


CLERK OF THE COURT
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OF CALGARY

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.**

I hereby certify this to be a true copy of

the original Order
Dated this 15 day of June, 2012

for Clerk of the Court

(COLLECTIVELY, THE "APPLICANTS")

DOCUMENT

ORDER

(Approval and Vesting - Unit Sales)

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

June 15, 2012

NAME OF JUSTICE WHO MADE THIS
ORDER

The Honourable Madam Justice K.M. Horner

ORDER

(Approval and Vesting – Unit Sales)

UPON the application of the Applicants in these proceedings (collectively, the “Applicants” or “UBG”); AND UPON having read the Affidavit of Robert Friesen, dated June 12, 2012 (the “Friesen Affidavit”), the Second Report of the Monitor, dated June 12, 2012, and the Affidavit of Dawn Roy, dated June 14, 2012 (the “Service Affidavit”), filed, and such other material in the pleadings and proceedings as are deemed necessary; AND UPON hearing counsel for the Applicants, 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 Order granted by Madam Justice K.M. Horner in this Action, dated May 9, 2012 (the “Initial Order”), and the following terms shall have the following meaning:
 - (a) “**Monitor’s Certificate**” means a certificate issued by the Monitor in substantially the form attached to this Order as Schedule “A”;
 - (b) “**Net Proceeds**” means the proceeds from the sale of the Property (defined below), less i) all ordinary or reasonable costs of closing the sale of Property 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 amounts payable to a developer to complete the purchase of the lands related to the Property; and (C) such withholdings as may be customary or necessary, including to secure warranty obligations of the Applicants not to exceed 0.5% of the total sale proceeds of the Property; and (ii) a percentage of the proceeds, determined by agreement with the Interested Parties in respect of the Property or further Order of this Honourable Court, for UBG to use for business or operational purposes;
 - (c) “**Purchase and Sale Agreement**” means the agreement in writing respecting the sale of a Property from UBG to a Purchaser; and
 - (d) “**Purchaser**” means the individual, trust, or corporation designated in the Monitor’s Certificate in respect of a sale of a particular Property as the purchaser of that Property.

Approval of Sale and Vesting of Condominium Units

3. The individual sale of the residential property, whether as lots, condominium units, housing units or parking units (the “Residential Units”, each a “Residential Unit”) be and is hereby authorized in accordance with the provisions of this Order.

4. The sale of a Residential Unit will not be approved by the Monitor unless: (i) the price for that Residential Unit is not less than the lowest list price permitted by agreements related to that Residential Unit; or (ii) UBG, the Monitor, and all parties with a mortgage interest in that Residential Unit (collectively, the "Interested Parties") agree to a lower price; or (iii) an Order is obtained from this Court, on notice to the Interested Parties, approving a lower price. UBG will provide the listing price for Residential Units to the Interested Parties.
5. The sale of a Residential Unit described in the Monitor's Certificate (the "Property") be and is hereby approved and UBG and the Monitor are hereby authorized and directed to execute all deeds, documents, and agreements, and to do all things reasonably necessary to complete the sale of the Property.
6. Upon the Monitor delivering a Monitor's Certificate in respect of a Property, together with a letter from the solicitors for UBG authorizing registration of this Order, then the sale of the Property shall continue in accordance with the terms and conditions of the Purchase and Sale Agreement in respect of that Property and, subject only to the Permitted Encumbrances set forth in the Monitor's Certificate:
 - (a) the Property shall be vested in the name of the Purchaser free of all estate, right, title, interest, royalty, rental, and equity of redemption of UBG and all persons who claim by, through or under UBG in respect of the Property;
 - (b) UBG and all persons who claim by, through or under UBG shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental, and equity of redemption of the Property and, to the extent that any such person remains in possession or control of any of the Property, they shall forthwith deliver possession of same to the Purchaser or its nominee;
 - (c) the Purchaser shall be entitled to enter into and upon, hold and enjoy the Property for its own use and benefit without any interference of or by UBG, or any person claiming by or through or against UBG and/or any of the Property; and
 - (d) the Registrar of the Land Titles Office of Alberta shall discharge all encumbrances (except Permitted Encumbrances) listed in the Monitor's Certificate in respect of that Property.
7. Upon the Monitor delivering a Monitor's Certificate in respect of a Property, and without limiting the generality of the foregoing, UBG is authorized and empowered, in respect of that Property, to:
 - (a) execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the sale of the Property, which, in UBG's discretion are reasonably necessary or advisable to conclude the transactions contemplated in or in furtherance of the purchase of the Property and/or this Order;
 - (b) discharge, or authorize the discharge of, any security registration or registrations in the Alberta Personal Property Registry as may be required to properly convey clear title of the Property to the Purchaser;

