

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Robert Frazee
Sworn before me this 6th
Day of July, A.D. 2012
W. J. [Signature]
COMMISSIONER FOR OATHS
AND FOR THE PROVINCE OF ALBERTA
Notary Public, in and for
the Province of Ontario

PROTOCOL AGREEMENT

THIS AGREEMENT made this 5th day of July, 2012

BETWEEN:

GREENBORO HOMES LIMITED PARTNERSHIP, by its general partner, GREENBORO HOMES (2006) LTD.
(the "Borrower")

W. J. [Signature], LL.B.
BARRISTER, SOLICITOR,
NOTARY PUBLIC
OF THE FIRST PART

- and -

ALBERTA TREASURY BRANCHES ("ATB")

OF THE SECOND PART

WHEREAS ATB 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 lands and premises described in the attached Schedule "A" (the "Homes");

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

AND WHEREAS the Borrower has obtained a Vesting Order (the "Vesting Order") in the CCAA Proceedings in respect of, *inter alia*, the sale of the Homes;

AND WHEREAS the Borrower has obtained a Claims Procedure Order (the "Claims Procedure Order") in the CCAA Proceedings;

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

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

- (a) distribute the sales proceeds from sales of Homes that have closed;
- (b) fund and complete construction of Homes under construction;
- (c) close the sales of Homes that are under contract for sale;
- (d) market and sell (and to the extent required, complete the construction thereof) the Remaining Homes (defined below);
- (e) all with a view to expeditiously repaying the secured indebtedness owing to ATB.

AND WHEREAS the Borrower, ATB and the UBG Alberta Limited Partnership, by its general partner, UBG Alberta Builders (2006) Inc. ("the Guarantor") have become signatories to a Commitment Letter dated July

5, 2012, (the "Commitment Letter") and associated documents including a waiver letter dated July 5, 2012 (the "Waiver Letter")

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, calculated as a percentage of the total sale proceeds of a Home; where the percentage is equal to: (a) 12% in respect of a sale scheduled to close on or before August 31, 2012; (b) 6 % in respect of a sale scheduled to close between September 1, 2012 and December 31, 2012; and (c) 4% in respect of a sale scheduled to close on or after January 1, 2013;

"Closing Costs" means all ordinary or reasonable costs of closing the sale of a Home 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; (b) payment of any Lot Purchase Amount; (c) 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 Home; and (d) an amount to repay any applicable indebtedness (secured by a mortgage registered in the Land Titles Office of Alberta as instrument 112390252 with a face value of \$1,594,243), in favour of Alberta Builders Capital Inc./Vallant Trust in relation to the acquisition and purchase of the lot relating to a particular Home;

"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;

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

"Homes Under Construction" means those Homes listed in Parts II and III of Schedule "A" to this Agreement;

"Loan Documents" means the Commitment Letter dated July 5, 2012 and all related security documents and other agreements among ATB and the Borrower governing the credit facilities granted by ATB in favour of the Borrower for the development and sale of the Homes;

"Lot Purchase Amount" means any amounts payable to a developer to complete the purchase of the land related to a particular Home; and

"Trade Payables" means any amount owed by the Borrower for the provision of goods or services in respect of a Home and, in the case of goods or services provided to the Borrower prior to May 9, 2012, where such claim has been proven in accordance with the Claims Procedure Order;

2. **Confirmation of indebtedness**

As of June 14, 2012 the principal balance outstanding and owing by the Borrower to ATB is \$7,827,414.43 plus overdraft of \$8,239.48, plus accrued and accruing interest and all other costs and charges due or accruing due under and pursuant to the security held by ATB (the "Indebtedness").

3. **Delivery of Sales Proceeds of Existing Homes That Have Been Sold**

The Borrower has advised that the Homes as set out in Part I of Schedule "A" to this Agreement have been sold with closing proceeds being held in escrow by the Borrowers' solicitors. The Parties agree that the proceeds being held in escrow shall be distributed as follows: (a) firstly, to the payment of all Closing Costs; (b) secondly, to the payment of the Borrower's Costs; (c) thirdly, to payment of Trade Payables related to that Home; (d) fourthly, to ATB in reduction of the Indebtedness; and (e) lastly (and if any), to the Borrower; and that such proceeds shall be distributed as soon as practicable.

