

Clerk's stamp:

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



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

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

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

FRASER MILNER CASGRAIN LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: David W. Mann / Travis Lysak
Ph. (403) 268-7097/7063 Fx. (403) 268-3100
File No.: 549362-1

AFFIDAVIT OF ROBERT FRIESEN

Sworn on August 16, 2012

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.

PROJECT FINANCINGS

3. Canada ICI Capital Corporation ("ICI") currently provides funding with respect to UBG's project (the "Origins Project") developed by Origins at Cranston Limited Partnership, by its general partner, Origins at Cranston Inc. (collectively "Origins"). The Origins Project is a four phase multi-family project located in south east Calgary. It comprises a total of 140 units (24 town homes and 116 condominiums). 72 units are pre-sold, the remaining 68 are not yet started. A copy of title respecting the Origins Project is attached hereto and marked as Exhibit "A".
4. UBG has been in discussions with the Monitor and ICI regarding its continued funding of the Origins Project pursuant to a protocol that would address the various aspects of continuing with the financing, development and sales respecting the Origins Project. These discussions have led to the execution of a Protocol Agreement, attached hereto and marked as Exhibit "B", between Origins and ICI respecting interim financing to be provided by ICI to Origins for the Origins Project (the "Origins Protocol").
5. The Origins Protocol contemplates that ICI will be granted a charge over Origin's assets and will fund the completion of homes that are pre-sold or under construction with respect to the Origins Project. UBG will continue to market and sell homes and will distribute the sales proceeds in accordance with the Origins Protocol.
6. The charge contemplated in the Origins Protocol is critical to ICI's decision to provide its commitment to continue to advance funds in respect of Origins Project. The charge would be limited to the Origins Project, and will not prejudice any other lenders or stakeholders of UBG.
7. The Origins Protocol will ensure that UBG's funding will continue, UBG's trade creditors will be paid, and finish working on the Origins Project, all of which will contribute to the completion and sale of units to the benefit of UBG's trade creditors, lenders and customers.
8. I do verily believe that the Monitor approves of this assessment and approves of the execution of the Origins Protocol.

THE SALE OF THE LEDGES LANDS

9. UBG has now negotiated an Offer to Purchase and Agreement for Sale dated July 23, 2012 between The Ledges Inc. (the "Ledges"), as vendor, and 1686395 Alberta Ltd. ("168"), as buyer, (the "Sale Agreement"), whereby 168 has agreed to buy from Ledges the lands legally described as Plan 0714123, Block 18, Lot 1 (the "Ledges Lands"). The Sale Agreement was amended by an Amendment/Addendum Form dated August 8, 2012 and the conditions under the Sale Agreement have been waived by way of a Notice dated August 8, 2012. A copy of the Sale Agreement, including the Amendment/Addendum and the Notice, is attached hereto and marked as Exhibit "C".

10. The salient terms of the Sale Agreement include:
 - (a) for payment of \$2,320,000, 168 will purchase the Ledges Lands from Ledges;
 - (b) the Ledges Lands are being sold on an "as is – where is" basis;
 - (c) the Ledges Lands will be conveyed to 168 free and clear of all interests of UBG and all parties claiming through UBG; and
 - (d) the Sale Agreement requires Monitor and Court approval.

11. The Ledges Lands have been appraised and the purchase price is consistent with the market value of the Ledges Lands. A copy of the certificate of title in respect of the Ledges Lands is attached hereto and marked as Exhibit "D".

12. UBG believes this transfer is in the best interest of UBG and stakeholders in these proceedings, and will assist in the furtherance of the restructuring. I do verily believe that the Monitor agrees with this assessment and approves of this transaction.

13. I make this Affidavit in support of the Application of the Applicants for the following relief:
 - (a) an Order approving an interim financing arrangement with ICI;
 - (b) an Approval and Vesting Order with respect to the Sale Agreement; and
 - (c) such other relief as may be sought by the Applicants and granted by this Honourable Court.

SWORN BEFORE ME)
 At Calgary, Alberta, this 16th day of August, 2012)

 (Commissioner for Oaths
 in and for the Province of Alberta)

Travis P. Lysak
Barrister & Solicitor

 PRINT NAME AND EXPIRY/LAWYER
 /STUDENT-AT-LAW

Robert Friesen



LAND TITLE CERTIFICATE

S LINC SHORT LEGAL TITLE NUMBER
0032 595 508 0713899;49;3 081 127 227

LEGAL DESCRIPTION
PLAN 0713899
BLOCK 49
LOT 3
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 2.074 HECTARES (5.12 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;29;22;20;E

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 071 395 343

THIS IS EXHIBIT " A "
referred to in the Affidavit of
ROBERT FRIESEN
Sworn before me this 16th
day of AUGUST, 2012

A Commissioner for Oaths
in and for the Province of Alberta

Travis J. Lysak
Barrister & Solicitor

Table with 5 columns: REGISTRATION, DATE (DMY), REGISTERED OWNER(S), DOCUMENT TYPE, VALUE, CONSIDERATION. Row 1: 081 127 227, 08/04/2008, TRANSFER OF LAND, \$8,811,520, \$8,811,520

