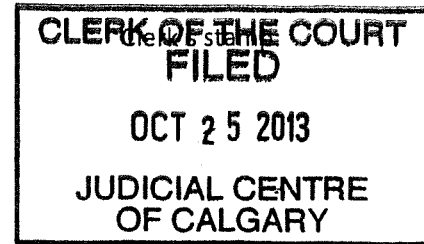


COURT FILE NUMBER 1201-05843
COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

AFFIDAVIT
DENTONS CANADA LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: David W. Mann / Doug Schweitzer
Ph. (403) 268-7097/7018 Fx. (403) 268-3100
File No.: 549362-1

AFFIDAVIT OF ROBERT FRIESEN

Sworn on October 23, 2013

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, substantially in the form attached to the Application as Schedule "A" (the "THI Order"), approving:
 - (i) an interim financing arrangement under the commitment letter between Today's Homes Limited Partnership, by its general partner, Today's Homes (2006) Inc. ("Today's Homes"), as the borrower, and Greenboro Homes Limited Partnership, by its general partner Greenboro Homes (2006) Ltd. ("Greenboro"), as lender, dated October 22, 2013 (the "Commitment Letter"); and
 - (ii) the Interim Management Services Agreement between Today's Homes and Greenboro dated October 22, 2013 (the "IMSA"), wherein Greenboro will provide any and all support services to Today's Homes to ensure that Today's Homes has the ability to complete the development, marketing, construction and sale of the Properties;
 - (b) an Order, substantially in the form attached to the Application as Schedule "B" (the "Origins Order"), approving the Offer to Purchase made between Origins of Cranston Limited Partnership, by its general partner, Origins of Cranston Inc. (collectively, "Origins") and Attainable Homes Calgary Corporation ("AHC") dated October 8, 2013 (the "Origins Agreement");
 - (c) an Order, in substantially the form attached to the Application as Schedule "C", 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 November 29, 2013; and
 - (d) such further and other relief as may be sought by the Applicants and granted by this Honourable Court.

Today's Homes – Commitment Letter and IMSA

4. Today's Homes is in the business of acquiring residential lots and building single family homes in the Calgary, Alberta area.
5. Pursuant to lot purchase agreements between Today's Homes and United Communities L.P., by its general partner United Acquisition II Corp. (collectively, "United"), Today's Homes has placed deposits on, and has a right to acquire, 40 residential lots from United (the "Lots").
6. In consultation with the Monitor, Today's Homes and Greenboro entered into the Commitment Letter providing: (a) funding to Today's Homes for the (i) acquisition of the Lots, and (ii) development, marketing and sale of single family homes to be constructed on the Lots (the "Homes" and together with the Lots, the "Properties"), and (b) granting an option to Greenboro

to acquire the Properties from Today's Homes in the event certain contingencies occur. A copy of the Commitment Letter is attached hereto as Exhibit "A".

7. The Commitment Letter and the draft THI Order contemplate that Greenboro will be granted a priority charge over the Property (the "Greenboro Charge"), which is critical to Greenboro's decision to advance funds to Greenboro. The Greenboro Charge is limited in recourse to the Property and will not prejudice any other lenders or stakeholders of UBG.
8. To ensure that Today's Homes has the ability to complete the development, marketing, construction and sale of the Properties, Today's Homes entered into the IMSA with Greenboro. The IMSA is integral to Greenboro's decision to advance funds to Today's Homes under the Commitment Letter because it ensures that Today's Homes will have the requisite assistance to maximize value from the Properties and repay such advances. A copy of the IMSA is attached hereto as Exhibit "B".
9. I do verily believe that this transaction represents the most viable alternative for Today's Homes to capture value from the Properties.
10. The Monitor has been involved in the negotiation of the Commitment Letter and the IMSA and supports UBG's application to have them approved.

The Origins Project

11. Origins is constructing a five phase multi-family condominium project in southeast Calgary commonly known as Origins at Cranston (the "Origins Project").
12. The Origins Project includes twenty-four townhouse units (the "Units") that are subject to an Option Agreement between Origins and AHC made effective November 22, 2011 (the "Option Agreement"), whereby AHC has a right to acquire the Units.
13. As referenced in the Monitor's Fifteenth Report, Lear Construction Management Inc. ("Lear") was contracted by Origins to construct the Origins Project (the "Construction Agreement").
14. To keep the Origins Project on track, and to provide Lear with comfort that it would be paid for its post-filing services under the Construction Agreement, Lear signed an undertaking on March 22, 2013 (the "Undertaking"), whereby Lear undertook to complete the project provided that it continued to receive available draws from the project lender, ICI Canada ("ICI"). A copy of the Undertaking is attached hereto as Exhibit "C".
15. I am advised by Larry Scammell of UBG that on or about July 26, 2013, after having substantially completed all but 7 of the Units (the "Remaining Units"), Lear ceased all work on the Origins Project and removed its site superintendent.
16. Lear's legal counsel sent a letter dated August 14, 2013 (the "August 14 Letter") alleging that none of the payments to Lear, as contemplated in the Undertaking, had occurred. A copy of the August 14 Letter is attached hereto as Exhibit "D".
17. UBG's legal counsel sent a letter to Lear's legal counsel dated August 21, 2013 (the "August 21 Letter"), whereby UBG: (i) confirmed that ICI was prepared to continue funding the progress payments to Lear pursuant to the Undertaking, and (ii) demanded that Lear immediately recommence construction of the Remaining Units in accordance with the Undertaking failing

which UBG would consider Lear to have abandoned the project. A copy of the August 21 Letter is attached hereto as Exhibit "E".

18. There were numerous emails exchanged among Lear's legal counsel, UBG's legal counsel and the Monitor on August 21 and 22, 2013 regarding the matters raised in the August 14 Letter and the August 21 Letter (the "August 21-22 Emails"). UBG's legal counsel reminded Lear's legal counsel in the August 21-22 Emails that Lear had received payment from ICI pursuant to the Undertaking on May 31, 2013. A copy of the August 21-22 Emails are attached hereto as Exhibit "F".
19. Lear's legal counsel sent a letter dated August 22, 2013 (the "August 22 Letter") confirming that Lear would immediately resume work on the Origins Project and complete the Remaining Units. A copy of the August 22 Letter is attached hereto as Exhibit "G".
20. Lear's legal counsel copied the Monitor and UBG's legal counsel on an email addressed to Ryan Bazant dated August 23, 2013 (the "August 23 Email"). I do verily believe that the August 23 Email was addressed to Ryan Bazant, the President of Lear. A copy of the August 23 Email is attached hereto as Exhibit "H".
21. It was my understanding based on the August 22 Letter and the August 23 Email that Lear was going to immediately return to work on the Remaining Units. To date, Lear has failed to resume any work on the Origins Project and the Remaining Units.
22. Lear's legal counsel sent a letter to UBG's legal counsel dated October 8, 2013 (the "October 8 Letter") regarding its request for payments to be paid directly by ICI to Lear, and an assignment of landscaping bonds. A copy of the October 8 Letter is attached hereto as Exhibit "I".
23. I am advised by my legal counsel, Dentons Canada LLP, that the project lender, ICI, has refused to advance any further funds to Lear until it resumes construction of the Remaining Units.
24. By email dated October 21, 2013 (the "October 21 Email"), UBG's legal counsel advised Lear's legal counsel that UBG considered that the work on the Remaining Units had been abandoned by Lear and that it would be pursuing other alternatives to complete the construction. Responding emails were exchanged by Lear's legal counsel and UBG's legal counsel on October 21 and 22 with respect to the October 21 Email (collectively, the "October 21-22 Emails"). A copy of the October 21-22 Emails are attached hereto as Exhibit "J".

Attainable Homes Calgary – The Remaining Units

25. Pursuant to the Option Agreement, AHC exercised its option to purchase the seventeen Units that were substantially complete.
26. To maximize value from the Remaining Units, Origins, in consultation with the Monitor, entered into negotiations with AHC for the purchase and sale of the Remaining Units.
27. AHC and Origins entered into the Origins Agreement, whereby AHC agreed to purchase the Remaining Units on an as is where is basis. A copy of the Origins Agreement is attached hereto as Exhibit "K".
28. The purchase price under the Origins Agreement will provide sufficient funds to repay ICI's interim financing to Origins. I am advised by my legal counsel, Dentons Canada LLP, that once ICI

is paid out that Origins' obligations to ICI under the Protocol Order granted on August 20, 2013 (the "Protocol Order") will be satisfied and that the charge granted to ICI under the Protocol Order can be discharged.

- 29. I do verily believe that this transaction represents the most viable alternative for Origins to capture value from the Remaining Units.
- 30. The Monitor has been Involved in the negotiation of the Origins Agreement and supports UBG's application to have the Origins Agreement approved.


Extension of the Stay Period

- 31. UBG continues to progress with its restructuring. UBG continues to work closely with the Monitor including in the activities described in the Monitor's Fifteenth Report.
- 32. 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 Reports

- 33. I have reviewed the Monitor's Fifteenth 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.
- 34. 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 ^{Kelowna} ~~Calgary~~ in the Province of ~~Alberta~~ the 23rd day of October, 2013. ¹³²


Notary Public in and for the Province of British Columbia


Robert Friesen

DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission

**NO ADVICE REQUESTED NOR GIVEN
ATTESTED ONLY BUT NOT DRAWN**

EXHIBIT "A"

Exhibit "A"

THIS IS EXHIBIT " A " referred to in the Affidavit of

Robert Friesen

Sworn before me this 23 day of

Feb, A.D. 2013

DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission



This Summary of Indicative Terms and Conditions is for the Borrower's confidential use only, and neither its existence nor its terms shall be disclosed by the Borrower to any person other than its officers, directors, employees, accountants, attorneys and other advisors, and then only on a "need to know" basis in connection with the transaction contemplated hereby and on a confidential basis. Notwithstanding the foregoing this document may not be given to any financial institution that would be deemed to be a competitor.

October 22, 2013

Today's Homes Limited Partnership
c/o Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW
Calgary, Alberta T2P 0R8

Attention: Mr. Robert Friesen

By Courier/By Electronic Transmission

Dear Mr. Friesen:

Re: First Mortgage financing to provide a facility for the purchase of residential lots and construction of homes in Calgary, Alberta. Financing will be provided via a First mortgage facility with interest only payments.

Today's Homes Limited Partnership, by its general partner Today's Homes (2006) Inc. (collectively, "Today's Homes") is one of many affiliated applicants that filed for protection under the provisions of the *Companies Creditors Arrangements Act* (Canada) ("CCAA") with the Court of Queen's Bench of Alberta (the "Court") on May 9, 2012 in action number 1201-05843 (the "CCAA Proceedings").

Today's Homes is in the business of acquiring residential lots and building single family homes. It requires a loan to: (a) acquire 40 residential lots in Calgary, Alberta, as described in the attached Schedule "A" (collectively, the "Lots"), from the vendor, United Communities L.P., by its general partner United Acquisition II Corp.; and (b) build single family homes on the Lots (collectively, the "Homes" and together with the Lots, the "Property").

Based on the information and documentation which Today's Homes has provided, we are pleased to advise that we have approved the following terms and conditions respecting the subject financing:

A. LOAN DETAILS

LOAN DETAILS

1. Loan Amount

Loan amount up to \$17,500,000 CDN term facility.

2. Purpose

The purpose of the credit facilities provided herein is to enable Today's Homes Limited Partnership, by its general partner Today's Homes (2006) Inc. (collectively, "Today's Homes"),



to purchase the Lots and build the Homes. In this regard, the following facility is, subject to the terms and conditions hereof, provided:

- I. **Lot Purchase Facility:** An advance of up to \$6,705,000 under a term facility for the purpose of acquiring all rights, title and interest in and to the Lots.
- II. **Construction Facility:** An advance of up to \$10,795,000 on a "Draw by Draw" basis for the completion of the construction of the Homes. Upon completion of the construction of the Homes, possession will transfer to the individual purchasers upon satisfaction of the terms and applicable sales agreements and the proceeds from the sales will be used to repay the herein described first mortgage loan.

For greater certainty, financing will be *via* a first secured first mortgage loan more particularly described in this Commitment Letter.

3. **Lender**

Greenboro Homes Limited Partnership, by its general partner Greenboro Homes (2006) Ltd. (collectively, "Greenboro")

4. **Borrower**

Today's Homes Limited Partnership

Today's Homes Limited Partnership is a limited partnership governed by the laws of the Province of Alberta and Today's Homes (2006) Inc. will hold legal title to the Property in trust for the Borrower as its general partner.

5. **Guarantors**

Unlimited Corporate Guarantee of Today's Homes (2006) Inc. (the "Guarantor")

6. **Property**

The personal and real present and after acquired property of the Borrower, including the Property.

7. **Maximum Amount**

\$17,500,000 CDN (the "Loan")

8. **Interest Rate**

12% per annum for the Term, calculated and payable monthly. Interest at the aforesaid rate shall accrue on the principal amount of the Loan, any overdue interest and any Expenses, charges or other costs not paid when due.

9. **Term/Loan Expiry Date**

Maturing on August 27, 2015 to the Borrower (the "Term").



The Loan is repayable the earlier of the end of the Term, or the date payment is demanded following the occurrence of any Event of Default.

10. Costs and Fees

Subject to the Approval Order (as defined below) being granted:

a) Costs and Expenses

Whether or not the Loan closes, or the Advance is made, the Borrower will be responsible for, and shall pay on demand, all expenses and costs incurred by the Lender in connection with the Loan including, but without limitation, in respect of any structural, engineering, environmental consultants or reports, completing or obtaining any audits, credit reports, appraisals, Insurance consultant review or surveys and any legal expenses on a solicitor and his own client basis, including without limitation, the preparation of all legal documentation including without limitation documentation relating to the syndication of the Loan, and out-of-pocket expenses relating to registration fees and other filing fees and all costs associated with the preservation, maintenance and enforcement of the Lender's rights in respect of this Loan or in respect of any security granted in favour of the Lender under the Loan and Security Documents (the "Expenses").

b) Commitment Fee & Other Fees

The Borrower will pay the Lender a fee in the amount of Three percent (3.00%) of the maximum principal amount to be made available by the Lender pursuant to this Commitment Letter, the ("Commitment Fee"). The Commitment Fee shall be fully earned and payable upon the Borrower and the Guarantors signing this Commitment Letter. The Lender may in its sole discretion allow the Commitment Fee to be paid at the time of making the Advance to the Borrower, and is in addition to the Expenses.

11. Repayment

As to Interest: Payments of interest only are calculated and payable monthly on the **twentieth calendar day of each month**. Interest is payable both before and after maturity or demand, default and judgment. Any payment not made when due shall be subject to a \$500.00 administrative charge per occurrence, representing additional administrative cost incurred by the Lender and not as a penalty, to be collected upon repayment or payout. Failure to pay the interest when due shall constitute an Event of Default the remedies for which will be exercised at the sole and unfettered discretion of the Lender. To the extent permitted by law, the Borrower waives the provisions of the *Judgment Interest Act* (Alberta) or equivalent legislation of other provinces, if this Commitment is governed by the laws of that other province.

As to Principal: The principal balance is to be repaid from the proceeds of sales of completed Homes (until the Loan is paid in full) pursuant to the terms of the Approval Order (as hereinafter defined), a draft of which is attached hereto as Schedule "B".

Prior to the occurrence of an Event of Default, all payments or other amounts received by the Lender shall be applied firstly against any accrued interest on the Loan, secondly against the Expenses, and thirdly toward repayment of the principal amount of the Loan, until such time as the entire principal amount of the Loan, any accrued interest and the Expenses have been repaid



in full. After the occurrence of an Event of Default, all payments or other amounts received by the Lender (including any amounts received from any realization) may be applied on such part or parts of the indebtedness and liability owed to the Lender under the Loan and Security Documents as the Lender may determine in its sole discretion.

A processing fee in the amount of two hundred and fifty dollars (\$250) per individual title shall be applicable if the discharge is prepared by the Lender's counsel, such fees to be payable to the Lender by the Borrower prior to the release of the mortgage in favour of the Lender against that title. The Borrower may have its counsel prepare such discharge, in which event; no processing fees shall be applicable.

12. The Security

All amounts owed by the Borrower pursuant to or in respect of the Loan shall be secured by (i) a **FIRST** fixed and specific mortgage over the Property, (ii) a **FIRST** charge granted over the Property by the Court in the CCAA Proceedings (the "**Interim Financing Charge**"), and (iii) a General Security Agreement in **FIRST** position providing a specific charge against the Property, which together with this Commitment Letter and the other loan and security documents which are set out on the attached Schedule "C", or as may be required by the Lender, are collectively known as the "Loan and Security Documents".