4. **Future Home Sales**

(a) General

The Borrower has advised that the Homes listed in Part II 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 ATB and the Monitor on or before July 15, 2012.

The Borrower has advised that the Homes listed in Part III of Schedule "A" to this Agreement have not yet been sold and are being constructed on a speculative basis (the "Spec Homes").

(b) Interim Financing

ATB will advance the funds required to complete and market the Homes Under Construction as requested by the Borrower (the "DIP Financing") as follows:

- (i) all Draws on the DIP Financing (the "Draws") will be secured by the "super-priority" charge set forth in, and otherwise governed by the provisions of, the DIP Order;
- (ii) The maximum limit of the DIP financing is set at \$8.5 million, on a revolving basis, and will bear interest at the rate of ATB Prime Rate plus 3%;
- (iii) Draws will be used to pay Trade Payables and any Lot Purchase Amount related to the Homes Under Construction; and
- (iv) except as may be provided in this Agreement and the DIP Order, Draw advances shall be subject to the terms and conditions set forth in the Loan Documents.

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

(c) Completion and Sale of Homes Under Construction

The Borrower agrees to utilize diligent commercial efforts to proceed to the closing of the sale of the Homes pursuant to the Contracts and to the completion, sale and closing of the Spec Homes. The Parties agree that the sales proceeds from the Homes under Construction 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 the Indebtedness (including all of ATB's costs and expenses);
- (iv) fourthly, to the repayment of all Draws made pursuant to the DIP Order; and
- (v) fifthly, to the Borrower for general corporate purposes.

5. **Sale of further homes**

The Borrower has advised that certain lots are neither under construction nor subject to a Contract (the "Lots"). The parties agree that Lots may be sold to arm's length, third party purchasers and then become a Home Under Construction under Part II of Schedule "A" (and developed as such hereunder) only with the prior consent of ATB and the Monitor.

6. **Sale and Marketing of Remaining Homes**

The Borrower, with the consent of the Monitor, shall supply a proposed listing price (the "Listing Price") of the Spec Homes and Lots (the "Remaining Homes") to ATB. The Borrower, with the consent of the Monitor, shall be entitled to enter into arms length contracts for sale of the Homes at a price that is equal to or greater than the Listing Price, or such other price as may be agreed to between the Borrower, the Monitor, and ATB. The proceeds of sale from any Remaining Homes shall be paid pursuant to Section 4(3) hereof.

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

7. **General**

- (a) The Parties agree and acknowledge that this Agreement is subject to the provisions of, and compliance with, the granting of the DIP Order, the Claims Procedure Order and the Vesting Order, all in form and substance satisfactory to the Parties; provided however that Parties shall implement Article III hereof on an immediate, provisional basis (such that funds payable to creditors are reserved or paid on a recoverable basis) to enable the Borrower to address certain of its immediate cash flows needs.
- (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 the Commitment Letter and the Waiver Letter. The terms of the Commitment Letter shall govern in the event of any inconsistency with the terms of this Agreement.
- (d) This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the Province of Alberta.
- (e) No amendment, modification or supplement to this Agreement shall be valid or binding unless set out in writing and executed by the Parties.
- (f) Whenever necessary or appropriate in this Agreement, the plural shall be interpreted as singular, the masculine gender as feminine or neuter and vice versa.
- (g) Time shall be of the essence hereof.
- (h) This Agreement may be executed in counterparts and delivered via facsimile or via email in PDF format and the counterparts together shall constitute an original.

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

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

Per: _____
Name:
Title:

ALBERTA TREASURY BRANCHES

Per: _____
Name: **MICHAEL HOFFMAN**
Title: **ASSOCIATE DIRECTOR**
ATB CORPORATE FINANCIAL SERVICES

Name:
Title:

The Terms of the memorandum of Understanding
are Approved and Consented to by the Guarantor

Per: _____
UBG Alberta Limited Partnership, by its general
partner, **UBG Alberta Builders (2006) Inc.**

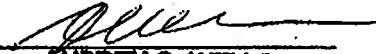
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ERNST & YOUNG INC.