OWNERS

ORIGINS AT CRANSTON INC..
OF 808 - 55TH AVENUE NE
CALGARY
ALBERTA T2E 6Y4

ENCUMBRANCES, LIENS & INTERESTS

Table with 3 columns: REGISTRATION NUMBER, DATE (D/M/Y), PARTICULARS. Row 1: 031 182 621, 03/06/2003, UTILITY RIGHT OF WAY GRANTEE - THE CITY OF CALGARY. AS TO PORTION OR PLAN:0311663

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
081 127 227

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
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	CAVEAT RE : RESTRICTIVE COVENANT " AFFECTS PART OF THIS TITLE "
061 083 380	27/02/2006	CAVEAT RE : EASEMENT AND RESTRICTIVE COVENANT
081 048 150	05/02/2008	CAVEAT RE : PURCHASERS INTEREST CAVEATOR - CARMA LTD.. C/O FIELD LLP 2000 OXFORD TOWER 10235-101 ST EDMONTON ALBERTA T5J3G1 AGENT - HEINRICH RICK H PABST
081 098 857	17/03/2008	ENCUMBRANCE ENCUMBRANCEE - CRANSTON RESIDENTS ASSOCIATION. 7315 5 STREET NE CALGARY ALBERTA T2E8A2
081 127 228	08/04/2008	CAVEAT RE : RESTRICTIVE COVENANT
091 088 010	02/04/2009	MORTGAGE MORTGAGEE - VALIANT TRUST COMPANY. 310, 606 4 ST SW CALGARY ALBERTA T2P1T1 ORIGINAL PRINCIPAL AMOUNT: \$7,500,000
111 237 134	19/09/2011	MORTGAGE MORTGAGEE - CANADA ICI CAPITAL CORPORATION. 200, 12420-104 AVE EDMONTON ALBERTA T5N3Z9 ORIGINAL PRINCIPAL AMOUNT: \$16,100,000

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

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081 127 227

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
111 237 135	19/09/2011	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - CANADA ICI CAPITAL CORPORATION. C/O MESSRS. BROWNLEE LLP #2200, 10155 - 102 STREET EDMONTON ALBERTA T5J4G8 AGENT - ROGER I SWAINSON
111 260 157	11/10/2011	POSTPONEMENT OF MORT 091088010 TO MORT 111237134 CAVE 111237135
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
121 114 850	14/05/2012	BUILDER'S LIEN LIENOR - IBI GROUP/IBI GEOMATICS INC. 300, 10830 JASPER AVENUE EDMONTON ALBERTA T5J2B3 AGENT - JOHN M BYRNE AMOUNT: \$12,368
121 116 044	15/05/2012	BUILDER'S LIEN LIENOR - HOOVER MECHANICAL PLUMBING & HEATING LTD.. 2005A 10 AVE SW CALGARY ALBERTA T3C0K4 AGENT - ROBERT PURCELL AMOUNT: \$246,052
121 118 656	17/05/2012	BUILDER'S LIEN LIENOR - RONA REVY INC.. ATTN: DAVID F YOUNGGREN,DUNPHY BEST BLOCKSOM 2100,777 -8TH AVENUE SW CALGARY ALBERTA T2P3R5 AGENT - DAVID F YOUNGGREN AMOUNT: \$32,007
121 128 422	28/05/2012	BUILDER'S LIEN LIENOR - ZYTECH BUILDING SYSTEMS INC..

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 4
081 127 227

REGISTRATION

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		262029 BALZAC BLVD BALZAC ALBERTA T4B2T3 AGENT - ROSS CLEMENTS AMOUNT: \$76,935
121 132 739	31/05/2012	BUILDER'S LIEN LIENOR - KEYSTONE EXCAVATING LTD.. ATTN: B. ADAM E. BRENER, C/O LEON BICKMAN BRENER 350, 603 - 7 AVE SW CALGARY ALBERTA T2P2T5 AGENT - B ADAM E BRENER AMOUNT: \$52,263
121 134 942	04/06/2012	BUILDER'S LIEN LIENOR - SUPER SAVE TOILET RENTALS INC.. ATTN: BRIAN O.PHILLIPS,MOORE WITTMAN PHILLIPS #850,1015 - 4TH STREET SW CALGARY ALBERTA T2R1J4 AGENT - LARRY GIBSON AMOUNT: \$445
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 TO PORTION OR PLAN:1211592
121 165 536	03/07/2012	BUILDER'S LIEN LIENOR - THYSSENKRUPP ELEVATOR CANADA LIMITED. C/O MILLER THOMSOM LLP 3000,700-9TH AVE SW ATTN:NICOLE TAYLOR-SMITH CALGARY ALBERTA T2P3V4 AGENT - DEBORAH KILBURN AMOUNT: \$47,762

(CONTINUED)

TOTAL INSTRUMENTS: 021

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED
HEREIN THIS 17 DAY OF JULY, 2012 AT 02:15 P.M.