13. The Option

The Borrower hereby grants the Lender, or its nominee, an option to purchase all or any part of the Property (the "Optioned Property") from the Borrower, free and clear of all claims whatsoever, for an amount equal to the sum (whether now or hereafter arising) of: (i) \$480,000 (less any amounts paid in respect of Borrower's Cost pursuant to the Approval Order), plus (ii) all of the obligations owing by the Borrower to the Lender under this Commitment Letter (the "Option"), which may be paid by way of set off against all of the Borrower's obligations to the Lender under this Commitment Letter. The Lender's right to exercise the Option is subject to the following conditions precedent:

- a) the Initial Advance (defined below) shall have been made by the Lender to the Borrower;
- b) the Borrower shall have acquired all rights, title and interest in and to the Lots;
- c) either: (i) the Borrower shall be in breach of this Agreement, or any of the Security, which breach is not waived by the Lender, or (ii) a material adverse change has occurred to the status of the CCAA Proceedings;
- d) the Lender shall exercise the Option within 90 days of the Lender becoming aware of an act or omission described in subparagraph (c) of this section;
- e) an Order from the Court shall be obtained which, among other things: (i) conveys to the Lender the Optioned Property free and clear of all claims of the Borrower and those claiming through the Borrower, (ii) is otherwise acceptable to the Lender, acting reasonably;



14. Loan Advance

- a) Maximum Amount

\$17,500,000 CDN, subject to the provisions of this Commitment Letter.

- b) Advances

Upon satisfaction of all of the conditions set out in this Commitment Letter and the execution and delivery of the Loan and Security Documents, the Lender will make the advance of \$6,705,000 to the Borrower (the "Initial Advance") to be on or before November 29, 2013 (or as may be extended by agreement in writing between the Borrower, the Lender and the Monitor).

Advance breakdown	
Lots Payable	\$5,826,000
Financing Costs	\$525,000
Legal est.	\$20,000
Interest Reserve	\$334,000
Total Net Advance	\$6,705,000

After the Initial Advance, up to the total amount of \$10,795,000 (the "Development Advances" and together with the Initial Advance, the "Advance") remaining as to facilitate the completion of construction of the Homes. The Development Advances shall be in minimum increments of \$100,000.00 and shall be processed in accordance with a project appraiser's reports at the discretion of the Lender.

The Advance may be reduced by any amounts withheld by the Lender in accordance with this Commitment Letter, or as the Lender may otherwise reasonably require be held in reserve.

- c) **Special Conditions:**

In addition to the other requirements set out herein, the Borrower must satisfy the following conditions prior to the making of the Advance (whether the Initial Advance or otherwise) and at all times thereafter until the Loan, any accrued interest and Expenses are repaid in full:

- i. Receipt and satisfactory review by Greenboro's legal counsel of all firm and binding, arm's length purchase and sale agreements for the Lots (the "Lot Purchase Agreements"), and the Approval Order granted by the Court in the CCAA Proceedings provides the Borrower with the authority to tender the purchase price for all Lots and that, by tendering the appropriate purchase price, the right to purchase all Lots under the Lot Purchase Agreements;



- ii. The Borrower agrees to provide copies of all future sales contracts for Homes which form is to be satisfactory to the Lender and its legal counsel with each sales contract accompanied by a non-refundable cash deposit of not less than 10% (the "Deposit"). All Deposits are to be held by the Borrower's solicitor in trust and will form part of the closing balances and proceeds on sale;
- iii. Financial statement, for the Borrower and the Guarantor in a form satisfactory to the Lender, acting reasonably;
- iv. Provide a proforma purchase price list, net of GST (the "Price List") on a Lot by Lot basis, inclusive of deposits already provided, accrued interest payable to the Vendor, and the purchase price;
- v. Borrower to swear an Affidavit that the Lot Purchase Agreements have not been changed by any written document or verbal commitment, is a bona fide third party arms-length contract between the Vendor and the Borrower/Purchaser, are in good standing and any lot deposits can be credited against the purchase price for the applicable Lots;
- vi. The confirmation of the net purchase price for the Lots and any associated deposits and accrued interest, which shall provide for an aggregate remaining purchase price of not more than \$5,826,000 for all Lots to be purchased with the Loan. The foregoing to be to the satisfaction of the Lender;
- vii. As applicable, all municipal, regulatory and other laws, permits, agreements, approvals, plans, and specifications pertaining to the Lots shall have been obtained and shall be adhered to by the Borrower, must be satisfactory to the Lender acting reasonably and shall be provided to the Lender upon request;
- viii. A title search will be conducted by the Lender, at the Borrower's expense, verifying there have been no liens registered against the Property and no changes to title;
- ix. GST and/or HST will be funded by the Borrower and recovered by the Borrower;
- x. There must be no uncured default of any provision of the Loan and Security Documents or any security ranking in priority thereto;
- xi. The Property, including the development of the Homes thereon, must comply with all legal requirements;
- xii. All requirements, including without limitation lien holdbacks, of applicable builders' or construction lien legislation shall have been complied with;
- xiii. All encumbrances in favour of builders/purchasers are to be postponed to the Lender's security;
- xiv. All security to be delivered to the Lender by the Borrower shall be in good order as confirmed by the Lender;
- xv. The Loan shall be secured by a first fixed and specific mortgage and by a general or specific security agreement in first position;



- xvi. All security in favour of any other party shall be postponed and be subordinate to the Lender's security;
- xvii. A list of prices for each Property (Home and Lot) must receive consent of the Lender and any changes to these prices must be approved by the Lender, such approval will not be unreasonably withheld;
- xviii. The granting of an Order by the Court in the CCAA Proceedings (the "Approval Order"): (a) approving this Commitment Letter and the transactions contemplated herein, including without limitation approving the Interim Financing Charge and the Borrower's right to purchase the Lots pursuant to the Lot Purchase Agreements; (b) authorizing the Borrower to execute, deliver and perform the terms and conditions of this Commitment Letter; (c) approving the Borrower and the Lender entering into the IMA (as hereinafter defined); and (c) is otherwise acceptable to the Lender and the Borrower. The Approval Order shall not be subject to any stay of proceedings or other impediment to full and immediate execution;
- xix. An interim management agreement (the "IMA") is entered into between Today's Homes and Greenboro whereby Greenboro provides management services to Today's Homes for the construction, marketing and sale of the Property;
- xx. The Borrower shall have tabled a Plan of Compromise and Arrangement suitable for filing for in the CCAA Proceedings no later than 30 days from the date the Initial Advance is made hereunder that: (A) provides for the repayment of all obligations hereunder, and (B) is otherwise acceptable to the Lender, in the Lender's sole and unfettered discretion;
- xxi. Fund for all budgeted project costs will be advanced based on an appraiser's written progress report addressed to the Lender. This written report is to confirm the percentage of work in place. The Borrower will provide a written progress report on each Home to confirm the value of the work in place, the estimated costs to complete, and the amount of the available draw, using the accepted project budget. Sufficient funds will always be retained from advances in order to fully pay the expenses associated with the projected budget.
- xxii. The Lender and the Borrower will agree to a detailed construction budget which will set out any costs associated with the completion of the Homes in form and content satisfactory to the Lender, acting reasonably;
- xxiii. Prior to any Advance, the required reporting provisions will include:

From the Borrower:

1. A written request received by the Lender not less than 15 days prior to the requested date of the Advance indicating the amount and to whom funds are to be disbursed, confirming that based on latest estimates, the unused portion of the Loan will be sufficient to fully complete the project and to retire all payables relating to the project and, the costs with respect to which an Advance pertains is properly incurred in accordance with the project budget (to be developed by Today's Homes and agreed to be Greenboro);



2. A statutory declaration that all accounts payable in respect to the project for all periods prior to the current billing period have been paid or will be paid from the Advance; and
3. A certificate of the Borrower certifying, amongst other things, that no material adverse change has occurred to the Property or in the financial condition of the project, the Borrower or the Guarantor since the date of the last Advance;

From the Appraiser:

1. A valuation report showing that the equity in the Property exceeds the amount of the Loan;
2. A progress report showing a percentage complete for each Home, if applicable;

xxiv. Satisfactory site visit with the Borrower and Guarantors by the Lender.

The Lender may waive or otherwise relieve performance of any one or more of the conditions precedent set forth in this agreement, in whole or in part, provided that it does so expressly in writing delivered to the Borrower and its counsel.

d) **General Conditions**

The Advance to be made pursuant to the Loan shall be made in accordance with the customary disbursement procedures utilized by the Lender, including that all due diligence of the Lender is satisfactory to it in its sole, unfettered and absolute discretion and that there shall be no uncured default of any provision of any of the Loan and Security Documents and there shall have been no material adverse change in the financial or other condition of the Property, the Borrower or the Guarantors. All Loan and Security Documents shall have been completed, registered, and delivered to the Lender. The Borrower shall pay any reasonable costs and expenses incurred by the Lender in connection with the Advance.

In addition to the provisions of Section 17, in the event any of the prefunding conditions set out in Section 14(c) have not been satisfied by November ~~27~~ 2013 then this Commitment shall, at the option of the Lender, be terminated and be of no further force and effect.

15. **Prepayment**

The Borrower shall be entitled to prepay the principal amount of the Loan in whole or in part at any time without notice, bonus or penalty provided that a minimum of three months of accrued interest has been paid by the Borrower to the Lender on the outstanding amount of the Loan. Prior to the payment by the Borrower to the Lender of three months of accrued interest, the principal amount of the Loan or any part thereof may only be prepaid upon the payment to the Lender of an amount equal to the difference between the accrued interest actually paid to the Lender as at the date of prepayment and an amount equal to three months of accrued interest on the Loan.



16. Reserves

An initial amount of \$334,000 for interest servicing will be permitted under the credit facility. An additional 5% of net sales proceeds per Lot or Home sale will be held to cover future interest costs.

For greater certainty, on the 20th of each month the reserve account will contain, at a minimum, an amount equivalent to two (2) months interest payments. This will consist of the interest for the current month (due and payable on the 20th) and the minimum one (1) month reserve.

17. Standard Clauses

All terms and conditions contained in the attached Schedules hereto form part of this Commitment Letter and the Loan is subject to such terms and conditions, such Schedules being as follows:

- Schedule A: Lots
- Schedule B: Draft Protocol (if any) and Approval Order
- Schedule C: Closing Deliveries
- Schedule D: Environmental Requirements
- Schedule E: Insurance Requirements
- Schedule F: Additional Standard Provisions
- Schedule G: Statutory Declaration

In the event the Loan and Security Documents are not registered and in place, all funding conditions satisfied and the Initial Advance has not occurred on or before November 29, 2013 (the "Commitment Expiry Date"), this Commitment shall, at the option of the Lender, expire and be of no force and effect.



18. Notices

The address for all notices, communications and statements of each of the parties hereto shall be as follows:

Lender: Greenboro Homes Limited Partnership
10714-176 Street
Edmonton, Alberta T5S 1G7
Attention: Justin Bobler

Phone: (780) 484-3993 Fax: (780) 486-5148

With a copy to:

Sterling Bridge Mortgage Corp.
Suite 206, 400 Crowfoot Crescent NW
Calgary, Alberta T3G 5H6
Attention: Frank McGinn

Phone: (403) 298-0646 Fax: (403) 263-1767

Lender Solicitor: Dentons Canada LLP
Bankers Court, 15th Floor
850 - 2nd Street SW
Calgary, Alberta T2P 0R8
Attention: Mr. Robert McKinnon

Phone: (403) 268-7191 Fax: (403) 268-3100

Borrower & the Guarantors: Today's Homes Limited Partnership
c/o Bankers Court, 15th Floor
850 - 2nd Street SW
Calgary, Alberta T2P 0R8

Fax: (403) 268-3100

Attention: Mr. Robert Friesen

Borrower Solicitor: Dentons Canada LLP
Bankers Court, 15th Floor
850 - 2nd Street SW
Calgary, Alberta T2P 0R8
Attention: Mr. David Mann

Phone: (403) 268-7134 Fax: (403) 268-3100

GREENBORO HOMES LP | T 780.484.3993 | F 780.484.5148 | 10714-176 STREET EDMONTON ALBERTA T5S 1G7 | GREENBOROHOMES.COM



All notices required, permitted or contemplated hereunder shall be in writing, and shall be deemed to be sufficiently given and received if:

- a) personally served on the other party by delivery during the normal business hours of the recipient at the addresses set forth above (such notices shall be deemed received by the addressee when actually delivered); or
- b) by telefax directed to the party on whom they are to be served at that party's fax number set forth above and such notice so served shall be deemed to have been received by the addressee thereof when actually received by it if received within the normal working hours of a business day, or at the commencement of the next ensuing business day following transmission thereof.

Either of the parties hereto may from time to time change its address for service herein by giving written notice to the other.

19. Amendment

This Commitment Letter is the sole agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Commitment Letter. Any amendments to this Commitment Letter may only be made in writing, executed by all of the parties hereto (and, in the event of any amendment made prior to Today's Homes emergence from its CCAA proceedings, as approved in writing by the Monitor).

20. Governing Law

This Commitment Letter shall be governed by and construed in accordance with the laws of the Province of Alberta. The parties hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta, located in the Judicial District of Calgary.

[Remainder of this page intentionally left blank.]

GREENBORO HOMES LP | T 780.484.3993 | F 780.484.3148 | 10714-174 STREET EDMONTON ALBERTA T5S 1G7 | GREENBOROHOMES.COM



B. COMMITMENT AND ACCEPTANCE

This Commitment Letter supersedes and cancels all prior proposal letters, loan applications, expressions of intent, agreements or understandings, whether oral or written, with respect to the proposed Loan and such prior matters and documents are merged in this Commitment Letter. In the event of any conflict between the provisions of this Commitment Letter and the other Loan and Security Documents, this Commitment Letter shall govern, provided, however, that no conflict shall be deemed to exist simply because one document refers to a specific matter and another does not, or because one document clarifies or enlarges a particular matter and the other does not.

We trust that you will find the proposed Loan helpful in meeting your financial requirements. We ask that if you wish to accept this offer of financing, please do so by signing and returning the attached duplicate copy of this Commitment Letter to the undersigned. Please have the Guarantors sign the Commitment Letter below where indicated. This offer will expire if not accepted in writing and received by the Lender on or before 5 pm on October 25, 2013.

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

Per:


Justin Sobler



The undersigned hereby accepts the foregoing offer this 23 day of October, 2013.

BORROWER

Today's Homes Limited Partnership, by its general partner, Today's Homes (2006) Inc.

Per: [Signature]
(I have authority to bind the Corporation)

Print Name: ROBERT FRIESEN

The undersigned hereby guarantee payment and performance of all obligations of the Borrower hereunder and hereby acknowledge receiving advice of the foregoing Loan this 23 day of Oct, 2013 and agree that if the Lender fails to insist upon strict performance or observance of the requirements of the Commitment Letter set out above or in any other agreement which now or may hereafter apply to the Loan, or waives or amends any such requirements, such action shall not prejudice the Lender's rights under the guarantee of the Borrower provided by us.

GUARANTOR(S)

Today's Homes (2006) Inc.

