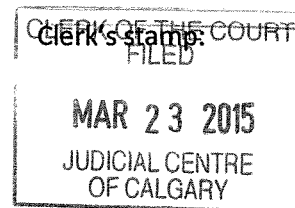


COURT FILE NUMBER
COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL CENTRE

1201-05843



CALGARY

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

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

(COLLECTIVELY, THE "APPLICANTS")

AFFIDAVIT

DENTONS CANADA 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

DOCUMENT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

March 23, 2015
This Affidavit shall be
filed notwithstanding
it is not an original.
"Master Robertson"
MCQBA

AFFIDAVIT OF ROBERT FRIESEN

Sworn on March 19, 2015

I, Robert Friesen, of the City of Calgary, in the Province of Alberta, **MAKE OATH AND SAY THAT:**

1. I am the founder, owner and Chairman of the Board of the Applicants ("UBG") and I am authorized by all of the Applicants to depose this Affidavit and do so on their behalf. I am the controlling mind of all of the Applicants and, as such, I have personal knowledge of the matters

herein deposed to, except where stated to be based on information and belief, in which case I do verily believe the same to be true.

2. All capitalized terms in this Affidavit shall have the meaning ascribed to them in the Affidavit sworn by me and filed in these proceedings on May 9, 2012 (the “**Initial Affidavit**”) unless otherwise indicated in this Affidavit.

Relief Requested

3. I make this Affidavit in support of the Application of UBG for the following relief:
 - (a) an Order, in substantially the form attached to the Application as Schedule “A”, approving an interim distribution of funds in connection with the sale of units in the Murals Project, owned by High Pointe Limited Partnership, by its general partner High Pointe Inc. (collectively, “**High Pointe**”);
 - (b) an Order, in substantially the form attached to the Application as Schedule “B”, extending the Stay Period, as defined in the Order made by Madam Justice Horner on May 9, 2012 in these proceedings (the “**Initial Order**”); and
 - (c) such further and other relief as may be sought by the Applicants and granted by this Honourable Court.

The Murals Project

4. The Murals Project is a town home complex located in High River, Alberta. The Project was intended to be completed in three phases. Phases 1 and 2 are complete. The only secured creditor of the Murals Project is a group of individual investors by way of a debenture mortgage.
5. The investors have executed an Extraordinary Resolution wherein, i) they appointed a group of investors to act as a steering committee (the “**Steering Committee**”) to represent the investors’ interests, and ii) approved the marketing and sale of Phase 3 of the Murals Project.
6. Proceeds from the sale of 7 units in Phase 2 of the Murals Project are currently held in trust with UBG’s legal counsel. Construction of Phase 2 was completed through an arrangement with Stahl General Contracting and all units have been sold.
7. An accounting of the proceeds from the 7 sold units has been prepared by UBG and reviewed by the Steering Committee and the Monitor. This is further described in and attached to the Monitor’s Twentieth Report.
8. There is the sum of \$242,568.83 in net proceeds is available for distribution to the investors in the Murals Project. UBG supports an interim distribution to investors at this time.
9. Phase 3 of the Murals Project was never commenced and is comprised of bare land. A plan for the development of Phase 3 by Kohr Builders Inc. was previously intended, but this ultimately failed to complete. The lands comprising Phase 3 have since been listed for sale with a commercial realtor, with the help and recommendation of the Steering Committee.

10. A conditional offer has been received for Phase 3 (the “**Fennell Offer**”). A summary of the salient points of that offer is as follows:
 - (a) the purchase price is an aggregate of \$900,000;
 - (b) the Phase 3 lands will be sold on an as is – where is basis;
 - (c) the offer is subject to Buyer approval following a 90 day due diligence period;
 - (d) the closing date is set for 60 days following satisfaction or waiver of conditions;
 - (e) the offer is subject to the Court granting an approval and vesting order in respect of the Phase 3 lands.

11. Given the conditionality of the Fennell Offer, UBG anticipates returning to Court for approval of the sale of Phase 3 of the Murals Project, in accordance with the Fennell Offer, after conditions have been waived or met.

Extension of the Stay Period

12. UBG continues to make progress in its restructuring and to work closely with the Monitor. Since the last stay extension was granted, UBG has advanced various of its remaining projects and business enterprises, including by:
 - (a) continuing to market, construct, sell and close the sale of Residential Units in its remaining projects;
 - (b) communicating and working with the Steering Committee appointed for the investors in the Murals at High Pointe Project;
 - (c) progressing ongoing litigation affecting the Valour Park and Origins projects;
 - (d) working with investors and Olympia Trust Company in connection with the sale of the Mountaineers Village II Project;
 - (e) working with the Monitor in connection with the ongoing claims process;
 - (f) working with Greenboro Estate Homes Limited Partnership and Calbridge Homes in the settlement of outstanding litigation and the disposition of various lots;
 - (g) working with lenders and other stakeholders in the Today’s Homes developments, including in the completion of deficiencies and preparation of an accounting;
 - (h) working with counsel in relation to the advancement of certain of UBG’s joint venture arrangements;
 - (i) communicating regularly with lenders, investors, creditors and other parties; and
 - (j) continuing all remaining business processes.

- 13. UBG is working in good faith and with due diligence in these proceedings and believes it is in the best interests of UBG and all its stakeholders to continue in these proceedings.
- 14. The Monitor supports the relief that UBG is seeking, as outlined in paragraph 3 of this, my Affidavit. I have reviewed the Monitor's Twentieth Report, and agree with, and endorse, the contents thereof.
- 15. I make this Affidavit in support of the Application of UBG for the relief described in paragraph 3, above.

Sworn before me in the City of Rancho
Mirage, in the state of California, the 19th
day of March, 2015.

Stephanie V. Lopez

A Notary Public in and for the State of
California

[Signature]

[Signature]

Robert Friesen