ORDER NUMBER: 21658028

CUSTOMER FILE NUMBER: 18931



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS
SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR
OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL
PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR
THE BENEFIT OF CLIENT(S).

THIS IS EXHIBIT " 3 "
referred to in the Affidavit of

ROBERT FRIESEN

Sworn before me this 16TH
day of AUGUST, 2012

Travis Lysak
A Court Officer for Oaths
Province of Alberta
Barrister & Solicitor

PROTOCOL AGREEMENT

THIS AGREEMENT made this 1st day of August, 2012

BETWEEN:

ORIGINS AT CRANSTON LIMITED PARTNERSHIP, by its general partner, ORIGINS AT CRANSTON INC.
(the "Borrower")

OF THE FIRST PART

- and -

CANADA ICI CAPITAL CORPORATION ("ICI")

OF THE SECOND PART

WHEREAS ICI has made secured loans and advances to the Borrower and has been granted security from the Borrower therefor including, *inter alia*, a first mortgage on the Project;

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

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

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

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

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

- (a) fund and complete construction of the Project, including the Units;
- (b) close the sale of the Units under the Sale Contract;
- (c) if necessary, market and close the sale of any Units not sold pursuant to the Sale Contract ("Remaining Units");
- (d) all with a view to expeditiously repaying the secured indebtedness owing to ICI.

NOW THEREFORE, this agreement (hereinafter, the "Agreement") witnesses that in consideration of the mutual covenants and agreements contained herein the Parties agree as follows:

1. Defined Terms

In this Agreement, unless otherwise defined herein, capitalized terms shall have the following meanings:

"Borrower's Costs" means an amount payable to the Borrower for its immediate use to cover its ongoing costs and disbursements of developing, constructing, marketing, selling, and otherwise completing the Project, calculated as follows:

- a) beginning as of the date of the first advance under this Agreement and the Loan Documents, and again on September 1, 2012, October 1, 2012, November 1, 2012, December 1, 2012, and January 1, 2013 the amount of \$50,000 per month (the "Construction Borrower's Costs"). The Construction Borrower's Costs shall be deemed to be a pre-payment of the Sale Borrower's Costs; and
- b) commencing upon the closing of the sale of the first Unit and continuing for all closings thereafter, a percentage of the Net Sale Proceeds of each Unit, where the percentage is equal to: (a) 6 % in respect of a sale scheduled to close before December 31, 2012; and (B) 4% in respect of a sale scheduled to close on or after January 1, 2013; (the "Sale Borrower's Costs").

"Closing Costs" means all ordinary or reasonable costs of closing the sale of a Unit including, without limitation: (a) all goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium or community fees, and legal fees and disbursements; and (b) such withholdings as may be customary or necessary, including to secure warranty obligations of the Borrower of 0.5% of the total sale proceeds of the Unit;

"Closing Date" means the date of closing of the sale of a Unit;

"Completion Budget" means a construction budget reflecting the costs required to complete the Project, including the Construction Borrower's Costs but excluding the Sale Borrower's Costs, to the degree required in order to complete the sale of the Project under the Sale Contract, as approved or established by the Borrower and the QS and approved by ICI and the Monitor, including any amendments that may be agreed to in writing by ICI, the QS, the Borrower, and the Monitor.

"DIP Order" means an Order granted by the Court in the CCAA Proceedings in the form attached hereto as Schedule "B" or otherwise acceptable to the parties;

"Loan Documents" means the commitment letter, security documents, and related agreements among ICI and the Borrower governing the credit facilities granted by ICI in favour of the Borrower for the development of the Project and the sale of the Units;

"Net Sale Proceeds" means the gross selling price of each Unit, less Closing Costs.

"Payables" means any amount owed by the Borrower, other than the Borrower's Costs, for the provision of property, goods or services in respect of developing the Project and all the Units thereof to their completion, as approved by: (a) in the case of goods or services provided to the Borrower prior to May 9, 2012, where such claim has been proven in accordance with the Claims Procedure Order and approved by the Monitor, and (b) in the case of goods or services

provided to the Borrower on or after May 9, 2012, the Borrower and the QS as falling within the Completion Budget.

"Origins at Cranston Development" means the multi-unit residential condominium project known as "Origins at Cranston", located in Southeast Calgary, Alberta including, without restriction, the Project;

"Project" means the 48 unit residential condominium project and 24 unit town home project located upon Lot 3, Block 49, Plan 0713899, comprised of the Units, forming part of the Origins at Cranston Development, located in southeast Calgary, Alberta;

"QS" means the quantity surveyor of the Project, namely BTY Group, or such other quantity surveyor as SBMC, the Borrower, and the Monitor may agree upon;

"Units" means the 72 residential properties (24 town homes and 48 condominium units) in the Project including the lands, premises, and condominium units described in the attached Schedule "A".