Per: [Signature]
(I have authority to bind the Corporation)

Print Name: ROBERT FRIESEN



SCHEDULE A - LOTS



Project Description	Lot No.	Plan	Phase	Block	Lot
Sage Hill	05-12016	101-4321	5	12	16
Sage Hill	05-12017	101-4321	5	12	17
Sage Hill	05-12018	101-4321	5	12	18
Sage Hill	05-18023	101-4321	5	18	23
Sage Hill	05-18024	101-4321	5	18	24
Sage Hill	07-24002	111-1767	7	24	2
Sage Hill	07-24005	111-1767	7	24	5
Sage Hill	07-24006	111-1767	7	24	6
Sage Hill	07-26005	111-1767	7	26	5
Sage Hill	07-26006	111-1767	7	26	6
Sage Hill	07-26007	111-1767	7	26	7
Sage Hill	07-26008	111-1767	7	26	8
Sage Hill	07-26013	111-1767	7	26	13
Sage Hill	07-26014	111-1767	7	26	14
Sage Hill	07-26031	111-1767	7	26	31
Sage Hill	07-26041	111-1767	7	26	41
Sage Hill	07-26046	111-1767	7	26	46
Sage Hill	07-27019	111-1767	7	27	19
Sage Hill	07-27033	111-1767	7	27	33
Sage Hill	07-27038	111-1767	7	27	38
Sage Hill	07-27040	111-1767	7	27	40
Sage Hill	07-27041	111-1767	7	27	41
Sage Hill	07-27043	111-1767	7	27	43
Nolan Hill	01-08001	Unregistered	1	8	1
Nolan Hill	01-09003	Unregistered	1	9	3
Nolan Hill	01-09006	Unregistered	1	9	6
Nolan Hill	01-10011	Unregistered	1	10	11
Nolan Hill	01-10012	Unregistered	1	10	12
Nolan Hill	01-11004	Unregistered	1	11	4
Nolan Hill	01-11005	Unregistered	1	11	5
Nolan Hill	01-11014	Unregistered	1	11	14
Nolan Hill	01-12011	Unregistered	1	12	11
Nolan Hill	01-12014	Unregistered	1	12	14
Nolan Hill	01-12015	Unregistered	1	12	15
Nolan Hill	01-12023	Unregistered	1	12	23
Nolan Hill	01-12024	Unregistered	1	12	24
Nolan Hill	01-13021	Unregistered	1	13	21
Nolan Hill	02-13030	Unregistered	2	13	30
Nolan Hill	02-14002	Unregistered	2	14	2
Nolan Hill	02-14035	Unregistered	2	14	35



SCHEDULE B - DRAFT PROTOCOL (IF ANY) AND APPROVAL ORDER

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 (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

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

DATE ON WHICH ORDER WAS PRONOUNCED

NAME OF JUSTICE WHO MADE THIS ORDER

ORDER

DENTONS CANADA LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: David W. Mann / Doug Schweitzer
Ph. (403) 268-7097/7018 Fx. (403) 268-3100
File No.: 549362-1

October ____, 2013

The Honourable Justice _____

ORDER

(re: Today's Homes - Interim Financing)

UPON the application of the Applicants in these proceedings (collectively, "UBG"); AND UPON having read the Application of the Applicants, dated October __, 2013, the Affidavit of Robert Friesen, dated October __, 2013 (the "Friesen Affidavit"), the _____ Report of the Monitor, dated October __, 2013, the Affidavit of Roseann Cooney, dated October __, 2013 (the "Service Affidavit"), and such other material in the pleadings and proceedings as deemed necessary; AND UPON hearing counsel for UBG, 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 commitment letter between Today's Homes Limited Partnership, by its general partner Today's Homes (2006) Inc. ("Today's Homes"), as the borrower, and Greenboro Homes Limited Partnership, by its general partner Greenboro Homes (2006) Ltd. ("Greenboro"), as lender, dated October __, 2013, attached as Exhibit "___" to the Friesen Affidavit (the "Commitment Letter"). Any capitalized terms not defined in this Order and the Commitment Letter shall have the following meanings:
 - (a) "Borrower's Costs" means an amount payable to Today's Homes for its immediate use to cover its ongoing cost and disbursements, including any costs related to the administration of the current proceedings, calculated on the basis of \$12,000 from the sale proceeds generated from the sale of each Property (Home or Lot) to Today's Homes;
 - (b) "Closing Costs" means all ordinary or reasonable costs of closing the sale of a Property (Home or Lot) payable by Today's Homes including, without limitation: (a) all goods and services and other applicable sales taxes, property taxes, commissions, applicable community fees, and legal fees and disbursements; and (b) such withholdings as may be customary or necessary, including to secure warranty obligations of Today's Homes of 0.5% of the total sale proceeds of each Property;
 - (c) "Homes" means single family homes to be constructed on the Lots;
 - (d) "Interim Management Services Agreement" or "IMSA" means the agreement between Greenboro and Today's Homes, dated October __, 2013, attached as Exhibit "___" to the Friesen Affidavit, wherein Greenboro will provide any and all support services to Today's Homes to ensure that Today's Homes has the ability to complete the development, marketing, construction and sale of the Properties, as may be amended from time to time as agreed to in writing by the parties thereto, and approved by the Monitor;
 - (e) "Lots" means of 40 residential lots in Calgary, Alberta to be acquired by Today's Homes from the vendor, United Communities L.P., by its general partner United Acquisition II Corp. as set forth in Schedule "A" to the Commitment Letter;

- (f) "Properties" means the Homes and the Lots, and "Property" means each Home and the corresponding Lot; and
- (g) "Trade Payables" means any amount owed by Today's Homes for the provision of property, goods, consulting, marketing and services (including without limitation the IMSA), provided in direct relation to the Properties after the date of this Order.

Approval of the Interim Financing Agreement and the Interim Management Services Agreement

- 3. The Commitment Letter providing: (a) funding to Today's Homes for the acquisition of the Lots, and (ii) development, marketing and sale of the Properties, and (b) granting an option to Greenboro to acquire the Properties from Today's Homes, is hereby approved.
- 4. The IMSA is hereby approved.
- 5. UBG and the Monitor are hereby authorized and directed to do all things reasonably necessary to implement and perform all of their respective obligations under the Commitment Letter and the IMSA.
- 6. Subject to the terms and conditions of the Commitment Letter and the IMSA, Today's Homes is hereby authorized to tender payment of all amounts owing to developers in respect of Lot Purchase Agreements, and such developers are hereby directed to accept payment of same and deliver up all Lots in respect of such purchases.

Approval of the Greenboro Charge

- 7. As security for monies advanced by Greenboro to Today's Homes pursuant to the Commitment Letter, a charge is hereby granted on the Properties, including all undertaking, property, and assets related thereto of Today's Homes in favour of Greenboro (the "Charge"), which Charge shall rank in priority to all claims against Today's Homes, including the Administration Charge and the Directors' Charge, but shall be subject to the distribution scheme set forth in paragraph 8 of this Order.
- 8. The proceeds from the sale of each Property shall, subject to the consent of the Monitor and compliance with any applicable claims procedures established in these proceedings, be distributed as follows:
 - (a) Firstly, to the payment of Closing Costs;
 - (b) Secondly, to the payment of Borrower's Costs;
 - (c) Thirdly, to the payment of Trade Payables;
 - (d) Fourthly, to the repayment of all amounts owed by Today's Homes to Greenboro under the Commitment Letter; and
 - (e) Fifthly, in accordance with such entitlements as may be determined pursuant to consent of the Monitor, further Court order, or the implementation of a plan of compromise and arrangement by Today's Homes in these proceedings.

Miscellaneous

9. The Commitment Letter and the Charge shall be valid and enforceable 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) (the "BIA") in respect of any of the Applicants or any assignment in bankruptcy made or deemed to be made 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) none of the creation of the Commitment Letter, creation of the Charge, nor the execution, delivery or performance of the Commitment Letter shall create or be deemed to constitute a breach by any of the Applicants of any Third Party Agreement to which it is a party; and
 - (b) the parties to the Commitment Letter shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the Charge or the execution, delivery or performance of the Commitment Letter.
10. Notwithstanding the pendency of these proceedings and the declaration of insolvency made in these proceedings, the Commitment Letter and the Charge shall constitute legal, valid and binding obligations of the Applicants enforceable against them in accordance with the terms thereof, and the payments made by the parties pursuant to this Order, the Commitment Letter, or the Charge do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law, and shall not constitute advances under the *Builders' Lien Act* (Alberta) nor be subject to any builder's lien registered at the date of this Order or thereafter.
11. Except as specifically set forth in this Order, the rights and remedies of the parties under the Commitment Letter shall be subject to the terms of this Order, the Initial Order, including the stay of proceedings, and all other Orders made in these proceedings.
12. No action or proceeding may be commenced against a party to the Commitment Letter by reason of any such party having entered into the Commitment Letter or having performed the obligations thereunder without leave of this Court having been obtained on seven days' notice to the Applicants, Greenboro and the Monitor.
13. The Applicants, Greenboro and the Monitor are at liberty to apply for such further advice, assistance and direction as may be necessary to give full force and effect to the terms 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.

Justice of the Court of Queen's Bench of Alberta



SCHEDULE C – CLOSING DELIVERIES

The Borrower and the Guarantors (to the extent applicable), in addition to satisfying all of the other terms and conditions of the Loan, will execute and deliver all Loan and Security Documents as may be required by the Lender including, but without limitation, the following:

- a) a first fixed and specific demand collateral mortgage and charge of the Property;
- b) a General Security Agreement granting a specific charge against all of the Borrowers present and after acquired personal property in connection with the subject properties;
- c) an assignment of all material contracts (including the general contractor and a major subtrade contracts), and permits made by the Borrower affecting the Property;
- d) an assignment of all Lot Purchase Agreements, including all deposits;
- e) an assignment of Insurance proceeds made by the Borrower with the Lender as first loss payee, with those coverages as set out in Schedule "E";
- f) unlimited guarantee to be provided by the Guarantor;
- g) collateral agreement to cover the use of the Interest reserve;
- h) unconditional and unlimited Environmental Indemnity Agreement, signed by the Borrower and Guarantor;
- i) the opinions of legal counsel to the Borrower and any corporate Guarantor, confirming, amongst other things, that the Loan and Security Documents have been duly authorized, executed and delivered in a form satisfactory to the Lender, together with supporting certificates and resolutions;
- j) a Statutory Declaration stating that no condemnation or adverse zoning or usage change proceeding shall have occurred or shall have been threatened against the Property; the Property shall have suffered any significant damage by fire or other casualty which has not been repaired; no law, regulation, ordinance, moratorium, injunctive proceeding, restriction, litigation, action, citation or similar proceeding or matter shall have been enacted, adopted, or to the best knowledge of the Borrower, threatened by any third party or governmental authority, which would have, in the Lender's judgment, a material adverse effect on the Borrower, the Property or the Lender with respect to the Loan or any of the Loan and Security Documents;
- k) a duly executed Subscription Agreement, whereby the Lender Subscribes for the Loan from the Borrower;
- l) a copy of the Approval Order, which order shall not be subject to any stay or other impediment to execution; and
- m) such other documents or items as the Lender or its counsel reasonably may require.



SCHEDULE D - ENVIRONMENTAL REQUIREMENTS

Dangerous Substances

The Borrower and the Guarantors warrant and represent that the Property and its existing or, to the best of their knowledge after due inquiry, prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the Property (collectively, the "Environmental Laws") and, without limiting the generality of the foregoing:

- (i) The Property has never been used as a land fill site or to store Dangerous Substances (as defined below) either above or below ground, in storage tanks or otherwise;
- (ii) All Dangerous Substances used in connection with the business conducted on the Property has at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
- (iii) No Dangerous Substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Property as a result of the conduct of the Borrower's business on the Property; and
- (iv) No notices of any violation of any matters referred to above relating to the Property or their use have been received and there are no directions, writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings, or investigations being instituted or filed.

Environmental Concerns

At the time of any Advance of the Loan, the Lender shall be satisfied that there are not in, on, under or about the Property, or any part thereof, any contaminants, toxic, dangerous or hazardous substances (collectively, "Dangerous Substances") including, without limitation, gasoline, oil, wastes, UFFI (Urea Formaldehyde Foam Insulation), asbestos fireproofing insulation, PCB's (Polychlorinated Biphenyl's) or radioactive materials and neither the Property, nor to the best of the Borrower's knowledge, any adjacent lands, have ever been used as or for a waste disposal or coal gasification site, nor have they ever contained any underground storage tanks, and further, the use of the Property has not involved, and will not involve, during the Term, the handling of Dangerous Substances nor will such use result in any environmental damage. In addition to any liability imposed on the Borrower and the Guarantors under the other Loan and Security Documents, the Borrower and Guarantors shall be liable for any and all of the costs, expenses, damages or liabilities of the Lender, its directors and officers (including, without limitation, all reasonable legal fees on a solicitor/client basis) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any Dangerous Substances and such liabilities shall survive repayment of the Loan and the satisfaction, release or discharge of the Loan and Security Documents, foreclosure of the Loan and Security Documents and/or any other extinguishments of the obligations of the Borrower or the Guarantors under the Loan and Security Documents and any other exercise by the Lender of any remedies available to it against the Borrower or the Guarantors.



SCHEDULE E - INSURANCE REQUIREMENTS

Evidence of insurance in form and substance satisfactory to the Lender is required, confirming compliance with the below requirements. Insurance must be forwarded to the Lender, who will then provide to their insurance consultant for review. The cost of the review of the insurance documentation shall be for the account of the Borrower and may be deducted from the Advance under the Loan.

Acceptance of this Commitment authorizes the Lender or their insurance consultant to contact your insurance broker as required to obtain information with respect to the insurance policy(s) and to request amendments to the policy(s) where required.

The Borrower shall give a copy of Schedule E to their insurance agent/broker immediately and instruct them to follow these requirements without omission or change. The Borrower's insurance broker is as follows (please provide full name and contact information):

Insurance Company: _____

Address _____

Attention: _____ Email: _____

Telephone: _____ Fax: _____

1. GENERAL

- A) All insurance policies referred to herein shall be in form and with insurers reasonably acceptable to the Lender, and signed by an authorized representative of the insurer.
- B) All policies shall be permitted to contain reasonable deductibles.
- C) All property policies shall contain a standard Insurance Bureau of Canada Mortgage Clause in favour of the Lender, and shall provide for 30 days prior notice to the Lender of any adverse material change, cancellation or non-renewal and name the Lender as loss payee as its interest appears. In the event that any coverage required under this schedule is not renewed, the Borrower will promptly provide evidence of replacement coverage.
- D) If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder, then the Lender may, but shall not be obligated to, take out and keep in force such insurance at the immediate sole cost and expense of the Borrower plus costs incurred, or use other means at its disposal under the terms of this Loan.
- E) It is clearly understood and agreed that the insurance requirements contained herein are a minimum guide and, although must be adhered to throughout the life of the loan, in no way represent an opinion as to the full scope of insurance coverage a prudent borrower would arrange to adequately protect its interests and the interests of the Lender and the Borrower must govern itself accordingly.



2. SPECIFIC – COMPLETED PROPERTIES

The following policies of Insurance must be submitted, incorporating those requirements contained in the general section of these Insurance requirements.

- A) All risks of physical loss, or, damage including earthquake, flood and collapse for, one hundred percent (100%) of the full replacement cost of the Property. The replacement cost wording to have the "Same or Adjacent Site" clause deleted and the policy must include increased cost of by-laws coverage, demolition and debris removal for damaged and undamaged property. Co-Insurance must either be waived or stated amount.
- B) Insurance against loss of rents, and other income of payments to be made by tenants, licensees or others with respect to use of the property or any part thereof from at least those risks covered by the other required insurance for an amount not less than 100% of the rents and other payments or rental value for a period of at least twelve (12) months from the date the claim arises. Coverage to follow Form with 2. A) above.
- C) Comprehensive form boiler and machinery insurance including unfired pressure vessels, air conditioning equipment, if any, including repair and replacement and conforming to limits and coverages in 2. A) and B) above.
- D) Commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or about the property, or the elevators or escalators therein including among other things coverage against accidents or occurrences in an amount of not less than \$2 million for any one occurrence or such greater amount as the Lender may reasonably require.

3. SPECIFIC – CONSTRUCTION PERIOD

The following policies of Insurance must be submitted, as required in the general section of the insurance requirements.

- A) All-Risk Builder's Risk Form in the full amount of the estimated hard construction costs and recurring soft costs. Form to include Flood and Earthquake, and the policy shall allow for partial or complete occupancy.
- B) The Borrower will also maintain Equipment Breakdown Insurance to cover all building equipment and machinery (and production machinery, if applicable) for explosion, electrical loss or damage and mechanical breakdown. Such coverage shall include testing.
- C) The Borrower will effect and maintain Business Interruption Insurance on the form known as Delayed Income (or its equivalent) for loss resulting from those perils covered by the insurance described in 3. A) and B) above. The period of indemnity will not be less than twelve months. The coverage will provide for not less than 100% of such loss of profits or rents.
- D) Commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or about the property, or the elevators or escalators therein including among other things coverage against accidents or occurrences in an amount of not less than \$2 million for any one occurrence or such greater amount as the Lender may reasonably require.



All cancellation clauses in the above referenced policies, including those contained in the mortgage clause, are to provide for a thirty day notice of cancellation to the Lender.



SCHEDULE F - ADDITIONAL STANDARD PROVISIONS

1. Impounds

The Loan and Security Documents shall contain, among other things, a provision that the Borrower deposit funds with the Lender, monthly, in a non-interest bearing escrow account in an amount sufficient to pay when due all taxes on the Property which become due within each succeeding twelve (12) month period, provided however, that if the Borrower makes arrangements to make payment of all property taxes on a monthly basis and provides the Lender with evidence that all such property tax payments are being made, the Lender will not require such an escrow account. Periodic confirmation of payments through the City of Calgary is acceptable in the alternative.

2. Other Encumbrances

The Borrower shall not grant or permit any charges, mortgages or other encumbrances to encumber the Property or the assets of the Borrower or the Guarantors other than charges, mortgages or encumbrances securing the Loan and disclosed to the Lender in writing, without the prior written consent of the Lender. The Borrower shall remain the sole registered and beneficial owner of the Property until the Loan is repaid.

