.3 Injunction

All Affected Creditors, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Plan Implementation Date, with respect to Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties, and any amount recovered by an Affected Creditor from a Person in contravention of this provision shall be held in trust for, and returned to, Greenboro and Greenboro may deduct an amount recovered in contravention hereof from any

distribution to such Affected Creditor, if any, under this Plan; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or (v) taking any actions to interfere with the implementation or consummation of this Plan.

9.4 Release of Officers, Directors, Deemed Directors and Employees of Greenboro

Effective on the Plan Implementation Date, each and every current and former director, officer, deemed director and employee of Greenboro shall, to the extent permitted by the CCAA, be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any claim, liability, obligation, demand or cause of action of any nature which Greenboro, any Creditor or any other Person, may have or be entitled to assert, whether known or unknown, matured or un-matured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or before the date of issue of the Sanction Order or in any way relating to, arising out of or in respect of the Plan, the CCAA Proceedings, or in any way relating to, arising out of, or in respect of any Claim or Claims against such directors, officers, deemed directors or employees that relate to any obligations of Greenboro including for or in respect of:

- (a) statutory liabilities which may be imposed on them, or any of them, by reason of Greenboro's failure to: (i) retain any funds in a segregated, trust, or other defined place or manner, and (ii) pay any amounts which are required to be deducted from employees' wages including, without limitation, amounts in respect of employment insurance, Canada pension plan, Quebec pension plan and income taxes;
- (b) employee claims for wages, vacation pay, severance pay, termination pay and benefits;
- (c) employee claims or the claims of third parties in respect of pension plans or pensions; or
- (d) claims for any amounts in the form of damages or fines relating to environmental matters.

ARTICLE 10 GENERAL

10.1 Waiver of Breaches and Defaults

From and after the Plan Implementation Date, all Persons, shall be deemed to have permanently waived any and all breaches and defaults of Greenboro then existing or previously committed Greenboro, caused by Greenboro, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, lease or other agreement, written or oral, (including all joint venture agreements and other similar agreements) or any or all amendments or supplements thereto, between such Person and Greenboro, and any and all notices of breach or default and demands for payment under any instrument or agreement, including any guarantee by Greenboro, shall be deemed to have been rescinded. In the event that the implementation of this Plan or any transaction or step contemplated by this Plan would result in the breach of or a default under any term or covenant of any contract, lease or other agreement by Greenboro or would otherwise give rise to any Person any Claim thereunder including in respect of any severance payment, change of control payment or similar payment or right, all parties to such contracts, leases and other agreements shall be deemed to have consented to such breaches and defaults and waived and released any Claims in respect thereof

including in respect of any severance payment, change of control payment or similar payment or right, in consideration for the ongoing benefit to be derived by such parties from such contracts, leases or other agreements and on the understanding that such transactions and steps are necessary for the implementation of the Plan for the benefit of Greenboro, the Affected Creditors and other stakeholders. In the event that any party to any such contract, lease or other agreement objects to the consent and waiver set out in this section, it shall notify the Monitor and Greenboro in writing of such objection prior to the date of the Meeting, in which case such contract, lease or other agreement shall be deemed to have been disclaimed and resiliated prior to the Plan Implementation Date and any Claim which such party may have shall be an Affected Claim under this Plan.

10.2 Amendments to the Plan

Greenboro shall be entitled, at any time and from time to time, with the consent of the Monitor or as otherwise ordered by the Court, to amend, restate, modify or supplement the Plan, provided that any such amendment, restatement, modification or supplement is contained in a written document which is filed with the Court and:

- (a) if made prior to the Meeting, is communicated to the Affected Creditors in the manner required by the Court (if so required) or at the Meeting; or
- (b) if made following the Meeting, is made with the approval of the Court on notice to the Affected Creditors which may be adversely affected by the amendment,

provided, however, that any such alteration, amendment, modification or supplement may be made unilaterally by Greenboro before or after the Sanction Order is issued if it concerns only a matter which, in the opinion of Greenboro and, if applicable, the Monitor is of an administrative nature required to give better effect to implementation of this Plan and is not adverse to the financial or economic interests of the Affected Creditors.

10.3 Guarantees and Similar Covenants

No Person who has a claim as a guarantor, surety, indemnitor or similar covenantor or in respect of any Claim which is compromised under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under the Plan shall be entitled to any greater rights than the applicable Affected Creditor whose Claim was compromised under the Plan.