2. Confirmation of Indebtedness

As of May 9, 2012, the principal balance outstanding and owing by the Borrower to ICI is \$4,658,362 exclusive of accrued interest and all other costs and charges due or accruing due under and pursuant to the security held by ICI plus all interest accruing due and owing to ICI pursuant to the Loan Documents (the "Indebtedness").

3. Future Unit Sales

(a) **General**

The Borrower has advised that the Units have been sold to Attainable Homes Calgary Corporation pursuant to an Option Agreement dated December 20, 2012 (the "Sale Contract").

(b) **Interim Financing**

ICI will advance the funds required to complete the Project and, if necessary, market and sell any Remaining Units as requested by the Borrower (the "Draws") and in accordance with the Loan Documents as follows:

- (i) Draws will be secured by the "super-priority" charge set forth in, and otherwise governed by the provisions of, the DIP Order;
- (ii) Draws, other than Draws made in respect of the Construction Borrower's Costs, shall be advanced on a "cost to complete basis", as contemplated within the Loan Documents and as determined by the QS and in accordance with and subject to the terms, covenants and conditions of this Agreement;
- (iii) Draws made with respect to the Construction Borrower's Costs shall be made on the date of the first advance under this Agreement and the Loan Documents and again on September 1, 2012 and October 1, 2012;

- (iv) Draws will not exceed:
 - (A) the allocated budget expense for the Project (as confirmed by the QS) within the Completion Budget, and
 - (B) the aggregate principal amount of \$12,000,000.00, and will bear interest in accordance with the Loan Documents;
- (v) Draws will be used to pay Payables related to the completion of the Project; and
- (vi) except as may be provided in this Agreement and the DIP Order, Draw advances shall be subject to the terms and conditions set forth in the Loan Documents including, without restriction;
 - (A) accrual of interest on all Draws;
 - (B) requirement for payment of all costs of ICI including, without restriction, all legal expenses; and
 - (C) conditions for funding of advances comprising the Draws.

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

(c) Completion and Sale of Units

The Borrower agrees to utilize diligent commercial efforts to proceed to the completion of the Project, including the completion and closing of the sale of the Units pursuant to the Sale Contract. The Parties agree that the sales proceeds from the Units shall be disbursed as follows:

- (i) firstly, to the payment of Closing Costs;
- (ii) secondly, to the repayment of all Draws made pursuant to the DIP Order (including all of ICI's costs and expenses);
- (iii) thirdly, to the repayment of the Indebtedness;
- (iv) fourthly, to the payment of the Sale Borrower's Costs to the extent that the cumulative amount of all the Sale Borrower's Costs paid as of the Closing Date exceeds the cumulative amount of Construction Borrower's Costs paid as of the Closing Date; and
- (v) fifthly, to the Borrower for general corporate purposes.

4. Sale and Marketing of Remaining Units

In the event that there are any Remaining Units, the Borrower, with the consent of the Monitor, shall supply a proposed listing price (the "Listing Price") of such Remaining Units. The Borrower, with the consent of the Monitor, shall be entitled to enter into arms length contracts for sale of

the Remaining Units at a price that is equal to, or greater than, the Listing Price. The proceeds of sale from any Remaining Units shall be paid pursuant to Section 3(c) hereof.

The Parties agree that the Borrower shall consult with ICI in respect of any sales and marketing process for the Remaining Units. The Parties agree that the Borrower will use its best efforts to have all of the Units sold pursuant to the Sale Contract and not become Remaining Units.

5. Repayment

The Parties agree and acknowledge that the Borrower shall be at liberty to repay the Indebtedness and all Draws, in whole or in part, at any time without notice, bonus or penalty.

6. General

- (a) The Parties agree and acknowledge that this Agreement is subject to the provisions of, and compliance with, the granting of the DIP Order.
- (b) The Parties agree to use diligent commercial efforts to give full effect to the terms and conditions of this Agreement. To the extent a Party determines, acting reasonably, that Court approval is required to give effect to the provisions herein, then the other Parties covenant and agree to support any application to the Court to give effect to the terms of this Agreement.
- (c) There is no promise, warranty, representation, undertaking, covenant or understanding by or binding upon the Parties except such as are expressly set forth in this Agreement, and this Agreement contains the entire agreement between the Parties in respect of the subject matter hereof.
- (d) This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the Province of Alberta.
- (e) No amendment, modification or supplement to this Agreement shall be valid or binding unless set out in writing and executed by the Parties.
- (f) Whenever necessary or appropriate in this Agreement, the plural shall be interpreted as singular, the masculine gender as feminine or neuter and vice versa.
- (g) Time shall be of the essence hereof.

(h) This Agreement may be executed in counterparts and delivered via facsimile or via email in PDF format and the counterparts together shall constitute an original.

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

**ORIGINS AT CRANSTON LIMITED
PARTNERSHIP, by its general partner, ORIGINS
AT CRANSTON INC**

Per: 
Name:
Title:

CANADA ICI CAPITAL CORPORATION

Per: 
Name: *DALE KLEIN*
Title: *PRESIDENT*


The Terms of the memorandum of Understanding are Approved and Consented to by the Monitor, **ERNST & YOUNG INC.**

Per: _____
Robert J. Taylor

(h) This Agreement may be executed in counterparts and delivered via facsimile or via email in PDF format and the counterparts together shall constitute an original.