3. Representations and Warranties

The Borrower and the Guarantors, as the case may be, hereby represent and warrant, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Commitment Letter or so long as this Commitment Letter and the other Loan and Security Documents remain in effect, that:

- a) The Borrower and any corporate Guarantor are corporations duly incorporated and organized, validly existing and in good standing under the laws of the Province of Alberta and have adequate corporate power and authority to carry on its business, own property, borrow monies or, in the case of the Guarantors, guarantee the obligations of the Borrower, as the case may be, and enter into agreements therefore, execute and deliver the documents required hereunder, and observe and perform the terms and provisions of this Commitment Letter and the other Loan and Security Documents.
- b) The Borrower is a builder of single family homes in the Province of Alberta.
- c) There are no laws, statutes or regulations applicable to or binding upon the Borrower or the Guarantors, and no provisions in the Borrower's or any corporate Guarantor's articles or in any by-laws, resolutions, contracts, agreements, or arrangements, which would contravene, breach, default or violate the execution, delivery, performance or observance of any terms of this Commitment Letter or of the other Loan and Security Documents.
- d) No Event of Default has occurred nor has any event occurred which, in time, would constitute an Event of Default under this Commitment Letter or which would constitute a default under any of the other Loan and Security Documents.
- e) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions etc., against the Borrower, the Guarantors or their subsidiaries or the Property, before any court or administrative agency which would



result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower, or the Guarantors, or the Property at closing.

- f) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations, notarizations and other requirements of governmental, judicial and public bodies and authorities required reasonably necessary to carry on the Borrower's or the Guarantors' business have been or will be obtained or effected and are or will be in full force and effect.
- g) The financial statements and forecasts delivered to the Lender fairly represent the present financial position of the Borrower.
- h) All of the remittances required to be made by the Borrower or the Guarantors to the federal, provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including Income Taxes, and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, payroll taxes and workmen's compensation dues are currently paid and up to date.
- i) The shareholders of the Borrower are _____

4. **Positive Covenants:**

As long as the Loan or commitment of the Lender remains outstanding, the Borrower and the Guarantors, as the case may be, will:

- a) Cause to be paid all amounts of principal, interest, Expenses or any other amounts on the dates, times and place specified herein or under any other agreement between the Lender and the Borrower.
- b) Provide annual Review Engagement financial statements within 120 days of each respective period accompanied by a compliance certificate from the Chief Financial Officer of the Borrower confirming that the Borrower has complied with all terms and conditions of this Commitment Letter and that no event has occurred that is, or with the passing of time may become, an Event of Default under this Commitment Letter or a default under any of the other Loan and Security Documents.
- c) Advise promptly after the happening of any event, which will result in a material adverse change in the financial condition of the Borrower, the Guarantors, or the Property or the occurrence of any Event of Default or default under the Loan and Security Documents, or any other agreement for borrowed money.
- d) Cause to be done all things necessary to maintain in good standing its or their corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure its obligations hereunder will rank ahead of all other indebtedness of the Borrower.
- f) Cause to be paid or discharged, all lawful taxes, assessments and government charges or liens imposed on earnings, labour or materials, etc., which might result in a lien or charge upon the property or assets of the Borrower unless such taxes, assessments,



charges or liens are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.

- g) Provide the Lender with information and financial data as it may request from time to time (including information and financial data respecting the Guarantors).
- h) Maintain the Property, and its assets and personal property in good repair and working condition.
- i) Inform the Lender of any actual or probable material litigation and furnish Lender with copies of details of any material litigation or other proceedings, which might materially affect the financial status or operation of the Borrower, the Guarantors or the Property.
- j) Provide such additional security, information and documentation as may be reasonably required by the Lender or its counsel.
- k) Continue to carry on the business contemplated in Schedule F - 3(b) hereof.
- l) Maintain adequate insurance on all of its assets (including without limitation the Property), undertakings, and business risks.

5. Negative Covenants

The Borrower hereby covenants and agrees with the Lender that, unless the Lender shall have consented in writing, it shall not, so long as the Loan or any portion of the commitment hereunder remains outstanding:

- a) Create, incur, assume or suffer to exist (directly or indirectly) any indebtedness except for any indebtedness in favour of the Lender, except in the normal course of business.
- b) Guarantee or act as surety or agree to indemnify the debts of others, except as disclosed to the Lender.
- c) Merge or consolidate with, or sell, assign, or otherwise dispose of (whether in one transaction or in a series of transactions) the Property or all or substantially all of its assets (whether now owned or hereafter acquired) to any person excepting in the normal course of business.
- d) Create, incur, assume, or suffer to exist, any mortgage, deed or trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its properties, now owned or hereafter acquired, or sign or file, or permit any subsidiary to sign or file, under the PPSA or a similar registry system of any jurisdiction any financing statement which names the Borrower as a debtor or sign any security agreement authorizing any secured party there under to file such financing statement, except in the normal course of business.
- e) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares or stock and indebtedness of subsidiaries, receivables and leasehold interests), excepting in the ordinary course of business.



- f) Terminate or enter into a surrender of any pledged lease of any property mortgaged under the Loan and Security Documents.
- g) Cease to carry on the business contemplated in Schedule F - 3(b) hereof.
- h) Permit any change of ownership, allot and issue any new shares or change the capital structure of the Borrower.
- i) Pay any management fees, salaries or other compensation to any employees of the Borrower or the manager of the Property in excess of limits reasonably approved in writing by the Lender.
- j) Communicate in any manner with any of the Co-Lenders without the prior written consent of the Lender.

6. **Change of Control**

Prior written consent of the Lender is required for any future consolidations, mergers, acquisitions and/or changes of control of the Borrower.

7. **Events of Default**

The Lender has the right to accelerate the payment of principal, accrued interest, Expenses or other amounts due under the Loan and to take any steps available to it under, or realize on any security provided under, the Loan and Security Documents at any time after the occurrence of any one of the following events of default (together, "Events of Default" or singularly, an "Event of Default"):

- a) Nonpayment of principal when due or nonpayment of interest, Expenses or any other amount, within five business days of when due or when demanded.
- b) The failure of the Borrower or any Guarantor in the performance of any other covenant under the Loan and Security Documents or any other agreement between the Lender and the Borrower and such default continues unremedied for five business days after the occurrence.
- c) If any representation, warranty or statement made under the Loan and Security Documents or made in connection with the execution and delivery thereof should be false or misleading at any time in any material respect.
- d) If there is a breach or non-performance or non-observance of any term, covenant or condition of the Loan and Security Documents, or in any security agreement or mortgage provided hereunder.
- e) If the Borrower, any one of its subsidiaries, or any Guarantor makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequester, receiver or any other officer with similar powers be appointed or if a judgment or order shall be entered by any court or jurisdiction approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any one of its subsidiaries,



or any Guarantor is insolvent or declared bankrupt. Any Guarantor shall provide quarterly written statements confirming at a minimum, that their financial status has not suffered a material adverse change.

- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of the Borrower's subsidiaries, or the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any subsidiary of the Borrower or the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies in excess of \$50,000 be rendered against the Borrower, its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time, will constitute an Event of Default under this or any other agreement entered into by the Borrower, the Guarantors or any of the Borrower's subsidiaries.
- j) Default by the Borrower, any subsidiary, or any Guarantor in any material payment of monies owing by any of them to anyone, including the Lender, or default in the performance of any other obligation of the Borrower, any Guarantor or any of the Borrower's subsidiaries under any agreement to which any of them are subject.
- k) There shall occur, in the Lender's reasonable determination, a material adverse change in the financial condition, business or operations of the Borrower, any of the Borrower's subsidiaries, any Guarantor, or the Property.

If the Lender accelerates the payment of principal, interest and Expenses hereunder, the Borrower shall immediately pay to the Lender all amounts outstanding hereunder. The acceleration of payment of principal, interest and Expenses shall be deemed to have occurred where the Event of Default has occurred pursuant to Schedule F - 7(e) hereof.

8. Representations

No representation or warranty or other statement made by the Lender concerning the Loan shall be binding on the Lender unless made by it in writing as a specific amendment to this Commitment Letter.

9. Non-waiver

Should there be a breach of or noncompliance with any term or condition of the Loan and Security Documents, or should an Event of Default occur, the Lender may at its option exercise any rights or remedies it may have there under or which may be available to it and the failure of the Lender to exercise any such rights or remedies shall not be deemed to be a waiver of such term or condition and will not prevent the Lender from exercising such rights and remedies pursuant to that default or subsequent defaults at any later time.

10. Signage

The borrower will permit the Lender to erect a sign at the Property indicating financing is being provided by the Lender.



11. Third Parties

The Borrower and each of the Guarantors (to the extent applicable) (on a joint and several basis) agrees to indemnify, defend and hold harmless the Lender from any loss, claim, damage or liability arising from any claim or litigation made or threatened by any third party (including, without limitation, any seller, broker, partner of the Borrower, governmental entity or other third party) in connection with the Loan, and any court costs and legal fees (on a solicitor and his own client basis) incurred by the Lender in connection with any such claim or litigation, if such claim or litigation arises as a result of, or in connection with, any acts or omissions of the Borrower, any of the Guarantors or those persons for whom the Borrower or the Guarantors are responsible in law which indemnity shall survive repayment of the Loan and the satisfaction, release or discharge of the Loan and Security Documents, foreclosure of the Loan and Security Documents and/or any other extinguishments of the obligations of the Borrower or the Guarantors under the Loan and Security Documents and any other exercise by the Lender of any remedies available to it against the Borrower or the Guarantors.

12. Assignment

Any approval of the Loan is personal to the Borrower, and the rights of the Borrower, if any, there under may not be assigned to, and may not be enforced by, any other person or entity unless the Lender agrees in writing. The Lender may assign all or any portion of its interest in the Loan and the Loan and Security Documents without the consent of the Borrower provided that the rights which accrue in favour of the Borrower pursuant to or in respect of the Loan and Security Documents and the Loan remain unchanged and that the Borrower will not be required to make payment of any out-of-pocket expenses. The Borrower shall not be entitled to assign the Loan or its interest in any of the Loan and Security Documents without the prior written consent of the Lender.

13. Further Assurances

At the closing of the transaction contemplated in this Commitment Letter and thereafter as may be necessary and without further consideration, the parties hereto shall execute, acknowledge and deliver such other documents, instruments and agreements and shall do such other things as may be necessary to carry out their respective obligations under the Loan and Security Documents or as may be reasonably required by either party.

14. Time of the Essence

Time shall be of the essence in the Loan and Security Documents.

15. Interest and Fees

If any provision of this Commitment Letter or of the other Loan and Security Documents would oblige the Borrower to make any payment of interest or any other amount payable to the Lender in an amount or calculated at rate which would be prohibited by law or would result in receipt by the Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of interest at a criminal rate, such adjustment to be effected to the extent necessary, as follows:



- a) firstly, by reducing the amount or rate of interest required to be paid to the Lender under this Section; and
- b) thereafter, by reducing any fees, commissions, premiums or other amounts required to be paid to the Lender which would constitute interest for the purposes of Section 347 of the *Criminal Code* (Canada).

If the Lender shall have received an amount in excess of the maximum prohibited by Section 347 of the *Criminal Code* (Canada) after giving effect to all adjustments contemplated in this Section, then the Borrower shall be entitled, by notice in writing to the Lender, to obtain reimbursement from the Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by the Lender to the Borrower. Any amount or rate of interest referred to in this Section shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the Term of the Loan on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be prorated over that period of time and otherwise be prorated over the period from the date of the making of the Advance to the Borrower until the end of the Term.

16. Condition to Advance of Funds

The Borrower and the Guarantor (to the extent applicable) acknowledge and agree that the Lender shall only be able to advance funds from time to time to the Borrower as contemplated in this Commitment Letter in the event the Lender is able to complete a syndication of the Loan, including without limitation, completing such syndication on terms and with investors satisfactory to it in its sole discretion, prior to the making of any such advance. The completion of such syndication of the Loan is a condition precedent for the sole benefit of the Lender which must be satisfied in a manner which is satisfactory to the Lender in its sole discretion prior to the Lender making any or all advance of funds to the Borrower from time to time. The condition precedent may only be waived by the Lender providing directly to the Borrower the Lender's express prior written confirmation of such waiver. In the event the Lender is unable to make any or all advances from time to time to the Borrower as contemplated in this Commitment Letter as a result of its inability to satisfy the foregoing condition, the Lender shall not be liable for, and the Borrower hereby releases the Lender of and from, any and all actions, causes of action, claims, counterclaims, demands, damages (including indirect or consequential damages) interest, costs, expenses and compensation of whatsoever kind and howsoever arising, whether known or unknown, which the Borrower may suffer or incur in any way arising or resulting therefrom.

17. Information

The Borrower shall furnish upon request to the Lender all information as may be required by the Lender to enable it to complete its due diligence to its satisfaction and hereby authorizes any third party to co-operate with any reasonable inquiries made by the Lender concerning the Borrower, the Guarantors (to the extent applicable), or the Property.

18. Disclosure

The Borrower and the Guarantors (to the extent applicable) confirm that they have disclosed to the Lender all material facts known to them which, in their good faith determination, might adversely affect the Property or the financial condition, business or operation of the Borrower, or



the Guarantors and agree to promptly so inform the Lender if any such fact becomes known to them prior to closing.



19. Privacy Notice

The Lender is committed to compliance with privacy rights under applicable privacy legislation and will obtain express consent for the collection, use and disclosure of personal information. All reasonable steps will be taken to protect personal information from inadvertent or improper disclosure.

In accepting this Commitment Letter from the Lender the Borrower and any Guarantors consent to the collection, use and disclosure of their personal and financial information via any form of transmittal, including electronic, by the Lender. The Borrower and any Guarantors also consent to having the Lender and its agents conduct or cause to be conducted personal and credit investigations and due diligence necessary for the financing contemplated herein.

The Borrower and any Guarantors consent to the disclosure of such information in respect of the Borrower and the Guarantors, and if the Borrower or any Guarantor is a corporation, to the disclosure of the principal individuals of the Borrower and such Guarantor to other creditors, lenders, consumer reporting agencies, risk management consultants, investors and potential investors, purchasers and potential purchasers, agents and other parties involved in the risk evaluation and syndicated loan process.

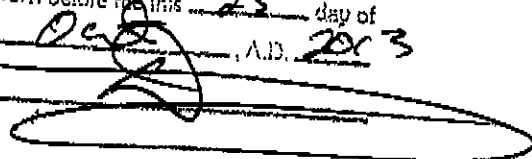
Should the Lender desire to collect, use or disclose personal information for a purpose not described herein, further consent will be obtained.

Questions or concerns can be addressed by contacting the Lender's Privacy Officer at 403-298-0538.

EXHIBIT "B"

Exhibit "B"

THIS IS EXHIBIT " B " referred to in the Affidavit of
Robert Friesen
Sworn before me this 23 day of
Dec, A.D. 2013



DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission

THIS AGREEMENT made effective the 22 day of October, 2013.