Per: _____
Robert J. Taylor

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Per: 
Name: **AUBREY G. WELLS**
Title: **GENERAL MANAGER
ASSET MANAGEMENT**

ALBERTA TREASURY BRANCHES

Per: 
Name: **MICHAEL HOFFMAN**
Title: **ASSOCIATE DIRECTOR
ATB CORPORATE FINANCIAL SERVICES**

Name:
Title:

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Per: 
Name: **ALBRECHT G. WELLS**
Title: **GENERAL MANAGER
ASSET MANAGEMENT**

ALBERTA TREASURY BRANCHES

Per: 
Name: **MICHAEL HOFFMAN**
Title: **ASSOCIATE DIRECTOR
ATB CORPORATE FINANCIAL SERVICES**

Name: _____
Title: _____

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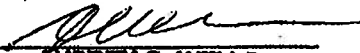
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ALBERTA TREASURY BRANCHES

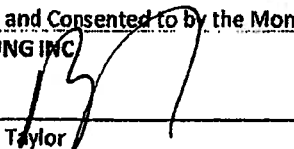
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Per: 
Robert J. Taylor

UBG Builders Group
 Greenbara Homes LP
 Sales Proceeds from Sold Homes
 As at June 25, 2012
 (\$Cdn, Unaudited)

Project Code	Model Style	Address	Lot - Legal ID	Block ID	Plan #	Lot	Presold, Spec, or Lot?	Forecasted Pre sale Date	Expected Closing	Sale Proceeds	Customer Deposit	Lot Payable	Seasonal Holdback	Legal Fees	Net Cash Proceeds	Net GST in Proceeds	Net Proceeds
MAY 2012 POSSESSIONS																	
Tribute	Duplex	50 Dunlop Wynd	96	3	074 0285	10-03086	Presold		11-May-12	253,680	-	-	(1,000)	-	252,680	8,356.59	244,322.95
Walker Lakes Regular	Two Stor	6103 18 Avenue SW	93	11	102 5132	04-11093	Presold		25-May-12	375,508	-	-	(1,000)	-	374,508	14,678.39	359,829.63
Tribute	Duplex	54 Dunlop Wynd	98	3	074 0285	10-03098	Presold		28-May-12	245,221	-	-	(1,000)	-	244,221	8,057.36	236,163.62
Southfort	Duplex	80 Redcliffe Wynd	111	18	112 2986	02-18111	Presold		30-May-12	184,212	-	-	(1,000)	-	183,212	8,186.05	175,026.31
Tribute	Two Stor	97 Dunlop Wynd	119	3	074 0285	10-03119	Presold		30-May-12	352,263	-	-	(1,000)	-	351,263	12,448.79	338,814.57
Greshbach	Duplex	5047 Dewolf Road	23	25	112 0793	10-25023	Presold		30-May-12	318,712	-	-	(6,000)	-	312,712	10,442.01	302,269.89
Southfort	Duplex	82 Redcliffe Wynd	112	18	112 2986	02-18112	Presold		31-May-12	183,963	-	-	(1,000)	-	182,963	8,230.54	174,732.26
Walker Lakes Regular	Two Stor	6123 18 Avenue SW	88	11	102 5132	04-11088	Presold		31-May-12	365,370	-	-	(1,000)	-	364,370	13,578.58	350,791.64
Tribute	Two Stor	74 Dunlop Wynd	17	7	074 0285	10-07017	Presold		4-Jun-12	291,652	-	-	(1,000)	-	290,652	9,659.12	280,992.62
Tribute	Duplex	58 Dunlop Wynd	100	3	074 0285	10-03100	Presold	30-Jun-12	15-Jun-12	242,058	-	-	(1,000)	-	241,058	8,151.11	232,907.18
										<u>2,812,639</u>			<u>(15,000)</u>			<u>101,789</u>	<u>2,695,851</u>
Total																	