10.4 Consents and Waivers

Upon the implementation of the Plan on the Plan Implementation Date, each Affected Creditor shall be deemed to have consented and agreed to all of the provisions of the Plan as an entirety. In particular, each Affected Creditor shall be deemed:

- (a) to have executed and delivered to Greenboro all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (b) to have waived any non-compliance by Greenboro with any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such

Affected Creditor and Greenboro that occurred on or before the Plan Implementation Date.

10.5 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless the Person's Claims overlap or are otherwise duplicative.

10.6 Notices

Any notice or other communication to be delivered hereunder will be in writing and will reference this Plan and may, subject to as hereinafter provided, be made or given by mail, personal delivery or by facsimile or email transmission addressed to the respective parties as follows:

(a) If to Greenboro:

Greenboro Estate Homes
C/O Dentons Canada LLP
15th Floor, 850-2 Street SW
Calgary, AB T2P 0R8
Attention: Robert Friesen / David Mann / Doug Schweitzer
Fax: (403) 268-3100

with a copy to :

Dentons Canada LLP
15th Floor, 850-2 Street SW
Calgary, AB T2P 0R8
Attention: David Mann / Doug Schweitzer
Fax: (403) 268-3100
Email: doug.schweitzer@dentons.com

(b) If to an Affected Creditor:

To the last known address (including fax number or email address) for such Affected Creditor as specified in the proof of claim filed by such Affected Creditor or, in the absence of such proof of claim, to the last known address for such Affected Creditor as set out in the books and records of Greenboro or such other address of which the Affected Creditor may from time to time notify the Monitor in accordance with this Section.

(c) If to Calbridge:

Calbridge Homes
 7325 – 12th Street S.E.
 Calgary, AB T2H 2S6
 Attention: Larry Thomson / Bev Higham
 Fax: (403) 253-4136

with a copy to:

Warren Tettensor Amantea LLP
 1413-2nd street SW
 Calgary, AB T2R 0W7
 Fax: (403) 244-1948
 Attention: Joe Amantea
 Email: amantea@warren.ab.ca

(d) If to the Monitor:

Ernst & Young Inc.
 1000-400 2 Avenue SW
 Calgary AB T2P SE9
 Attention: Robert Taylor
 Fax: (403) 290-4265
 Email: bob.taylor@ca.ey.com

with a copy to:

Bennett Jones LLP
 Bankers Hall East – Suite 4500
 855 2nd Street SW
 Calgary, AB T2P 4K7
 Attention: Chris Simard
 Fax: (403) 265-7219
 Email: simardc@bennettjones.com

10.7 Paramountcy

From and after the Plan Implementation Date, if there is any conflict between any provision of the Plan and any provision of any other contract, document, agreement or arrangement, written or oral, between any Affected Creditor and Greenboro in existence on the Plan Implementation Date, such provision of the Plan shall govern.

10.8 Rights and Remedies of TD

Nothing in paragraphs 9.2, 9.3, 9.4 or 10.1 applies in respect of the TD Claim. Any amendment to this Plan requires the approval of TD.

10.9 Termination

At any time prior to the Plan Implementation Date, Greenboro, with the consent of Monitor or by Order of the Court, may determine not to proceed with this Plan notwithstanding the obtaining of the Sanction Order. If the conditions precedent to implementation of this Plan are not satisfied or waived, if Greenboro determines not to proceed with this Plan, with the consent of the Monitor or by Order, or if the Sanction Order is not issued by the Court: (a) this Plan shall be null and void in all respects; (b) any settlement or compromise embodied in this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (c) nothing contained in this Plan, and no act taken in preparation of the consummation of this Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Claims or any defences thereto by or against any of the Affected Creditors or any other Person, (ii) prejudice in any manner the rights of any of the Affected Creditors or any other Person in any further proceedings involving Greenboro, or (iii) constitute an admission of any sort by Greenboro, the Affected Creditors or any other Person.


10.10 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings and the Monitor will not be responsible or liable for any obligations of Greenboro hereunder. The Monitor will have only those powers granted to it by this Plan, by the CCAA and by any Order, including the Initial Order.

DATED as of the 13th day of September, 2013.

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

Per:


Robert Friesen