BETWEEN:

TODAY'S HOMES LIMITED PARTNERSHIP, by its general partner
TODAY'S HOMES (2008) INC. ("Today's Homes")

- and -

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

INTERIM MANAGEMENT SERVICES AGREEMENT

WHEREAS:

- A. Today's Homes and certain other companies commenced proceedings pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA Proceedings");
- B. The Initial Order granted on May 9, 2012 in the CCAA Proceedings authorizes and empowers Today's Homes to retain consultants, agents, experts and such other persons it deems reasonably necessary or desirable in the ordinary course of business;
- C. Today's Homes and Greenboro entered into a commitment letter dated October 22, 2013 (the "Commitment Letter"), that provides a loan to Today's Homes for the purpose of: (i) acquiring 40 residential lots in Calgary, Alberta, as described in Schedule "A" to the Commitment Letter (collectively, the "Lots"); and (ii) building single family homes on the Lots (collectively, the "Homes").
- D. Today's Homes, in consultation with the Monitor, has decided to engage Greenboro to assist Today's Homes with its Business;
- E. Today's Homes and Greenboro have reached agreement, as set forth herein, with respect to the terms and conditions under which Greenboro will assist Today's Homes with its Business; and

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the covenants herein contained Today's Homes and Greenboro covenant and agree each with the other as follows:

Article 1

1.1 Definitions

For the purposes of this Agreement and the Schedules hereto or any certificate, opinion or other document agreement, undertaking or assurance delivered in accordance with or in furtherance of the purposes and intent of this Agreement, unless there is something in the context inconsistent therewith the following words and phrases will have the following meanings:

- (a) "Agreement" means this Agreement as the same may be amended from time to time in accordance with the terms hereof and the expressions "herein", "hereof", "hereto", "above", "below" and similar expressions if used in any sub-paragraph, paragraph, sub-section, Section or Article of this Agreement refer and relate back to the whole of this

Agreement and not to that sub-paragraph, paragraph, sub-section, Section or Article only, unless otherwise expressly provided;

- (b) "Approval Order" means an order of the Court approving the Commitment Letter, the Agreement, and protocol for repayment of advances under the Commitment Letter;
- (c) "Business" means any and all operational activities carried on by Today's Homes including, but not restricted to, all activities related to the construction, marketing and sale of Houses;
- (d) "Business Day" means every day except Saturday, Sunday and a statutory holiday in the Province of Alberta;
- (e) "Closing Costs" means all reasonable ordinary costs of closing the sale of each House including, without limitation: (a) all goods and services and other applicable sales taxes, reasonable realty commissions, applicable condominium or community fees, and reasonable legal fees and disbursements; (b) payment of any lot purchase amount; and (c) such reasonable withholdings as may be customary or necessary for the sale of residential homes in Calgary, Alberta similar to such House, including to secure new home warranty obligations of Greenboro generally established at an amount equal to 0.5% of the sale proceeds of such House;
- (f) "Court" shall mean the Court of Queen's Bench of Alberta in the CCAA Proceedings;
- (g) "Fee" means the fee to be paid by Today's Homes to Greenboro as contemplated in Section 4.2 herein;
- (h) "Houses" means single family dwellings owned by, and to be constructed by, Today's Homes with the provision of construction management services from Greenboro (for and on behalf of Today's Homes in accordance with the terms hereof), set forth in Schedule "A" to the Commitment Letter, which schedule may be amended from time to time;
- (i) "Monitor" means Ernst & Young Inc., in its capacity as Monitor in the CCAA Proceedings;
- (j) "Parties" means the parties to this Agreement, specifically Today's Homes and Greenboro and "Party" means any one of them;
- (k) "Services" shall have the meaning described in Section 2.1; and
- (l) "Term" means the term of this Agreement, commencing effective October 31, 2013 and ending on the date determined pursuant to Section 6.1 hereof.

1.2 Preamble and Schedules

The Parties hereby confirm and ratify the matters contained and referred to in the Preamble and this Agreement and agree that it and the various schedule(s) hereto, if any, are expressly incorporated into and form part of this Agreement, notwithstanding that such Schedules may not be expressly referred to herein.

1.3 Conditions Precedent

This Agreement is subject to the following conditions precedent being satisfied on or before October 31, 2013, which are inserted for the joint benefit of the Parties and may only be waived, in whole or in part, in writing by all of the Parties hereto:

- (a) the Monitor approving this Agreement; and
- (b) the Approval Order being granted by the Court.

Article 2

2.1 Services

Greenboro shall provide such managerial, technical, and operational services as Today's Homes may reasonably require or request of Greenboro in connection with the Business. The Services provided by Greenboro are subject to the oversight, direction and approval of Today's Homes and the oversight of the Monitor. Without restricting the foregoing, the Services to be provided by Greenboro under this Agreement shall include:

- (a) **General Services** --performing the general management and administration of all aspects of the Business and affairs of Greenboro including, without restriction the following:
 - (i) providing such written and verbal reports as may be reasonably requested by Greenboro and the Monitor necessary to monitor the performance of Today's Homes pursuant to this Agreement;
 - (ii) preparing financial statements for Greenboro and the Monitor as required from time to time; and
 - (iii) such other general administrative services as may be required from time to time.
- (b) **Construction of Houses** - supplying or causing to be supplied through trades, suppliers, contractors and subcontractors, products, labour, tools, machinery, equipment and other things necessary to complete the construction of the Houses, including, without restriction, the following:
 - (i) designing and preparing plans for the Houses;
 - (ii) obtaining any permits required to build the Houses;
 - (iii) building the Houses;
 - (iv) subject to Section 3.1, entering into contracts with subcontractors and suppliers to assist with completion of the Houses, as required;
 - (v) arrange warranty coverage over the Houses in the name of Greenboro;
 - (vi) manage and oversee the performance of all warranty work on the Houses as is required for work that was completed on the Houses under Greenboro's management, as requested and approved by Today's Homes or the Monitor, as the case maybe, in commercially reasonable time frames, subject to the following:
 - (A) Today's Homes shall maintain a warranty reserve pursuant to the terms of the Commitment Letter and the Approval Order.

- (B) Greenboro, and such subcontractors contracted by Greenboro, will be paid for such warranty work as "Trade Payables" as such term is defined in the Approval Order.
 - (vii) providing such written and verbal reports as may be reasonably requested by Today's Homes or the Monitor necessary to monitor the performance of Greenboro pursuant to this Agreement;
 - (viii) use its commercially reasonable efforts to stay within the cost budgets and design for each House; and
 - (ix) such other services that are reasonably related to the construction management of the Houses.
- (c) **Sales of Houses** – performing all marketing and sales activities related to sale of the Houses, as required from time to time, including, without restriction, the following:
- (i) preparing the specification information for the Houses;
 - (ii) advertising and marketing the Houses as is required from time to time;
 - (iii) constructing, decorating, and furnishing showhomes and staffing them with sales staff;
 - (iv) preparing contracts to sell the Houses;
 - (v) providing information regarding the Houses to prospective purchasers of the Houses;
 - (vi) any sale of Houses shall be subject to the approval of Greenboro, the Monitor, and any applicable Orders and protocols granted or approved in the CCAA Proceedings;
 - (vii) disbursing or handling the Closing Costs, as applicable; and
 - (viii) such other Services that are reasonably related to the sale of the Houses.
- (collectively the "Services")

2.2 Authority for Expenditure

Greenboro agrees in connection with the performance of its duties under this Agreement, that, during the currency of this Agreement, it shall be entitled to enter into any contract or incur any expense that is reasonably necessary or appropriate to carry out the Services.

2.3 Degree of Care, Skill and Diligence

Greenboro shall exercise the degree of care, skill and diligence normally used in performing services of a similar nature to the Services provided under this Agreement.

2.4 Withholdings

Greenboro may assist in the collection, remission, and payment of source deductions, Canada Pension contributions, employment insurance premiums, taxes and GST and all other required payments, contributions or deductions under all applicable laws and authorities which arise or may hereafter arise

with respect to the performance of the obligations of Greenboro under this Agreement, all as Today's Homes may request and, upon such request and Greenboro agreeing to assist in the collection of the above, Today's Homes shall have no liability for same.

Article 3

3.1 Subcontractors

Greenboro may engage or retain any agent, subcontractor or any other third party for purposes of providing the Services.

Article 4

4.1 Reimbursable Costs and Expenses

Today's Homes shall reimburse Greenboro for all reasonable and ordinary costs and expenses incurred by Greenboro directly relating to the Services (the "Costs"), including but not limited to reasonable hourly charges as set out in Schedule "A" hereto.

4.2 Fee

Today's Homes shall pay a fee to Greenboro in an amount equal to 10% of the Costs (the "Fee").

4.3 Payment of Fee and Disbursements

Within five (5) Business Days of the end of each month during the Term, Greenboro shall submit an invoice to Today's Homes (copied to the Monitor) describing the Costs incurred, and related Fee earned, for the immediately preceding month (including detailed breakdown of the Costs to construct the Houses and supporting documents for same). Subject only to any *bona fide* dispute that Today's Homes or the Monitor have with an invoice, Today's Homes shall pay Greenboro for such invoices by utilizing the financing provided under the Commitment Letter. Payment shall be made by Today's Homes within five (5) Business Days of receipt of the monthly progress reporting.

Article 5

5.1 Indemnity and Liability

- (a) Indemnity - Except as caused by the gross negligence, fraud or willful misconduct of Greenboro, its employees or agents, or by any action taken by them outside the scope of authority hereunder, Today's Homes, so long as Greenboro is using due diligence and acting in good faith, shall indemnify and save harmless Greenboro and its directors, officers and employees against all loss and damage and all claims, demands, actions, costs and fines of any kind for which Greenboro and its directors, officers and employees may become liable or incur in connection with the Services provided hereunder, whether by reason of injury occasioned to or suffered by any person or damage to any property, or otherwise.
- (b) Insurance - Greenboro shall arrange for the mutual benefit of Today's Homes and Greenboro comprehensive general liability insurance and other insurance as required to be maintained to such limits as may be reasonably required by Today's Homes or prescribed for by law. Greenboro shall be named as an additional insured under all policies of insurance.
- (c) Force Majeure - For the purpose of this Section 5.1(c), "Force Majeure" means any cause beyond the control of a party which prevents the performance by such party of any

obligation hereunder and not caused by its default or act of commission or omission and not avoidable by the exercise of reasonable effort or foresight by such party (excluding financial inability), but including, without limiting the generality of the foregoing, strikes or other labour or industrial disturbances, civil disturbance, acts, orders, legislation, regulations or directives or any governmental or other public authorities, act of a public enemy, war, riot, sabotage, blockade, embargo, shortage of materials and supplies, shortage of labour, lightning, earthquake, fire, storm, hurricane, flood, washout, explosion, acts of God, and delays caused by any party hereto or any affiliate of a party hereto (other than the party relying upon such Force Majeure or an affiliate thereof). If by reason of Force Majeure, Greenboro or Today's Homes, as the case may be, in good faith and without default or neglect is prevented or delayed in carrying out their respective obligations hereunder which under the terms of this Agreement they are required to do by a specified date, or within a specific period of time, the date or the period of time within which the work was to have been completed may be extended by a period of time equal to that of such delay or prevention, and Greenboro or Today's Homes, as the case may be, shall not be deemed to be in default if they perform and complete the work in the manner required by the terms of this Agreement within such extended period of time, or within such further extended period of time as may be agreed upon from time to time between Greenboro and Today's Homes.

Article 6

6.1 Termination

This Agreement shall terminate upon the earlier of: (a) 90 calendar days after one Party receives written notice of the termination of this Agreement from the other Party; (b) the sale, conveyance, assignment or transfer of all of the Houses; and (c) the emergence of Today's Homes from its CCAA Proceedings

6.2 Payment upon Termination

In the event of termination of this Agreement, Today's Homes shall pay Greenboro all amounts for completed work, product ordered under purchase orders for work yet to be completed including any restocking charges or claims or liabilities or fees related to any breach of contract resulting from the termination of the Agreement, any amounts payable to subcontractors under any subcontract in relation to the Houses or any other amounts due to Greenboro in accordance with this Agreement, less any amounts owed by Greenboro to Today's Homes.

Article 7

7.1 Notices

Whether or not so stipulated herein, all notices, communication, requests and statements (the "Notice") required or permitted hereunder shall be in writing. Notice shall be served by one of the following means:

- (a) personally, by delivering it to the Party on whom it is to be served at the address set out herein, provided such delivery shall be during normal business hours. Personally delivered Notice shall be deemed received when actually delivered as aforesaid and addressed as specified in subsection (c) below; or
- (b) by electronic transmission or by any other like method by which a written or recorded message may be sent, directed to the Party on whom it is to be served at that address set out herein. Notice so served shall be deemed received on the earlier of:

- (i) upon transmission with answer back confirmation if received within the normal working hours of the Business Day; or
 - (ii) at the commencement of the next ensuing Business Day following transmission with answer back confirmation thereof; or
- (c) by mailing via first class registered post, postage prepaid, to the Party on whom it is served. Notice so served shall be deemed to be received seventy-two hours after the date it is postmarked. In the event of postal interruption, no notice sent by means of the postal system during or within seven calendar days prior to the commencement of such postal interruption or seven calendar days after the cessation of such postal interruption shall be deemed to have been received unless actually received;

Except as herein otherwise provided, Notice required to be given pursuant to this Agreement shall be deemed to have been received by the addressee on the date received when served by hand or courier, or five (5) days after the same has been mailed in a prepaid envelope by single registered mail to:

- (i) If to Today's Homes:

Today's Homes
c/o Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB T2P 0R8
Fax: 403.268.3100

Attention: Robert Friesen

With a copy to:

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB T2P 0R8
Fax: 403.268.3100

Attention: David Mann / Doug Schweitzer

- (ii) If to Greenboro:

Greenboro Homes
10714-176 Street
Edmonton, AB T5S 1G7
Fax: 780.486.5148

Attention: Justin Bobler

- (iii) If to the Monitor:

Ernst & Young Inc.
1000, 440-2nd Ave SW

Calgary, Alberta T2P 5E9
Fax: 403.206.5075

Attention: Robert Taylor

or to such other address as each Party may from time to time direct in writing.

7.2 Governing Law

This Agreement shall be construed and governed by the laws of the Province of Alberta and the laws of Canada applicable therein and the Parties irrevocably attorn to the exclusive jurisdiction of the Court.

7.3 Time of Essence

Time shall be of the essence of this Agreement.

7.4 Headings

The headings, captions, paragraph numbers, sub-paragraph numbers, article numbers and indices appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit, construct or enlarge the scope or meaning of this Agreement or any provisions hereof.

7.5 Relationship between Parties

Nothing contained herein shall be deemed or construed by the Parties hereto nor by any third Party, as creating the relationship of employer and employee or partnership between the Parties hereto.

7.6 No Authority

Except as may from time to time be expressly stated in writing by the one Party, the other Party has no authority to assume or create any obligation whatsoever, expressed or implied, on behalf of or in the name of the other Party, nor to bind the other Party in any manner whatsoever.

7.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and the Parties acknowledge and agree that there are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Agreement save as expressly set out in this Agreement.

7.8 Further Assurances

Each of the Parties do hereby agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.

7.9 Amendments

This Agreement may not be amended, except where any such amendment(s) are reduced to writing and executed by the Parties and confirmed by the Monitor.

7.10 Waiver

No consent or waiver, express or implied, by either Party to or of any breach or default by the other Party in the performance by the other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such Party hereunder. Failure on the part of either Party to complain of any act or failure to act of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder.

7.11 Counterparts

This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute the one and same instrument and notwithstanding their date of execution shall be deemed to bear date as of the date first above written.

7.12 Statutory Reference

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto and promulgated thereunder with all amendments made thereto and in force from time to time and any final judicial decisions interpreting the same, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

7.13 Assignment

This Agreement or any rights arising out of this Agreement shall not be assigned by one Party without the prior written consent of the other Party. Any assignment contrary to the provisions hereof is void.

7.14 Unenforceability

If any term, covenant or condition of this Agreement or the application thereof to any Party or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a Party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

7.15 Survival

The Parties acknowledge and agree that the provisions of this Agreement which, by their context, are meant to survive the termination of this Agreement shall survive the termination and shall not be merged therein or therewith.

7.16 Remedies Generally

Mention in this Agreement of any particular remedy of a Party in respect of a default by the other Party does not preclude the first Party from any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this Agreement. No remedy shall be exclusive or dependent upon any other remedy, but a Party may from time to time exercise any one of more of such remedies generally or in combination, such remedies being cumulative and not alternative.

7.17 Payment of Monies

The Parties acknowledge and agree that any payment of monies required to be made hereunder shall be made in Canadian funds and that any tender of monies or documents hereunder may be made upon the solicitors acting for the Party upon whom the tender is desired and it shall be sufficient that a negotiable bank draft is tendered instead of cash.

7.18 GST Exclusive

All amounts payable by Today's Homes to Greenboro hereunder will be exclusive of any Goods and Services Tax (GST) and Today's Homes will, in addition to the amounts payable hereunder, pay to Greenboro all amounts of GST applicable thereon.

7.19 Singular, Plural and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof.

7.20 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of each of the Parties.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the day and year first written above.

Today's Homes Limited Partnership, by its general partner, Today's Homes (2006) Inc.

By:


Name: ROBERT FRIESEN,
Title:

Greenboro Homes Limited Partnership, by its general partner, Greenboro Homes (2006) Ltd.

By:


Name: JUSTIN BODICK
Title: PRESIDENT.

SCHEDULE "A"

- Hourly charge for site supervision of the homes @ \$75/hour.
- Hourly charge for estimating & contract negotiation @ \$75/hour.
- Hourly charge for direct labour for site supervisor assistant @ \$65/hour.
- Hourly charge for VP of construction finance @ \$125/hour

EXHIBIT "C"

Exhibit "C"

THIS IS EXHIBIT " e "
referred to in the Affidavit of
Robert Friesen

Sworn before me this 23 day of

[Signature], A.D. 2013

[Signature]

UNDERTAKING

TO: ORIGINS AT CRANSTON LIMITED PARTNERSHIP, and its general partner, ORIGINS AT CRANSTONS INC. ("ORIGINS")

AND TO: ERNST & YOUNG INC., as Monitor of the Unity Builder's Group proceedings under the *Companies Creditors' Arrangement Act* (Canada), In Court File #1201-05843

DATE: March 22, 2013

RE: PAYMENT TO LEAR CONSTRUCTION MANAGEMENT LTD. ("LEAR")

KNOW ALL MEN BY THESE PRESENTS THAT:

1. Lear hereby acknowledges receipt of the sum of \$806,329 from Origins in respect of a progress payment concerning the project generally known as "Origins at Cranston" (the "Project").
2. Provided that Lear continues to receive available draws concerning the Project made available to Origins by its lender ICI Canada, then Lear hereby undertakes to complete the Project and all other ancillary matters related to the Project.
3. Lear undertakes to preparing, executing, filing, and/or delivering all applications, development permits, approvals, and other documentation as are necessary or appropriate to complete the Project.