- (c) execute any and all instruments and documents in respect of the Property as may be required by the Registrar of the Land Titles Office of Alberta or deemed necessary by UBG, and the Registrar is hereby directed, notwithstanding section 191(1) of the *Land Titles Act* (Alberta) to effect registration of any such instrument or document so executed by UBG or its solicitors; and
 - (d) take such steps as are deemed by UBG to be necessary to give effect to or incidental to the performance of UBG's obligations pursuant to the Purchase and Sale Agreement, including making any post-closing adjustments as are required.
8. Until further Order of the Honourable Court, counsel to UBG, Fraser Milner Casgrain LLP (or its designate), shall hold all Net Proceeds in trust and such Net Proceeds shall stand in the place and stead of the Property transferred pursuant to this Order, and all claims of whatsoever nature or kind, including without limitation, all liens, claims, encumbrances, mortgages, proprietary claims, trust claims, lease claims, royalty claims, and other interests (the "Claims") shall attach solely to the Net Proceeds with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available when the Claims were attached to the Property itself.
9. Notwithstanding paragraph 8 of this Order, the Monitor is authorized, in its sole discretion and as it deems necessary or appropriate, to direct that any or all of the Net Proceeds be paid to valid and enforceable claims that exist in respect of the Net Proceeds, provided that such claims are proven in accordance with applicable claims procedures established in these proceedings.

Miscellaneous

10. Any conveyance or transfer of Property made pursuant to the provisions of this Order and the applicable Monitor's Certificate shall be valid and enforceable and not be rendered invalid or unenforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declaration of insolvency made herein; (ii) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") in respect of any of the Applicants; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds any of the Applicants (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:
- (a) neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith shall create or be deemed to constitute a breach by any of the Applicants of any Third Party Agreement to which they are a party; and
 - (b) the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement cause by or resulting from the creation, execution, delivery or performance of the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith.
11. Notwithstanding (i) the pendency of these proceedings and the declaration of insolvency made herein, (ii) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Applicants, and (iii) the provisions under the BIA, or any other applicable federal or provincial

legislation or common law, the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith shall constitute legal, valid and binding obligations of the Applicants enforceable against them in accordance with the terms thereof, and neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, oppressive conduct, or other reviewable transactions under the BIA, or any other applicable federal or provincial legislation or common law.

12. UBG, the Monitor, an Interested Party, or any Purchaser may apply to this Court for advice and direction on notice to any party likely to be affected by the Order sought or on such notice as this Court directs.
13. The Applicants and the Monitor are hereby authorized and directed to do all such acts and things, and execute such deeds and documents, as are necessary or appropriate to give full effect to the provisions of this Order.
14. 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.

"K.M. Horner"

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

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
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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
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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

MONITOR'S CERTIFICATE

(Approval and Vesting – Unit Sales)

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

MONITOR'S CERTIFICATE

(Re: _____)

WHEREAS the Order of Madam Justice K.M. Horner, made in these proceedings on June 15, 2012 (the "Order"), authorizes Ernst & Young Inc., the Monitor in these proceedings, to issue a Monitor's Certificate in respect of the sale of a Residential Unit by the Applicants;

NOW THEREFORE by filing this Monitor's Certificate within these proceedings the Monitor hereby certifies that:

1. All capitalized terms used in this Monitor's Certificate shall have the meaning ascribed to them in the Order unless otherwise defined herein.
2. I am an authorized officer of Ernst & Young Inc., the Monitor in these proceedings.
3. I have reviewed the circumstances surrounding the sale of the Residential Unit described as follows:

[insert description of the Property]

(the "Property")

and hereby approve of its conveyance to:

[insert description of the Purchasers]

(the "Purchasers"),

subject only to the following encumbrances remaining on title to the Property:

[insert Permitted Encumbrances]

(the "Permitted Encumbrances").

4. I make this certificate pursuant to the provisions of the Order, knowing it to be true after having made due inquiry, and not in my personal capacity

**ERNST & YOUNG INC. in its capacity as Monitor
in these proceedings**

Per: Robert J. Taylor