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

**ORIGINS AT CRANSTON LIMITED
PARTNERSHIP, by its general partner, ORIGINS
AT CRANSTON INC**

Per: 
Name: _____
Title: _____

CANADA ICI CAPITAL CORPORATION

Per: _____
Name: _____
Title: _____

**The Terms of the memorandum of
Understanding are Approved and Consented to
by the Monitor, ERNST & YOUNG INC.**

Per: 
Robert J. Taylor

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

ROBERT FRIESEN

Sworn before me this 16TH day of AUGUST, 2012

A Commissioner for Oaths in and for the Province of Alberta

OFFER TO PURCHASE & AGREEMENT FOR SALE

BETWEEN:

**THE LEDGES INC.,
of 808 - 55th Avenue N.E.,
Calgary, AB T2E 6Y4**

(herein called the "Seller")

Travis P. Lysak
Barrister & Solicitor

- and -

**1686395 ALBERTA LTD.,
of 417 — 1st Street,
Canmore, AB T1W 3138
or its nominee**

(herein called the "Buyer")

1. OFFER

1.1 The Buyer hereby offers and, upon acceptance by the Seller, agrees to purchase from the Seller, Seller's interest in the following property (the "Property") located at:

Municipal Address: 102 Stewart Creek Rise, Canmore, Alberta

1.2 The legal description of the Property is:

**Plan 0714123, Block 18, Lot 1
Excepting thereout all mines and minerals
Area: 1.03 Hectares (2.55 Acres) more or less**

1.3 No unattached goods (chattels) except for: NIL

1.4 Unless otherwise agreed in writing, title will be free and clear of all encumbrances, registrations and obligations except the following:

(a) those implied by law;

(b) non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature and which do not affect the saleability of the Property;

(c) homeowners association caveats, encumbrances and similar registrations;

(d) utility right of ways (registration numbers 061 089 800, 061 091 400, 071 412 916 and 071 412 918), caveat registration number 071 412 913, and restrictive covenant registration number 071 412 919; and

RF *na*

- 2 -

(e) those items which the Buyer agreed to assume in this Contract.

2. THE TRANSACTION

2.1 The Buyer and the Seller agree to act cooperatively, reasonably, diligently and in good faith.

2.2 Other than the Deposit (as defined herein), the Buyer shall pay the Purchase Price (as defined herein) by certified cheque, lawyer's trust cheque, bank draft or other agreed value as follows:

\$	50,000.00	initial deposit (the "Deposit")
\$	<u>2,350,000.00</u>	balance due on closing
\$	<u>2,400,000.00</u>	purchase price (the "Purchase Price")

The Purchase Price does not include any applicable Goods and Services Tax (GST).

3. DEPOSIT

3.1 The Deposit shall be delivered in trust to: Conner & Conner Professional Corporation.

3.2 The Deposit shall be deposited no later than the second Business Day following the day that this Contract is signed and accepted by both the Buyer and the Seller as per clause 15.1 (final acceptance) of this Contract.

3.3 Unless otherwise agreed in writing, no interest on the Deposit shall be paid to the Seller or the Buyer.

3.4 The Deposit shall be held in trust for both the Seller and the Buyer and shall be:

- (a) forthwith refunded to the Buyer if this offer is not accepted, a condition is not satisfied or waived (as per clause 7.4) or the Seller fails to perform on this Contract; or
- (b) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.

4. CLOSING

4.1 Unless otherwise agreed in writing, this Contract will be completed and the Purchase Price will be fully paid by noon on September 17, 2012 (the "Completion Day").

4.2 The Seller and the Seller's lawyer will deliver normal closing documents (the "Closing Documents") to the Buyer and the Buyer's lawyer upon reasonable conditions consistent with the terms of this Contract.

4.3 If the Seller fails to deliver the Closing Documents according to clause 4.2, then payment of the Purchase Price and Interest (as defined herein) will be postponed until the Buyer has received the Closing Documents and had a reasonable period of time to submit the same to Land Titles for registration.

4.4 If the Seller agrees in writing to accept late payment of the Purchase Price, then the Buyer will pay interest to the Seller calculated daily from and including the Completion Day to (but excluding) the day the Seller is paid in full. Payment received after noon on any day will be

 Seller's Initials
  Buyer's Initials

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payment as of the next Business Day. Interest means the prime lending rate of the Province of Alberta Treasury Branches at the Completion Day plus 3% ("Interest").

- 4.5 The Seller will pay the costs to prepare the Closing Documents.
- 4.6 The Buyer will pay the costs to prepare, register and discharge any Buyer's caveat based on this Contract.