All of which is provided this ____ day of March, 2013.

LEAR CONSTRUCTION MANAGEMENT INC.

Per:

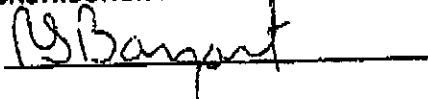
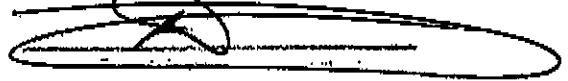


EXHIBIT "D"

Exhibit "D"

THIS IS EXHIBIT " D " " " " "
referred to in the Affidavit of
Robert Fransen

Sworn before me this 23 day of
Oct, A.D. 2013



DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

NO ADVICE REQUESTED NOR GIVEN
ATTESTED ONLY BUT NOT DRAWN

Permanent commission

MacDONALD HANLEY

2050, 736 - 6th Avenue S.W. Calgary, Alberta T2P 3T7

James G. Hanley
(403) 668-5432 (Phone)
(403) 233-2033 (Fax)
jhanley@macdonaldhanley.com

Legal Assistant
Heather Lee
(403) 668-5428 (Phone)
hlee@macdonaldhanley.com

August 14, 2013

SENT ELECTRONICALLY

Our File: 53319.001

FRASER MILNER CASGRAIN LLP
Attention: Travis Lysak
1500, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Dear Sirs:

Re: **LEAR CONSTRUCTION MANAGEMENT LTD./PAYCON HOLDINGS LTD.**
and UNITY BUILDERS GROUP – CCAA
ORIGINS AT CRANSTON

Further to my email sent August 8, 2013 with respect to the status of payments on this matter, please be advised that in accordance with its March 20, 2013 undertaking, Lear remains prepared to complete this project as contemplated under its contract. The March 20, 2013 undertaking contemplated payments being made to Lear, none of which have occurred. Notwithstanding that progress payments have been requested and no payment made to Lear for over 3 months, Lear intends to fulfill and complete the townhouse contract, and the upcoming Phase 3, the 68-unit apartment building contract. I would appreciate you responding to my queries with respect to payments at your earliest convenience.

Yours truly,
MACDONALD HANLEY



James G. Hanley

JGH/hgl

cc: Lear Construction, Attn: Ryan Bazan/Phil Bazant
Ernst & Young, Attn: Bob Taylor
Fraser Milner Casgrain, Attn: David Mann

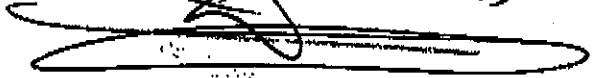
MACDONALD HANLEY, BARRISTERS & SOLICITORS

An Independent Association for the Practice of Law

EXHIBIT "E"

Exhibit "E"

THIS IS EXHIBIT " E " referred to in the Affidavit of
Robert Friesen
Sworn before me this 23 day of
Oct, A.D. 2013



DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission

August 21, 2013

DELIVERED VIA EMAILJames G. Hanley
MacDonald Hanley
2050, 736 - 8 Avenue SW
Calgary AB T2P 3T7**Re: Lear Construction Management Ltd. and Origins at Cranston (the "Project")**

We acknowledge receipt of your letter of August 14, 2013. In that regard, we have confirmed that the Lender, Canada ICI Capital Corporation, is presently processing Claim #8 in respect of the 24 townhouses (your client's Invoice # 3600) and that the cost consultant, BTY Group, is working on claims 9 and 10 being your client's Invoice #s 2645 and 2689.

However, we understand that your client has ceased work on the Project and both our client and the Lender are concerned that the timely completion of the last 7 townhouses is in question. Accordingly, prior to any further funds being advanced to your client, we require confirmation of the following:

1. Your client shall immediately resume work on the last 7 townhouse units of the Project in order that they be completed and ready for occupancy by no later than September 15, 2013;
2. Your client shall immediately take steps to commence the landscaping for the Project in order that it be completed by October 15, 2013; and
3. Your client shall immediately resume providing security to the site so as not to be off-side of the insurance requirements for the Project.

We confirm that the Lender has in excess of \$700,000.00 available to advance to your client for outstanding approved invoices and completion of the last 7 townhouses. As stated above, an advance of approximately \$202,000.00 has been approved in respect of progress claim #8 pending confirmation of the above.

With respect to landscaping, please be advised that our client has deposited security with the City of Calgary in the present amount of \$327,900.00 which entire amount would be available to your client once landscaping has been completed. This amount is in addition to the further amount of approximately \$50,000 which will be required to be deposited with the City to obtain the Development Completion Permit for last 7 townhouse units.

Kindly provide us with immediate confirmation that your client is prepared to resume the work as specified above and to complete the project in accordance with the undertaking dated March 22, 2013. Unless we

receive confirmation of the resumption of work by the end of this week, we will assume your client has abandoned the Project and we will be taking steps to have the Project completed by others.

Yours truly,
Dentons Canada LLP



Joe Pfaefflin
/na

Cc: Robert Taylor
David Mann

EXHIBIT "F"

Exhibit "F"

THIS IS EXHIBIT " F " referred to in the Affidavit of
Robert Eriksen

Sworn before me this 23 day of

Oct, A.D. 23

DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission

Anderson, Nadine

From: James G. Hanley <jhanley@macdonaldhanley.com>
Sent: 21-Aug-13 3:42 PM
To: Anderson, Nadine
Cc: bob.taylor@ca.ey.com; Mann, David; Pfaefflin, Joe
Subject: Re: Lear Construction Management Ltd. and Origins at Cranston

I will forward your letter immediately to Mr Bazant. My understanding is that Lear has not abandoned work. I have written to Mr Lysak and telephoned on at least 3 occasions to request an explanation of UBG 's non payment of progress draws. Lear has been working to complete this project in accordance with it's March 20 undertaking, but has been paid nothing since March , despite UBG signing the same undertaking to pay . This appears to be an attempt to set Lear up for the very action you are attempting , that is, cancellation of the contract based on a claim of non performance. I don't believe Lear is in fa fault at all, has not abandoned the project, and it remains prepared to complete . But it is entitled to be paid , and UBG refuses to respond or pay or the work.
I'll take further instruction and get back to you tomorrow

Sent from my iPhone

On 2013-08-21, at 3:25 PM, "Anderson, Nadine" <nadine.anderson@dentons.com> wrote:

Please see the attached correspondence.

Thanks,

DENTONS

Nadine Anderson
Legal Assistant to Joe Pfaefflin and Keith Bishop

D +1 403 268 7109
T +1 403 268 7000
F +1 403 268 3100

Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW
Calgary, AB T2P 0R8 Canada

nadine.anderson@dentons.com
dentons.com

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<Letter to James G. Hanley.pdf>

Pfaefflin, Joe

From: James G. Hanley <jhanley@macdonaldhanley.com>
Sent: August-22-13 7:20 AM
To: Bob.Taylor@ca.ey.com
Cc: Mann, David; Pfaefflin, Joe; Anderson, Nadine
Subject: Re: Lear Construction Management Ltd. and Origins at Cranston

Thanks Bob. But Lear still hasn't been paid by UBG since April, and has continued working. That is a UBG issue, and no one over there will respond. can you help. I just want to know what's going on . We've heard that UBG employees are trying to get this contract, and obviously, in the face of the non payment , we'll be opposing that . Looks like we'll have to go back to court on this

Sent from my iPad

On 21 Aug 2013, at 15:47, Bob.Taylor@ca.ey.com wrote:

Jim:

This was an ICI issue not UBG.

<mime-attachment.jpg>	Bob Taylor Ernst & Young Inc. Ernst & Young Tower, 1000, 440 2nd Avenue S.W., Calgary, AB T2P 5E9 Canada Phone: +1 403 233 7112 Cell Phone: +1 403 835 1154 Fax: +1 403 208 5075 EY/Comm: 1628301 Bob.Taylor@ca.ey.com Assistant: Kimberley Thurn Phone: +1 403 208 5356 Kimberley.Thurn@ca.ey.com * Services provided through Robert J. Taylor Professional Corporation.
-----------------------	---

From: "James G. Hanley" <jhanley@macdonaldhanley.com>
To: "Anderson, Nadine" <nadine.anderson@dentons.com>
Cc: "bob.taylor@ca.ey.com" <bob.taylor@ca.ey.com>, "Mann, David" <david.mann@dentons.com>, "Pfaefflin, Joe" <joe.pfaefflin@dentons.com>
Date: 21/08/2013 03:42 PM
Subject: Re: Lear Construction Management Ltd. and Origins at Cranston

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Thanks,

	<p>Nadine Anderson Legal Assistant to Joe Pfaefflin and Keith Bishop</p> <p>D +1 403 268 7109 T +1 403 268 7000 F +1 403 268 3100</p> <p>Dentons Canada LLP 15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada</p> <p>nadine.anderson@dentons.com dentons.com</p>
--	--

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<Letter to James G. Hanley.pdf>

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Pfaefflin, Joe

From: Pfaefflin, Joe
Sent: August-22-13 8:22 AM
To: James G. Hanley; Bob.Taylor@ca.ey.com
Cc: Mann, David; Anderson, Nadine; Lysak, Travis
Subject: RE: Lear Construction Management Ltd. and Origins at Cranston

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DENTONS

Joe Pfaefflin
Partner

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M +1 403 620 1944
F +1 403 268 3100

Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW
Calgary, AB T2P 0R8 Canada

joe.pfaefflin@dentons.com
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<mime- Bob Taylor

attachment.jpg>

Ernst & Young Inc.
Ernst & Young Tower, 1000, 440 2nd Avenue S.W., Calgary, AB T2P 5E9 Canada
Phone: +1 403 233 7112 | Cell Phone: +1 403 835 1164 | Fax: +1 403 206 5076
EY/Comm: 1625301 | Bob.Taylor@ca.ey.com
Assistant: Kimberley Thurn | Phone: +1 403 206 5355 | Kimberley.Thurn@ca.ey.com

* Services provided through Robert J. Taylor Professional Corporation.

From: James G. Hanley" <jhanley@macdonaldhanley.com>
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Cc: "bob.taylor@ca.ey.com" <bob.taylor@ca.ey.com>, "Mann, David" <david.mann@dentons.com>, "Pfaefflin, Joe" <joe.pfaefflin@dentons.com>
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<Letter to James G. Hanley.pdf>

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Pfaefflin, Joe

From: James G. Hanley <jhanley@macdonaldhanley.com>
Sent: August-22-13 9:36 AM
To: Pfaefflin, Joe
Cc: 'Ryan Bazant'
Subject: RE: Lear Construction Management Ltd. and Origins at Cranston

Thanks. as I understand it, the May payment was for April 25 progress, which was for March and Feb invoices. In any event, I believe Lear intends to finish. I'll try to speak to Ryan Bazant today

James G. Hanley

MacDONALD HANLEY
Barristers and Solicitors
2050, 736 - 6 Avenue SW
Calgary, AB, T2P 3T7
Direct: (403) 668-5432
Fax: (403) 233-2033

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Cc: Mann, David; Anderson, Nadine; Lysak, Travis
Subject: RE: Lear Construction Management Ltd. and Origins at Cranston

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DENTONS

Joe Pfaefflin
Partner

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joe.pfaefflin@dentons.com
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Jlm:

This was an ICI issue not UBG.

<mime-attachment.jpg>	Bob Taylor Ernst & Young Inc. Ernst & Young Tower, 1000, 440 2nd Avenue S.W., Calgary, AB T2P 5E9 Canada Phone: +1 403 233 7112 Cell Phone: +1 403 835 1164 Fax: +1 403 206 5075 EY/Comm: 1628301 Bob.Taylor@ca.ey.com Assistant: Kimberley Thum Phone: +1 403 206 5356 Kimberley.Thum@ca.ey.com * Services provided through Robert J. Taylor Professional Corporation.
------------------------------------	--

From:	"James G. Hanley" < jhanley@macdonaldhanley.com >
To:	"Anderson, Nadine" < nadine.anderson@dentons.com >
Cc:	" bob.taylor@ca.ey.com " < bob.taylor@ca.ey.com >, "Mann, David" < david.mann@dentons.com >, "Pfaefflin, Joe" < joe.pfaefflin@dentons.com >
Date:	21/08/2013 03:42 PM
Subject:	Re: Lear Construction Management Ltd. and Origins at Cranston

I will forward your letter immediately to Mr Bazant. My understanding is that Lear has not abandoned work.
I have written to Mr Lysak and telephoned on at least 3 occasions to request an explanation of UBG 's non payment of progress draws. Lear has been working to compete this project in accordance with it's March 20 undertaking, but has been paid nothing since March , despite UBG signing the same undertaking to pay . This appears to be an attempt to set Lear up for the very action you are attempting , that is, cancellation of the contract based on a claim of non performance. I don't believe Lear is in fa fault at all, has not abandoned the project, and it remains prepared to complete . But it is entitled to be paid , and UBG refuses to respond or pay or the work.

I'll take further instruction and get back to you tomorrow

Sent from my iPhone

On 2013-08-21, at 3:25 PM, "Anderson, Nadine" <nadine.anderson@dentons.com> wrote:

Please see the attached correspondence.

Thanks,

	<p>Nadine Anderson Legal Assistant to Joe Pfaefflin and Keith Bishop</p> <p>D +1 403 268 7109 T +1 403 268 7000 F +1 403 268 3100</p> <p>Dentons Canada LLP 15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada</p> <p>nadine.anderson@dentons.com dentons.com</p>
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<Letter to James G. Hanley.pdf>

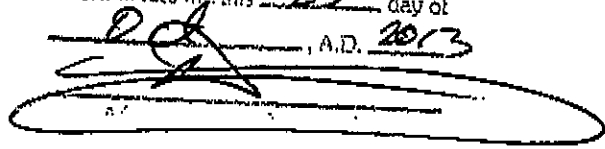
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EXHIBIT "G"

Exhibit "G"

THIS IS EXHIBIT " G "
referred to in the Affidavit of
Robert Friesen

Sworn before me this 23 day of
Dec, A.D. 2013



DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission

MacDONALD HANLEY

2050, 736 - 6th Avenue S.W. Calgary, Alberta T2P 3T7

James G. Hanley
(403) 668-6432 (Phone)
(403) 293-2033 (Fax)
jhanley@macdonaldhanley.com

Legal Assistant
Heather Lee
(403) 668-5428 (Phone)
hlee@macdonaldhanley.com

August 22, 2013

SENT VIA E-MAIL

Our File: 53319.001 JGH

DENTONS CANADA LLP
Attention: Joe Pfaefflin
15th Floor, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Dear Sir:

Re: *Lear Construction Management Ltd. and Origins at Cranston (the "Project")*

I have your letter of August 21. We may be talking at cross-purposes to some extent, since my comments with respect to the outstanding balances and payments include the apartment complex. I take your letter to be confined to the townhouse units only. In direct response to the three numbered points in your letter, please be advised as follows:

1. Lear confirms that it will resume work on the seven townhouse units for completion as quickly as possible. We are not in a position to guarantee occupancy by September 15, but will recommence work immediately.
2. Lear will take steps to commence the landscaping, but cannot guarantee completion by October 15. Obviously given weather conditions no such guarantee is possible, but they will do their best to complete the landscaping in accordance with the plan.
3. Lear is not certain that security is required, given that the project is occupied. Will you confirm to us, and provide me a copy of the insurance provisions which requires security in the face of an occupied project. If security is required, Lear will provide it in accordance with this contract.

Your advice that \$202,000.00 of the \$700,000.00 is available for funding is encouraging. You indicate it has been approved. Please confirm this payment will be made immediately. Lear

MacDONALD HANLEY, BARRISTERS & SOLICITORS

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would like to be paid this amount directly from ICI and we would ask that you request ICI attend to this.

Lear has requested once again payment of the outstanding GST. This we presume has been repaid to UBG. It is part of the contract, part of Lear's invoices, remains an outstanding expense paid by Lear, and ought to be paid immediately. Please confirm the GST has been claimed by and repaid to UBG and it will be immediately paid to Lear.

