

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 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")**

DOCUMENT

**AFFIDAVIT**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT

**DENTONS CANADA LLP**  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> 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

**AFFIDAVIT OF ROBERT FRIESEN**

**Sworn on December 10<sup>th</sup>, 2014**

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 an Order, in substantially the form attached to the Application as Schedule "A", extending the Stay Period, as defined in the Order made by Madam Justice Horner on May 9, 2012 in these proceedings (the "**Initial Order**"), to and including March 31, 2015, and such further and other relief as may be sought by the Applicants and granted by this Honourable Court.
4. I have reviewed the Court-appointed Monitor's Nineteenth Report (the "**Report**") and agree with the summaries and conclusions contained therein.

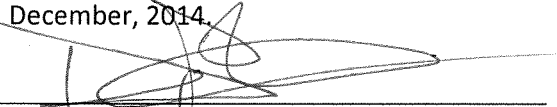
***Extension of the Stay Period***

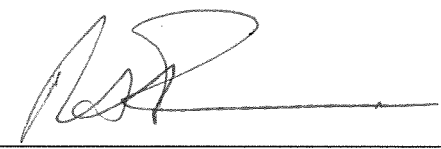
5. UBG has made significant progress through the course of its restructuring and continues to work diligently in respect of its remaining projects. This is discussed in detail in the Monitor's Nineteenth Report.
6. Since the last stay extension was granted, UBG has advanced various of its remaining projects and business enterprises.
7. In respect of the Murals Project, a Steering Committee of investors was appointed by Extraordinary Resolution and has taken over the listing and marketing of the remaining Phase 3 lands. The Steering Committee has advised that an offer was recently received and is being reviewed. If acceptable to the Steering Committee, the offer will be subject to UBG and Monitor approval.
8. In respect of the Mountaineer's Village II project, attempts to sell this property (bare land located in Canmore) have been unsuccessful. A small group of investors has expressed interest in taking over the property through a nominee company and a structure to address the property taxes, investor debt and other issues is currently being worked on by UBG.
9. Several projects are involved in ongoing litigation and UBG continues to deal with these as required. In the litigation affecting the Valour Park Project, a schedule has been set for further questioning to take place in January and February, 2015.
10. In connection with the Today's Homes developments, UBG continues to work with Sterling Bridge Mortgage Corporation under the existing financing protocols. Various deficiencies are being resolved on an ongoing basis and Sterling Bridge is currently preparing an accounting of these facilities for UBG. UBG has been advised that a preliminary accounting will be provided by the end of this month, but this will not be finalized until the completion of deficiencies.
11. In addition to the foregoing, UBG has continued to:
  - (a) market, construct, sell and close the sale of Residential Units in its remaining projects;

- (b) work with the Monitor in connection with its review of the accounting on the Village on the Park and Valmont projects;
  - (c) work with the Monitor in connection with the ongoing claims process;
  - (d) work with the Monitor and Calbridge regarding the development requirements for Phase 1 of the Mystic Ridge development;
  - (e) work with Calbridge Homes in connection with developers, lenders, creditors and stakeholders, including in respect of various claims;
  - (f) work with lenders and other stakeholders in the Today's Homes developments and in particular in respect of deficiencies and accounting in respect of the financing protocols;
  - (g) work with counsel in relation to the advancement of certain of UBG's joint venture arrangements;
  - (h) communicate regularly with lenders, investors, creditors and other parties; and
  - (i) continue all remaining business processes.
12. UBG is working in good faith and with due diligence in these proceedings and I verily believe it is in the best interests of UBG and all its stakeholders to continue in these proceedings.

**Monitor's Report**

13. I have reviewed the Monitor's Nineteenth Report, and agree with, and endorse, the contents thereof. The Monitor supports the relief that UBG is seeking, as outlined in paragraph 3 of this, my Affidavit.
14. 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 Calgary in )  
the Province of Alberta, the 10<sup>th</sup> day of )  
December, 2014. )  
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\_\_\_\_\_)  
Commissioner of Oaths in and for the )  
Province of Alberta )  
)

  
\_\_\_\_\_)  
**Robert Friesen**