5. WARRANTIES AND REPRESENTATIONS

5.1 The Seller represents and warrants to the Buyer that the Seller has the legal right to sell the Property.

5.2 The Buyer represents, warrants, and acknowledges that the Seller is relying upon such representations and warranties in connection with the sale of the Property and that, as at the Completion Date:

- (a) the Buyer is a validly existing corporation under the laws of the Provinces of Alberta, and has all requisite corporate power and authority to execute, deliver and perform this Contract; and
- (b) the Buyer is not a non-Canadian as defined in the *Investment Canada Act* (Canada) and that the completion of the within transaction is not notifiable or reviewable under the said legislation.

5.3 All of the warranties contained in this Contract are made as of and will be true at the Completion Day, unless otherwise agreed in writing.

5.4 The representations and warranties in this Contract may be enforced after the Completion Day, provided that any action is started within one (1) year from the Completion Day.

5.5 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are no other warranties, representations or collateral agreements made by or with the other party, about the Property, any neighbouring lands, and the transactions contemplated by this Contract (the "Transaction"), including any warranty, representation or collateral agreement relating to the size/measurements of the Property or the existence or non-existence of any environmental condition or problem.

6. ADDITIONAL TERMS

6.1 The Buyer and the Seller represent, warrant, covenant and agree with each other as follows:

- (a) the Property is sold on an "as is where is" basis and there are no representations, warranties or conditions, whether express or implied (by law or 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, 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. The



Seller's Initials

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Buyer's Initials

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Buyer acknowledges that it has conducted its own independent inspection and investigation of the Property and is satisfied with the Property in all respects; and

- (b) the Property shall be conveyed to the Buyer free and clear of all right, title, and interest of the Seller and those claiming through the Seller by virtue of the Vesting and Approval Order (as defined herein), but subject to the permitted encumbrances listed in clause 1.4 herein, against title to the Property and any other encumbrances implied by law, including without limitation any claims and encumbrances as need not be registered in Alberta to obtain priority over the security granted to a lender and those referred to in section 61 of the *Land Titles Act* (Alberta).

6.2 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.

6.3 This Contract is for the benefit of and shall be binding upon the parties.

6.4 All changes of number and gender shall be made where required.

7. **CONDITIONS**

7.1 The Buyer's Conditions (as defined herein) are:

- (a) it shall have until noon on August 10, 2012 to conduct its due diligence with respect to the Property and the Seller shall give the Buyer unrestricted access to the Property to carry on such due diligence; and
- (b) it shall have until noon on August 10, 2012 to obtain a commitment letter for a first mortgage on the Property in the amount of \$1,950,000, at terms satisfactory to the Buyer.

The above conditions and documents shall be to the sole satisfaction of the Buyer (the "Buyer's Conditions").

Before noon on August ^{20th} ~~10~~, 2012 (the "Condition Day")

7.2 The obligation of the Seller to proceed with the closing of the Transaction (the "Seller's Conditions") is subject to the Seller obtaining, on or before the Completion Date:

- (a) a certificate from the Monitor approving and supporting the Seller entering into this Contract; and
- (b) an order of the Court:
- (i) approving this Agreement and the Transaction described herein; and
- (ii) conveying title to the Property free of claims of the Seller and the parties claiming through the Seller (other than as specifically referenced herein),

which order shall be as at the Completion Date, in full force and effect, free of any stay or other impediment to execution, is not subject to any application to vary or set aside



Seller's Initials

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Buyer's Initials

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or to any appeal, and in respect of which all applicable appeal periods having expired (the "Approval and Vesting Order").

- 7.3 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller.
- 7.4 The Buyer and the Seller may unilaterally waive or satisfy the Buyer's Conditions or Seller's Conditions, as the case may be, by giving a notice to the other party (the "Notice") on, or prior to, the stated Condition Day (in the case of the Buyer's Condition) or the Completion Date (in the case of the Seller's Conditions).
- 7.5 Provided that the Buyer or the Seller, as the case may be, uses reasonable efforts to satisfy their respective conditions set out in paragraphs 7.1 and 7.2 herein, and if the Notice has not been delivered prior to or on the stated Condition Day or Completion Date, as the case may be, then this Contract is ended.

8. REMEDIES DISPUTES

- 8.1 If the Seller or the Buyer fails or refuses to complete this Contract according to its terms, then the other party may pursue all available remedies. The Seller's remedies include keeping the Deposit and claiming additional damages. Both the Seller and the Buyer can claim reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

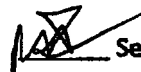
9. ADVICE/DISCLOSURE

- 9.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are free to obtain legal advice before signing.
- 9.2 This Contract may be signed and sent by fax and this procedure will be as effective as signing and delivering an original copy.