Your reference to \$377,900.00 of deposits at the city (Landscaping and Development Completion Permit) also catches our attention. You indicate in the correspondence that these funds "would be available to your client" upon completion of the landscaping, and then the project. To ensure that these funds are in fact available to Lear upon completion, we think it reasonable to request an assignment of these funds (or confirmation that the deposits have been made by UBG in the name of the developer).

In any event, we do confirm, in accordance with the March 22 undertaking that Lear is prepared to complete the project as contemplated. We seek your return confirmation that payments on the outstanding project, including the townhouses will be made forthwith.

Yours truly,
MacDONALD HANLEY



JAMES G. HANLEY

JGH*dsk

cc: Ryan Bazant
Nadine Anderson, via e-mail (nadine.anderson@dentons.com)
Robert Taylor, via e-mail (bob.taylor@ca.ey.com)
David Mann, via e-mail (david.mann@dentons.com)

MacDONALD HANLEY, BARRISTERS & SOLICITORS

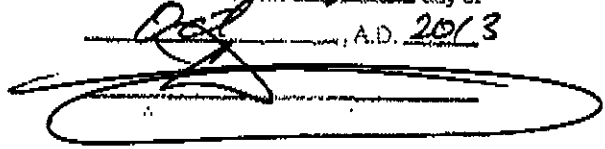
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EXHIBIT "H"

Exhibit "H"

THIS IS EXHIBIT " H "
referred to in the Affidavit of
Robert F. Friesen

Sworn before me this 23 day of
Oct, A.D. 2013



DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission

Pfaefflin, Joe

From: James G. Hanley <jhanley@macdonaldhanley.com>
Sent: August-23-13 10:58 AM
To: 'Ryan Bazant'
Cc: Bob.Taylor@ca.ey.com; Pfaefflin, Joe
Subject: origins at cranston

Ryan,

I just got off the phone with Bob Taylor. He was asking if there was anything you needed to get back in to finish the project. I advised him that you had committed to going in and would do so immediately. He said that this would allow the release of the \$202k which he believes is all going to Lear, but qualified that he wasn't dealing with the draws and the release of funds.. that was in Joe Pfaefflin's hands.

Again, Bob and Joe, we'd like funds to flow directly from ICI to Lear. Every time money flows through Dentons some other payables seem to pop up which has the effect of cutting into Lear's draw. Please confirm that \$202k is the full amount of this draw, and that it is to be paid to Lear. Please also confirm the assignment of the deposits at the City to Lear, as security for payments.

James G. Hanley

MacDONALD HANLEY

Barristers and Solicitors

2050, 736 - 6 Avenue SW

Calgary, AB, T2P 3T7

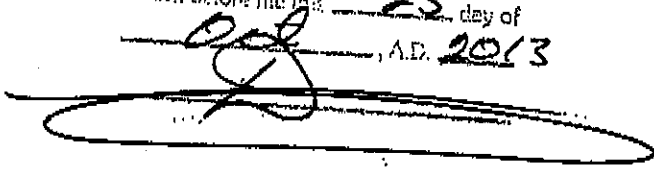
Direct: (403) 668-5432

Fax: (403) 233-2033

EXHIBIT "I"

Exhibit "I"

THIS IS EXHIBIT " I " referred to in the Affidavit of
Robert T. Eriksen
Sworn before me this 23 day of
Oct, A.D. 2013



DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission

MacDONALD HANLEY

2050, 736 - 8th Avenue S.W. Calgary, Alberta T2P 3T7

James G. Hanley
(403) 668-5432 (Phone)
(403) 233-2033 (Fax)
jhanley@macdonaldhanley.com

Legal Assistant
Heather Lee
(403) 668-5428 (Phone)
hlee@macdonaldhanley.com

October 8, 2013

SENT ELECTRONICALLY

Our File: 53319.001

DENTONS

Attention: Joe Pfaefflin
1500, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Dear Sirs:

Re: **LEAR CONSTRUCTION MANAGEMENT LTD./PAYCON HOLDINGS LTD.
and UNITY BUILDERS GROUP – CCAA
ORIGINS AT CRANSTON**

I refer to my last correspondence dated August 22, 2013, where we were looking to have the final ICI advance paid directly to Lear, and an assignment of the landscaping bond posted with the City assigned to Lear. We have heard nothing further with respect to this. Consistently, we have advised that we are prepared to continue and complete this project, and Lear is anxious to get this done before inclement weather arrives. Would you please respond to that offer (copy of letter attached). I am not sure why the anchor has been thrown out on this Project, but Lear is ready, willing and able to complete its obligation. Please respond as quickly as possible to allow Lear to get moving on this.

Yours truly,
MACDONALD HANLEY



 James G. Hanley

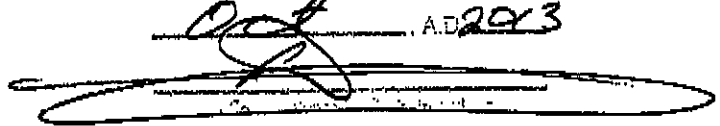
JGH:ngl
cc:

Lear Construction, Attn: Ryan Bazant
Dentons, Attn: Travis Lysak
Dentons, Attn: David Mann

EXHIBIT "J"

Exhibit "J"

THIS IS EXHIBIT " J " referred to in the Affidavit of
Robert Eriksen
Sworn before me this 23 day of
Oct, A.D. 2013



DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8268

Permanent commission

Schweitzer, Doug

From: Pfaefflin, Joe
Sent: 22-Oct-13 2:18 PM
To: James G. Hanley
Cc: Mann, David; Bob.Taylor@ca.ey.com; Schweitzer, Doug
Subject: RE: Lear - Origins

Jim

Just to clarify, on August 21st, you responded to my letter of August 21st and advised that you would seek instructions from your client but that your client was looking to be paid since it hadn't been paid since March. I replied on August 22nd that in fact, a payment had been made on May 31st and ICI had another draw ready to go. By copy of your email to Ryan Bazant on August 23rd, you advised that your client was committed to go in to complete the project. You also confirmed your understanding that once it was confirmed that Lear was back on site, ICI would release the \$202,000 advance which had been approved. The bottom line is that Lear has failed to return to complete the project and ICI refuses to fund unless Lear goes back to work. I believe that was made abundantly clear. Lear abandoned the project on or about July 26th and we have been waiting for almost 3 months for them to resume work. We need to get on with the project since home buyers are being prejudiced by this delay. Accordingly, we have now made alternate arrangements to get this project completed.

Regards,

DENTONS

Joe Pfaefflin
Partner

D +1 403 268 6801
T +1 403 268 7000
M +1 403 620 1944
F +1 403 268 3100

Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW
Calgary, AB T2P 0R8 Canada

joe.pfaefflin@dentons.com
dentons.com

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From: James G. Hanley [mailto:jhanley@macdonaldhanley.com]
Sent: October-21-13 3:26 PM
To: Schweitzer, Doug
Cc: Pfaefflin, Joe; Mann, David; Bob.Taylor@ca.ey.com; 'Ryan Bazant'
Subject: RE: Lear - Origins

I responded to Mr Pfaefflin's letter in detail, and he then responded to me yet again.. you apparently do not have all of the correspondence, or the facts. My client has been aware that UBG has been trying to pull an end run on this contract for some time, and will not accept UBG's attempts to manipulate the contract, without paying the amounts due Lear in total. If you intend to disclaim or cancel this contract, we have no alternative to renew our application to the

court to have it declared that UBG is not meeting it's obligations under the Initial Order in relation to post order creditors.

UBG continues to play games with this contract to it's benefit, presumably because there is an attempt to transfer out the profits remaining on this contract to some friendly, non arms length parties. We'll put this back before the court next week.

James G. Hanley

MacDONALD HANLEY
Barristers and Solicitors
2050, 736 - 6 Avenue SW
Calgary, AB, T2P 3T7
Direct: (403) 668-5432
Fax: (403) 233-2033

From: Schweitzer, Doug [<mailto:doug.schweitzer@dentons.com>]
Sent: October-21-13 3:02 PM
To: James G. Hanley (jhanley@macdonaldhanley.com)
Cc: Lysak, Travis; Mann, David; Pfaefflin, Joe; Bob.Taylor@ca.ey.com
Subject: Lear - Origins

Jim,

Travis Lysak is out of town so I am assisting him with this matter.

In response to your email to us on September 18, 2013, we note that we responded to your correspondence dated August 14, 2013 by way of a letter dated August 21, 2013. A copy of this letter is attached hereto for your convenience. We note that this letter indicates that "(u)nless we receive confirmation of the resumption of work by the end of this week, we will assume your client has abandoned the Project and we will be taking steps to have the Project completed by others."

Notwithstanding that more than a month has elapsed since this correspondence, and despite your letter to us dated August 22, 2013 indicating that Lear would return to the Origins construction site, Lear has not returned to the Origins construction site. Accordingly, UBG considers that Lear has abandoned the Project and is pursuing other alternatives respecting the Origins Project.

Regards,

DENTONS

Doug Schweitzer
Associate

D +1 403 268 7018
T +1 403 268 7000
F +1 403 268 3100

Dentons Canada LLP
15th Floor, Bankers Court, 850 - 2nd Street SW
Calgary, AB T2P 0R8 Canada

doug.schweitzer@dentons.com
dentons.com

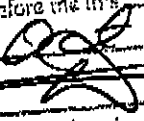
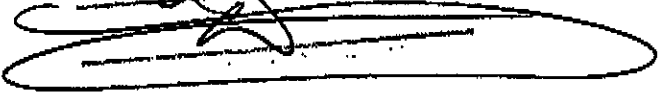
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EXHIBIT "K"

Exhibit "K"

THIS IS EXHIBIT " K " referred to in the Affidavit of
Robert Friesen
Sworn before me this 23 day of
Oct, A.D. 2013

DOUGLAS M. FRANKS
Notary Public
212 - 1980 Cooper Road
KELOWNA, B.C. V1Y 8K5
Tel: (250) 868-8288

Permanent commission

OFFER TO PURCHASE

**Suite Numbers 248, 250, 252, 254, 256, 258, 260 (collectively, the "Units"
or the "Property", or singly a "Unit")**

Granston Way S.E. in Calgary, Alberta

Condominium Plan 1310351 Legal Unit Numbers 8, 9, 10, 11, 12, 13, 14

THE PURCHASER MAY, WITHOUT INCURRING ANY LIABILITY FOR DOING SO, RESCIND THIS AGREEMENT WITHIN 10 DAYS OF ITS EXECUTION BY THE PARTIES TO IT UNLESS ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO THE PURCHASER UNDER SECTION 12 OF THE CONDOMINIUM PROPERTY ACT HAVE LESS THAN 10 DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT BY THE PARTIES TO IT.

THIS OFFER TO PURCHASE MADE BETWEEN:

ORIGINS OF CRANSTON LIMITED PARTNERSHIP by its general partner ORIGINS OF
CRANSTON INC. ("OCLP")

(the "Vendor")

-and-

ATTAINABLE HOMES CALGARY CORPORATION of 1010 - 6th Avenue SW, Calgary,
Alberta T2P 0V8

(the "Purchaser")

WHEREAS

- A. The Vendor is constructing a five phase multi-family condominium development in southeast Calgary comprising of five buildings, being two low-rise apartment style buildings and three row townhouse buildings that was commonly known as Origins at Cranston (the "OCLP Project");
- B. The Purchaser and Vendor entered into an Option Agreement made effective November 22, 2011 (the "Town house Agreement") in which Vendor agreed to sell to the Purchaser twenty four (24) townhouse units in the OCLP Project;
- C. The Purchaser and Vendor entered into a further Option Agreement made effective December 20, 2011 (the "Apartment Agreement") in which OCLP agreed to sell to the Purchaser forty seven (47) units and associated parking stalls in a 48 unit low-rise apartment style building;
- D. The Purchaser exercised its Option and closed on all forty seven (47) units in the Apartment Agreement;
- E. The Purchaser exercised its Option and closed on seventeen (17) of the twenty four (24) townhouse units;
- F. The seven (7) remaining Units are only partially completed and construction on the Units has ceased;

- G. The Vendor, as one of many subsidiary corporations under the Unity Builders Group of Companies filed for protection under the Companies' Creditors Arrangement Act, Ernst & Young Inc. was appointed by the Courts as monitor of the Vendor (the "Monitor"); and
- H. The Purchaser wishes to purchase the seven (7) remaining Units in the OCLP Project and brings forward this Offer in relation to the same but without prejudice to the terms and conditions of the Townhouse Agreement which remain in full effect until this agreement is accepted and all conditions removed and closing has been completed.

NOW THEREFORE THE PURCHASER HEREBY OFFERS TO PURCHASE FROM THE VENDOR THE PROPERTY ON THE TERMS SET OUT BELOW:

1. The Purchase

- 1.1 The Purchaser offers to purchase, from the Vendor, the Property at a price of \$220,000/Unit for the total price of One Million, Five Hundred and Forty Thousand Dollars (\$1,540,000.00) (the "Purchase Price") and more particularly described as follows:
- (a) As described on the face page and in the attached Schedule of Units, (Schedule "1"). A copy of the Condominium Plan which was registered at the Land Titles Office (Alberta) (the "LTO") on February 5, 2013, is included in Schedule "A" to this Offer to Purchase; and
- (b) The shares in the common property allocated to the Property, excepting thereout all mines and minerals (the "Unit Factor").
- 1.2 The Units and the Unit Factors are collectively hereinafter referred to as the "Condominium Unit or the Property".
- 1.3 This Offer to Purchase shall be open for acceptance by the Vendor until 4:30pm October 11, 2013 (the "Deadline").
- 1.4 In the event that the Vendor accepts this Offer to Purchase prior to the Deadline, the Purchaser shall, subject to Section 5.1, be obligated to purchase the Property from the Vendor in accordance with the terms and conditions set out herein.
- 1.5 In the event that the Vendor does not accept this Offer to Purchase prior to the Deadline, this Offer to Purchase shall be null, void and of no force or effect however the terms and conditions of the Townhouse Agreement shall remain in full force and effect.

2. **Payment**

2.1 The Purchase Price is more completely described as follows:

(a)	Purchase Price (\$220,000/Unit x 7 Units, not including GST)	\$1,540,000
(b)	PLUS Additional Parking Stall Unit No. (Legal Unit No., if applicable) (To be confirmed by the Vendor)	N/A
(c)	PLUS Additional Storage Locker Unit No. (To be confirmed by the Vendor)	N/A
	TOTAL PURCHASE PRICE (Not including GST)	\$1,540,000.00
(d)	PLUS 5% GST	N/A
	TOTAL PURCHASE PRICE	\$1,540,000.00
(e)	LESS Credit for Purchaser's Deposit (as hereinafter defined)	\$35,000.00
(f)	LESS Credit for Purchaser's Cost to Complete (as hereinafter defined)	\$688,863.00
	BALANCE DUE ON CLOSING	\$816,137.00

2.2 The Purchase Price includes the items, options or extras presently installed in the Property and all furniture and appliances presently in the Property. It is understood and agreed that the Property is sold on an "as-is-where-is" basis and the Vendor: (i) makes no representations or warranties in respect of the Property except as herein provided; and (ii) will not make any modification or supply any other item, option or extra to the Property. The Purchaser acknowledges that it has conducted its own independent inspection and investigation of the Property and is satisfied with the Property in all respects.

For the purposes hereof, "as is - where is" means that there are no representations, warranties or conditions, whether express or implied (by law or by equity), with respect to the Property including without limitation any representation, warranty or condition respecting the environmental condition, presence of hazardous substances or any other

environmental matter concerning the, Property the merchantability of the Property, the condition, quality or fitness for any particular purpose or the Property, the conformity of the Property to any description, or any warranty of title with respect to the Property.

3. Deposit and Cost to Complete

- 3.1 The Parties confirm the Purchaser has previously paid to the Vendor a deposit of \$35,000.00 (the "Purchaser's Deposit") in relation to the Townhouse Agreement.
- 3.2 If the Agreement is rescinded, cancelled or terminated in accordance with Section 5.2, the Purchaser's Deposit will not be applied towards the Purchase Price and instead will continue to be held pursuant to the terms of the Townhouse Agreement.
- 3.3 Except as expressly outlined in this Agreement or the Town house Agreement, the Purchaser's Deposit is non-refundable.
- 3.4 The Purchaser's Deposit will be held pursuant to the terms of this Agreement and section 14 of the Act.
- 3.5 Any interest earned upon funds held in trust pursuant to this Agreement shall accrue to the party entitled thereto under the Act.
- 3.6 The Parties confirm the Purchaser is to receive a credit of \$688,853.00 against the Purchase Price for the costs to be incurred by the Purchaser to complete construction of the Units (the "Cost to Complete") under the Apartment Agreement and Townhouse Agreement. The Cost to Complete will be held pursuant to the terms of this Agreement and if this Agreement is rescinded, cancelled or terminated in accordance with Section 5.2 the Cost to Complete shall remain due and owing to the Purchaser.