10. DEFINITIONS

10.1 In this Agreement:

- (a) **Business Day** means a day when both the Land Titles Office and the Schedule "A" chartered banks are open for business;
- (b) **Completion Day** is the day described in clause 4.1;
- (c) **Contract** means the agreement set forth between the parties in "this Contract", as it may from time to time be amended, supplemented, modified, varied, restated or replaced;
- (d) **Court** means the Alberta Court of Queen's Bench;
- (e) **Monitor** means Ernst & Young Inc., in its capacity as Court appointed Monitor in the *Companies' Creditors Arrangement Act* (Canada) proceedings of UBG Builders Inc. et al., Court file number 1201-05843;



Seller's Initials



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(f) Unless otherwise agreed in writing means a written agreement by letter or otherwise between the Seller or the Seller's lawyer and the Buyer or the Buyer's lawyer.

11. NOTICE

11.1 For the purposes of giving and receiving any notice referred to in this Contract, and for acceptance of an offer to purchase, communication must be in writing and must be delivered to the address or faxed to the number described below.

A notice sent or received by a party to this Contract is proper notice for purposes of this Contract.

Seller's Information:

Seller's Address

808 55 Avenue NE, Calgary, AB T2E 6Y4

Phone: 403-569-0155 Fax: _____

Buyer's Information:

Buyer's Address

417 1 Street, Canmore, AB T1W 3B8

Phone: 780 799-0844 Fax: _____

12. MISCELLANEOUS

12.1 This Contract shall be binding upon and enure to the benefit of the parties hereto and their legal representatives, successors and permitted assigns. This Contract may not be assigned by either party hereto, by operation of law or otherwise, without the prior written consent of the other party hereto.

12.2 Each of the parties hereto shall at the request and expense of the other party hereto so requesting execute and deliver such further or additional documents and instruments as may reasonably be considered necessary or desirable to properly reflect and carry out the true intent and meaning of this Contract.

12.3 The Buyer acknowledges that there no commissions, including without limitation any agent or brokerage fees, payable in connection with this Contract and the Buyer agrees to indemnify the Seller against any claim for compensation or commission by any third party or agent retained by the Buyer in connection with, or in contemplation of, this Contract.

12.4 Failure by either party hereto to insist in any one or more instances upon the strict performance of any one of the covenants contained herein shall not be construed as a waiver or relinquishment of such covenant. No waiver by any party hereto of any such covenant shall be deemed to have been made unless expressed in writing and signed by the waiving party.

12.5 This Contract may not be amended, modified or terminated except by an instrument in writing signed by the parties hereto.

 Seller's Initials  Buyer's Initials

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12.6 This Contract may be executed in counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument. A signed counterpart provided by way of facsimile transmission or by e-mail in PDF shall be as binding upon the parties as an originally signed counterpart.

13. OFFER

13.1 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract.

13.2 This offer/counter offer shall be open for acceptance in writing until 2 p.m. on July 27th 2012.

SIGNED AND DATED at Canmore, Alberta at ^{10:11 AM} 2:30 m. on the 23rd day of July 2012.

1686395 Alberta Ltd.

Per: [Signature]

14. ACCEPTANCE

14.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase price according to the terms of this Contract.

SIGNED AND DATED at CALGARY, Alberta at 2:30 p.m. on the 23 day of July 2012.

The Ledges Inc.

Per: [Signature]

15. FINAL ACCEPTANCE

15.1 This Contract was made (final acceptance) at CALGARY m. on 2:30 ^{July 23} 2012.

Initials of the Person(s) who signed last [Signature]

CONVEYANCING

Seller's Lawyer _____

Lawyer's Address _____

Lawyer's Phone _____ Lawyer's Fax _____

Buyer's Lawyer: Lori Conner, Conner & Conner Professional Corporation

Lawyer's Address: 204-1240 Railway Avenue, Canmore, AB T1W 1P4

Lawyer's Phone: 403 678-9696 Lawyer's Fax: 403 678-2533

[Signature] Seller's Initials [Signature] Buyer's Initials Page 7 of 7

AMENDMENT/ADDENDUM FORM

Further to the Real Estate Purchase Contract dated July 23, 2012

Between

THE SELLER

and

THE BUYER

Name: The Ledges Inc.

Name: 1686395 Alberta Ltd.

With respect to the Property described as:

Municipal Address: 102 Stewart Creek Rise, Canmore, Alberta

Legal Address:

Plan 0714123, Block 18, Lot 1
Excepting thereout all mines and minerals

The following changes shall be made to the above Contract and except for such changes noted below, all other terms and conditions in the Contract shall remain as stated therein.

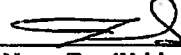
Delete 2.2 in its entirety and insert the following:

- 2.2 Other than the Deposit (as defined herein), the Buyer shall pay the Purchase Price (as defined herein) by certified cheque, lawyer's trust cheque, bank draft or other agreed value as follows:


\$	50,000	initial deposit (the "Deposit")
\$	2,270,000	balance due on closing
\$	2,320,000	purchase price (the "Purchase Price")

The Purchase Price does not include any applicable Goods and Services Tax (GST)

Dated at 1686395 LTD, this 8 day of August, 2012 at ___ a.m./p.m.

1686395 Alberta Ltd. (Buyer)
Per: 
Print Name: Tim Walsh
Office: President

Dated at LEDGES INC, this 9 day of August, 2012 at ___ a.m./p.m.

The Ledges Inc. (Seller)
Per: 
Print Name:
Office:

**OFFER TO PURCHASE & AGREEMENT FOR SALE (the "Contract")
NOTICE
(Re: Waiver/Satisfaction of Conditions)**

Notice to:

The Ledges Inc.
Seller of the Property

Municipal Address

102 Stewart Creek Rise, Canmore, AB

1. 1686395 Alberta Ltd is the Buyer of the Property in the Contract dated 23, 2012.

The conditions in that Contract that the Buyer now unilaterally waives or have satisfied are:

7.1 The Buyer's Conditions are:

- (a) It shall have until noon on August 10, 2012 to conduct its due diligence with respect to the Property and the Seller shall give the Buyer unrestricted access to the Property to carry on such due diligence; and
- (b) It shall have until noon on August 10, 2012 to obtain a commitment letter for a first mortgage on the property in the amount of \$1,950,000, at terms satisfactory to the buyer.

- 2. All other provisions in the Contract remain in full force and effect.
- 3. In this notice, the singular shall be constituted as the plural where the context so requires.
- 4. This Notice shall enure to the benefit of and be binding upon my heirs, executors, administrators, successors and assigns.
- 5. As per the Contract, if a notice has not been given to the other party before 9 p.m. on the stated Condition Day, then the transaction is ended.

DATED at 1686395 Alberta Ltd, this 8 day of August, 2012 at 12:30 a.m.

1686395 Alberta Ltd. (Buyer)

Per: [Signature]
Tim Walsh, President

THIS WAIVER OF CONDITIONS IS SUBJECT TO THE AMENDMENT DATED JUNE 23 REDUCING THE PRICE TO \$2,320,000.00 BEING ACCEPTED



LAND TITLE CERTIFICATE

S LINC SHORT LEGAL TITLE NUMBER
0032 626 129 0714123;18;1 081 183 957

LEGAL DESCRIPTION
PLAN 0714123
BLOCK 18
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;10;24;15;NE

MUNICIPALITY: TOWN OF CANMORE

REFERENCE NUMBER: 071 412 914 +2

THIS IS EXHIBIT " D "
referred to in the Affidavit of
ROBERT FRIESEN

Sworn before me this 16th
day of AUGUST, 20 12

A Commissioner for Oaths
in and for the Province of Alberta

Travis P. Lysak
Barrister & Solicitor

Table with 5 columns: REGISTRATION, DATE(DMY), DOCUMENT TYPE, VALUE, CONSIDERATION. Row 1: 081 183 957, 21/05/2008, TRANSFER OF LAND, \$4,400,000, CASH & MORTGAGE

OWNERS

THE LEDGES INC..
OF 808 - 55 AVENUE NE
CALGARY
ALBERTA T2E 6Y5

ENCUMBRANCES, LIENS & INTERESTS

Table with 3 columns: REGISTRATION NUMBER, DATE (D/M/Y), PARTICULARS. Row 1: 061 089 800, 02/03/2006, UTILITY RIGHT OF WAY GRANTEE - FORTISALBERTA INC.. AS TO PORTION OR PLAN:0610543

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
081 183 957

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
061 091 400	03/03/2006	UTILITY RIGHT OF WAY GRANTEE - ALTALINK MANAGEMENT LTD.. 2611 - 3 AVE SE CALGARY ALBERTA T2A7W7 AS TO PORTION OR PLAN:0610485 (DATA UPDATED BY: CHANGE OF ADDRESS 091146595)
071 412 913	17/08/2007	CAVEAT RE : DEVELOPMENT AGREEMENT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - THE TOWN OF CANMORE. 600-9TH STREET CANMORE ALBERTA T1W2T2
071 412 916	17/08/2007	UTILITY RIGHT OF WAY GRANTEE - THE TOWN OF CANMORE. AS TO PORTION OR PLAN:0714124
071 412 918	17/08/2007	UTILITY RIGHT OF WAY GRANTEE - THE TOWN OF CANMORE. PORTION DESCRIBED
071 412 919	17/08/2007	RESTRICTIVE COVENANT
081 183 958	21/05/2008	MORTGAGE MORTGAGEE - FIRM CAPITAL MORTGAGE FUND INC.. 1244 CALEDONIA ROAD TORONTO ONTARIO M6A2X5 ORIGINAL PRINCIPAL AMOUNT: \$3,000,000
081 183 959	21/05/2008	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES , ETC. CAVEATOR - FIRM CAPITAL MORTGAGE FUND INC.. 1244 CALEDONIA ROAD TORONTO ONTARIO M6A2X5 AGENT - RICHARD H KENNEDY

(CONTINUED)

TOTAL INSTRUMENTS: 008

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED
HEREIN THIS 14 DAY OF AUGUST, 2012 AT 10:49 A.M.

ORDER NUMBER:21848194

CUSTOMER FILE NUMBER: 549362-1



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS
SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR
OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL
PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR
THE BENEFIT OF CLIENT(S).