4. Closing, Conveyance and Mortgage Financing

- 4.1 The closing date for the purchase of the Property shall be seven days after receipt of the Approval and Vesting Order (the "Closing Date").
- 4.2 Vacant possession of the Property shall be given at 12:00 noon on the Closing Date subject to the terms hereof being complied with.
- 4.3 The Purchaser shall pay any costs associated only with the registration of the Approval and Vesting Order (as defined herein) at the LTO and the Purchaser's mortgage(s) (if any) on title to the Property.

- 4.4 The Purchaser shall pay the Purchase Price, less the Purchaser's Deposit and the Cost to Complete (the "Balance of the Purchase Price") to the Vendor on the Closing Date.
- 4.5 The Vendor shall prepare, on terms and conditions acceptable to the Purchaser, acting reasonably, an assignment of all material contracts wherein the Vendor unconditionally assigns, grants, transfers and sets over to the Purchaser all the Vendor's rights, title interest and claim to the agreements relating to the construction and development of the Units, (including but not limited to the construction contract entered into between the Vendor and LEAR Construction, all other construction contracts or subcontracts, plans, permits, licenses and insurance policies with respect to the Units, with all necessary consents to the other parties thereto) and deliver an executed copy of the same on or before the Closing Date.
- 4.6 The Vendor shall allow the Purchaser to make an inspection of the Property prior to or on the Closing Date to verify that the Property is in the same condition as presently completed. In the event that any items have been removed or damaged after the date hereof, they will be listed on an inspection sheet (the "Inspection Sheet"). Except as to the items specifically listed on the Inspection Sheet, the Purchaser shall be conclusively deemed to have accepted the Property, PROVIDED HOWEVER that such acceptance shall not in any way affect the warranty given by the Progressive Home Warranty Program (the "Program") as specified in Schedule "H" to this Offer to Purchase (the "Warranty"). The Vendor shall deliver new home warranty certificates for the Property.
- 4.7 The Purchaser further agrees that the Vendor, its agents, employees, mortgage inspectors, representatives of the Program and municipal employees, shall have the right of entry and access to the Property and the common property after the Closing Date in order to complete any incomplete items, inspect the Property and make any repairs or modifications to the Property and the common property.
- 4.8 The Purchaser acknowledges that the area of the Property has been determined on the basis described on the Condominium Plan and accepts the same.
- 4.9 Prior to the Closing Date the Purchaser shall not enter the Units or the common property without the Vendor's express permission. The Purchaser hereby releases the Vendor, its servants and agents from all liability or claims whatsoever for personal injury or property damage to the Purchaser or anyone accompanying, sent or invited by the Purchaser (hereinafter called a "Trespasser") resulting from their entry into the Units or the common property without permission. The Purchaser hereby further agrees to indemnify and hold harmless the Vendor from and against any and all actions, causes of action,

suits, proceedings, fines, costs (including legal costs on a solicitor and his own client basis), expenses and damages whatsoever, arising by virtue of a Trespasser's entry into the Units or the common property without permission and, in particular, without limiting the generality of the foregoing, agrees to reimburse the Vendor, forthwith, for any fines or penalties imposed upon the Vendor by the municipality or by any other governmental or other authority, as a consequence of the said unauthorized entry.

5. Conditions Precedent

5.1 The obligations of the Parties pursuant to this Agreement are subject to the satisfaction of the following conditions precedent:

- (a) On or before two (2) Business Days after signing of this Agreement by both parties, the Monitor shall have provided his written approval of this Agreement; and
- (b) On or before October 16, 2013, the Court of Queen's Bench of Alberta (the "Court") shall have issued an Order authorizing the Vendor to enter into this Agreement and approving the transfer of the Property to the Purchaser free and clear of all encumbrances other than Permitted Encumbrances set out on Schedule "J" hereto (the "Approval and Vesting Order") on terms satisfactory to the Vendor and the Purchaser.

5.2 If the foregoing conditions precedent have not been satisfied, complied with or waived, in whole or in part, by the applicable date, the Purchaser may rescind this Agreement by written notice to the Vendor. In the event that such notice is given by the Purchaser, this Agreement shall terminate and be null, void and of no force or effect.

6. Adjustments and Payments

6.1 The Purchase Price shall be adjusted as at the Closing Date as to prepaid and accrued expenses and other matters usually subject to adjustment which shall include, without limiting the generality of the foregoing, the following:

- (a) the Property's share of any operating and maintenance expenses and expenses for utilities such as gas, electricity, water or other utilities and insurance costs borne by the Vendor as determined by the Unit Factor of the Condominium Unit;
- (b) any contributions prepaid or owing for administrative expenses (as defined in section 38 of the Act); and,

- (c) the realty taxes, school taxes and local improvement charges, including supplementary assessments, which may be levied by the taxing authority, as determined by the Unit Factor if not separately assessed.

7. Condominium Corporation

- 7.1 The Purchaser is aware that the Corporation was, by virtue of the Act, established upon registration of the Condominium Plan. The Purchaser agrees to observe and perform the terms and provisions of the Act, the By-laws and regulations of the Corporation and any management agreement entered into by the Corporation.
- 7.2 The Vendor estimates, but does not represent or warrant, that the initial amount of the monthly common expenses contribution for the Property to be provided by the Vendor on acceptance of this offer which sum is an estimate only and is subject to change by the Corporation. The said contribution comprises the Purchaser's proportionate share of the estimated monthly property and management expenses of the OAC Project and is determined by applying the Unit Factors for the Condominium Units to the total of such expenses. Any estimated budget which is presented to the Purchaser is for informational purposes only.
- 7.3 The Vendor will have the right to arrange for management of the Condominium Plan on fundamentally those terms and conditions as set out in the management agreement referred to in Schedule "C" and the Purchaser acknowledges that management costs for the project shall be included in common expenses.

8. Disclosure

- 8.1 The Purchaser acknowledges that the Property is or will be 7 units in the Condominium Plan and the Purchaser further acknowledges that the Purchaser has, with or before the submission hereof received a copy of this Agreement and copies of the following:
- (a) Schedule "A": The Condominium Plan as registered with LTO on February 5, 2013;
- (b) Schedule "B": Site plan and landscaping plan being drawings showing the location of fences, roadways walkways, parking areas and landscaping;
- (c) Schedule "C": Proposed Management Agreement;
- (d) Schedule "D": Proposed Condominium Operating Budget and the estimated amount of the monthly contributions of each unit in the project;

- (e) Schedule "E": Registered By-laws;
- (f) Schedule "F": Registered Restrictive Covenant (Parking);
- (g) Schedule "G": Registered Restrictive Covenant (Storage Lockers); and
- (h) Schedule "H": Progressive Home Warranty Program Warranty.
- (i) Schedule "I": Legal Descriptions
- (j) Schedule "J": Permitted Encumbrances

8.2 The Parties acknowledge that prior to the Order (as defined below) the Purchaser and OCLP entered in to the Townhouse Agreement and the Apartment Agreement.

8.3 The Vendor hereby advises the Purchaser that, and the Purchaser acknowledges and agrees that:

- (a) Ernst & Young Inc. was appointed as the monitor of a number of companies related to the Unity Builders Group of Companies (which included OCLP) pursuant to an Order issued by the Court on May 9, 2012 (the "Order").
- (b) At the time that the Order was issued OCLP was constructing the OCLP Project.
- (c) Since the time that the Order was issued the construction of two phases of the OCLP Project have been completed.

9. Further Assurances

9.1 The Parties hereto agree to execute such further documents, conveyances and assurances as may be necessary in order to give full force and effect to the true intent and meaning of this Agreement.

10. Entire Agreement

10.1 The Parties confirm that this Agreement and the annexed Schedules constitute the entire agreement and that there are no further or other conditions, representations, warranties, undertakings, guarantees, promises or agreements either expressed or implied either by law or custom save those mentioned in this Agreement and the annexed Schedules, and that no oral or written agreements, representations, promises or any warranty made by any person shall be binding upon the Vendor unless made in writing and signed on behalf of the Vendor by its duly authorized officers.

11. Notices

- 11.1 All notices required herein shall be in writing and shall be delivered personally or by electronic mail:
- (a) to the Purchaser at the address shown on the first page of this Agreement; and
 - (b) to the Vendor at 808 – 55th Avenue NE, Calgary, Alberta T2E 6Y4 with a copy to Dentons Canada LLP, 1500, 850 – 2nd Street SW, Calgary, Alberta T2P 0R8, Attention: David Mann.
- 11.2 Any notices shall be deemed to be received twenty-four (24) hours after sending.

12. Time

- 12.1 Time shall be of the essence in this Agreement.

13. Title, Encumbrances and By-Laws

- 13.1 The Property is sold subject to the Act, as amended, and the implied easements thereunder, and those encumbrances listed in Schedule J. The Vendor will, after receipt and release of the full sale proceeds, cause any non-permitted encumbrances to be discharged insofar as they are registered against title to the Property.
- 13.2 The Purchaser acknowledges that he/she is acquainted with the duties and obligations of an owner of a Condominium Unit and the Purchaser understands that upon registration of the Condominium Plan, the Corporation has been created and the Purchaser will be a member of such Corporation subject to all the benefits and obligations inherent in such membership. The Purchaser agrees to be bound by the Registered By-laws annexed hereto as Schedule "E".

14. Unit Damage

- 14.1 The Property shall be at the risk of the Vendor until title is conveyed to the Purchaser and in the event of substantial or total loss or damage to the Property or the project occurring before such time by reason of fire, lightning, tempest, earthquake, flood, riot, civil commotion, insurrection or other acts of God, either the Vendor or the Purchaser may, at its option, cancel this Agreement within thirty (30) days of the date of the said loss or damage and thereupon the Purchaser shall be entitled to the return of any monies paid as deposits hereunder without interest and the Vendor shall have no further liability hereunder. All proceeds of any insurance policies in force shall belong to the Vendor,

however, if neither party elects to cancel this Agreement, the Purchaser shall be entitled to an assignment of insurance proceeds in respect of the material loss or damage to the Property, if any. The Condominium Unit shall be at the risk of the Purchaser after title is conveyed to the Purchaser.

15. Assignment Restriction and Enurement

- 15.1 This Agreement shall enure to the benefit or and be binding upon the heirs, executors, administrators and permitted assigns of the Parties hereto.
- 15.2 The Purchaser will be entitled to sell and/or assign its rights, benefits and/or obligations under this Agreement without the consent of the Vendor.
- 15.3 The Vendor acknowledges the Purchaser has been compiling potential purchasers for the OCLP Project and the Purchaser has or will be entering into subsequent unit purchase and sale agreement between the Purchaser as vendor, and a qualified buyer as purchaser (an "AHCC PSA"). The Purchaser may enter into such AHCC PSAs in relation to the Property at its sole discretion.

16. Force Majeure

- 16.1 Either party shall not be or be deemed to be in default here under for any delay due to strikes, acts of God, or other force majeure or any cause whatsoever beyond such party's control.

17. Non-Merger

- 17.1 All the covenants and obligations contained in this Agreement to be performed or observed by the Purchaser shall in no way merge with the transfer of the Property hereunder and shall in all respects remain in full force and effect notwithstanding conveyance of the Property to the Purchaser and the payment of the Purchase Price.

18. Applicable Law

- 18.1 This offer to purchase, and any contract constituted on acceptance hereof, shall be governed under and by the laws of the Province of Alberta.

19. Headings

- 19.1 The headings throughout this Agreement are inserted for convenience or reference only and shall not affect the construction of or be used in the interpretation of this Agreement or any provision thereof.

20. Singular/Plural

20.1 This Agreement notwithstanding by its acceptance by the Vendor is to be read with all changes of number and gender required by the context and where this Agreement is executed by more than one person or party as Purchaser, all covenants, conditions and agreements hereinafter contained shall be construed and taken as against all executing Purchasers as joint and several.

21. Amendment

21.1 Any amendments to this Agreement shall be made in writing, duly executed by both Parties.

DATED at the City of Calgary, in the Province of Alberta, this 09 day of October, 2013.

SIGNED in the presence of:

ATTAINABLE HOMES CALGARY CORPORATION

Per: [Signature]
Per: [Signature]

ACCEPTANCE

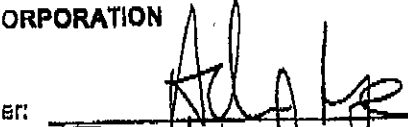
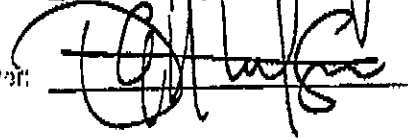
DATED at the City of Calgary, in the Province of Alberta, this 11 day of October, 2013.

Origins of Cranston Limited Partnership, by its General Partner Origins of Cranston Inc.

Per: [Signature]
Authorized Signatory c/s

THE PURCHASER ACKNOWLEDGES RECEIPT OF A FULLY EXECUTED COPY OF THE WITHIN AGREEMENT INCLUDING ALL SCHEDULES AND ACKNOWLEDGES THAT THE PURCHASER HAS READ AND UNDERSTANDS THE TERMS, PROVISIONS, CONDITIONS AND LIMITS THAT ARE SPECIFIED IN ALL SCHEDULES AND ALL DOCUMENTS REFERRED TO HEREIN WHICH PERTAIN TO THE PROJECT AND THIS AGREEMENT.

ATTAINABLE HOMES CALGARY CORPORATION

Per: 
Per: 

SCHEDULE "I"

Municipal and Legal Descriptions of the Lands

248 Cranston Way SE

CONDOMINIUM PLAN 1310351

UNIT 8

**AND 130 UNDIVIDED ONE TENTH THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING
THEREOUT ALL MINES AND MINERALS**

250 Cranston Way SE

CONDOMINIUM PLAN 1310351

UNIT 9

**AND 112 UNDIVIDED ONE TENTH THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING
THEREOUT ALL MINES AND MINERALS**

252 Cranston Way SE

CONDOMINIUM PLAN 1310351

UNIT 10

**AND 112 UNDIVIDED ONE TENTH THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING
THEREOUT ALL MINES AND MINERALS**

254 Cranston Way SE

CONDOMINIUM PLAN 1310351

UNIT 11

**AND 113 UNDIVIDED ONE TENTH THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING
THEREOUT ALL MINES AND MINERALS**

256 Cranston Way SE

CONDOMINIUM PLAN 1310351

UNIT 12

**AND 115 UNDIVIDED ONE TENTH THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING
THEREOUT ALL MINES AND MINERALS**

258 Cranston Way SE

CONDOMINIUM PLAN 1310351

UNIT 13

**AND 116 UNDIVIDED ONE TENTH THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING
THEREOUT ALL MINES AND MINERALS**

4424820_3|NAT: :S

260 Cranston Way SE

CONDOMINIUM PLAN 1310351

UNIT 14

**AND 118 UNITS OWNED ONE TENTH THOUSANDTH SHARES IN THE COMMON PROPERTY EXCEPTING
THEREOUT ALL MINES AND MINERALS**

(the "Units")

SCHEDULE "J"

Permitted Encumbrances

031 182 621	03/06/2003	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF CALGARY. AS TO PORTION OR PLAN:0311653
041 484 985	23/12/2004	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF CALGARY. AS TO PORTION OR PLAN:0414607
041 484 986	23/12/2004	RESTRICTIVE COVENANT "AFFECTS PART OF THIS TITLE"
041 484 987	23/12/2004	CHARGE RESTRICTIVE COVENANT "AFFECTS PART OF THIS TITLE"
061 083 380	27/02/2006	CHARGE RELEASEMENT AND RESTRICTIVE COVENANT
081 098 857	17/03/2008	ENCUMBRANCE ENCUMBRANCEE - CRANSTON RESIDENTS ASSOCIATION. 2315 STREET NE CALGARY ALBERTA T2E8A2
081 127 228	09/04/2008	CHARGE RESTRICTIVE COVENANT
121 074 375	29/03/2012	UTILITY RIGHT OF WAY GRANTEE - ENMAX POWER CORPORATION. GRANTEE - TELUS COMMUNICATIONS INC. GRANTEE - ATCO GAS AND PIPELINES LTD. GRANTEE - SHAW CABLESYSTEMS LIMITED. AS TO PORTION OR PLAN:1210869
121 137 917	06/06/2012	UTILITY RIGHT OF WAY GRANTEE - ENMAX POWER CORPORATION. GRANTEE - TELUS COMMUNICATIONS INC.

GRANTEE - ATCO GAS AND PIPELINES LTD.
GRANTEE - SHAW CABLESYSTEMS LIMITED.
AS PER PORTION OR PLAN:1211592